

Office of Missouri State Auditor

Audit Reports – 2020

Audit	Date Issued	Audit Number
Missouri State Highway Patrol's Use of Highway Funds Year Ended June 30, 2020	12/30/2020	2020-131
Department of Corrections County Reimbursement Program	12/30/2020	2020-130
Missouri State Lottery Commission	12/23/2020	2020-129
County Employee Retirement Fund	12/23/2020	2020-128
Summary of 2020 Follow-Up Reports	12/23/2020	2020-127
Follow-Up Report On Audit Findings City of Silex	12/22/2020	2020-126
City of Berger	12/22/2020	2020-125
Federal Funding for COVID-19 Response November 2020	12/21/2020	2020-124
Federal Unemployment Funding for COVID-19 Response Through October 2020	12/21/2020	2020-123
Department of Conservation Employee's Benefit Plan	12/21/2020	2020-122
Monthly Report on Political Subdivision Filings November 2020	12/17/2020	2020-121
Monthly Report on Municipal Court and Revenue Filings November 2020	12/17/2020	2020-120
City of Raytown	12/17/2020	2020-119
Thirty-Second Judicial Circuit Cape Girardeau County	12/16/2020	2020-118
Jackson County Payroll and Personnel Issues	12/16/2020	2020-117
City of St. Louis Office of Public Administrator	12/10/2020	2020-116
New Madrid County	12/09/2020	2020-115
Clay County Collector	12/07/2020	2020-114
2020 Property Tax Rates	12/03/2020	2020-113
Monthly Report on Political Subdivision Filings October 2020	12/03/2020	2020-112
Monthly Report on Municipal Court and Revenue Filings October 2020	12/03/2020	2020-111
Salt Lick Road Transportation Development District	12/02/2020	2020-110
Federal Funding for COVID-19 Response October 2020	12/01/2020	2020-109
Jackson County Budgets and Transfers	11/30/2020	2020-108
Fortieth Judicial Circuit Newton County	11/23/2020	2020-107
Marion County	11/16/2020	2020-106
Federal Funding for COVID-19 Response September 2020	11/13/2020	2020-105
Monthly Report on Political Subdivision Filings September 2020	11/12/2020	2020-104
Monthly Report on Municipal Court and Revenue Filings September 2020	11/12/2020	2020-103
Seventeenth Judicial Circuit Johnson County	11/10/2020	2020-102
Dunklin County	11/10/2020	2020-101
Madison County	11/10/2020	2020-100
Thirty-Eighth Judicial Circuit City of Clever Municipal Division	11/09/2020	2020-099
City of Clever	11/09/2020	2020-098
Wright County Financial Statements	11/06/2020	2020-097
Wayne County Financial Statements	11/06/2020	2020-096

Sullivan County Financial Statements	11/06/2020	2020-095
Putnam County Financial Statements	11/06/2020	2020-094
Mississippi County Financial Statements	11/06/2020	2020-093
Knox County Financial Statements	11/06/2020	2020-092
Chariton County Financial Statements	11/06/2020	2020-091
Benton County Financial Statements	11/06/2020	2020-090
Barton County Financial Statements	11/06/2020	2020-089
Medicaid Managed Care Program	11/05/2020	2020-088
City of Edgar Springs	11/05/2020	2020-087
DeKalb County	11/04/2020	2020-086
Federal Funding for COVID-19 Response August 2020	10/01/2020	2020-085
City of St. Louis Treasurer's Office	09/30/2020	2020-084
Monthly Report on Political Subdivision Filings August 2020	09/30/2020	2020-083
Monthly Report on Municipal Court and Revenue Filings August 2020	09/30/2020	2020-082
Greene County Fire Protection District	09/30/2020	2020-081
St. Louis County	09/29/2020	2020-080
City of St. Louis Department of Public Safety	09/28/2020	2020-079
Clark County Financial Statements	09/25/2020	2020-078
Cedar County Financial Statements	09/25/2020	2020-077
City of St. Louis Tax Increment Financing	09/24/2020	2020-076
Jackson County No-Bid Contracts and Other Expenditures	09/23/2020	2020-075
Federal Funding for COVID-19 Response July 2020	09/22/2020	2020-074
St. Louis County Fire Protection District	09/22/2020	2020-073
City of Bel-Ridge	09/17/2020	2020-072
Douglas County	09/17/2020	2020-071
City of Center	09/16/2020	2020-070
Vernon County Financial Statements	09/11/2020	2020-069
Oregon County Financial Statements	09/11/2020	2020-068
McDonald County Financial Statements	09/11/2020	2020-067
Carroll County Financial Statements	09/11/2020	2020-066
Summary of Local Government and Court Audit Findings - Information Security Controls	09/10/2020	2020-065
Department of Commerce and Insurance - Insurance	09/08/2020	2020-064
Ripley County Financial Statements	09/04/2020	2020-063
Montgomery County Financial Statements	09/04/2020	2020-062
Carter County Financial Statements	09/04/2020	2020-061
Bates County Financial Statements	09/04/2020	2020-060
Monthly Report on Political Subdivision Filings July 2020	09/01/2020	2020-059
Monthly Report on Municipal Court and Revenue Filings July 2020	09/01/2020	2020-058
Polk County Financial Statements	08/28/2020	2020-057
Linn County Financial Statements	08/28/2020	2020-056
Lawrence County Financial Statements	08/28/2020	2020-055
Caldwell County Financial Statements	08/28/2020	2020-054
City of St. Louis Office of Collector of Revenue	08/27/2020	2020-053

Monroe County	08/26/2020	2020-052
Section 536.175 RSMo Compliance	08/20/2020	2020-051
Greene County	08/19/2020	2020-050
Warren County	08/13/2020	2020-049
Big Bend Crossing Transportation Development District	08/12/2020	2020-048
Pathway Academy Charter School	08/11/2020	2020-047
City of St. Louis Department of Health	08/10/2020	2020-046
Office of Attorney General	08/07/2020	2020-045
Monthly Report on Political Subdivision Filings June 2020	08/06/2020	2020-044
Monthly Report on Municipal Court and Revenue Filings June 2020	08/06/2020	2020-043
Federal Funding for COVID-19 Response June 2020	08/06/2020	2020-042
Department of Revenue Sales and Use Tax	08/05/2020	2020-041
Valley R-VI School District Attendance Procedures	07/02/2020	2020-040
City of St. Louis St. Louis Agency on Training and Employment (SLATE)	07/02/2020	2020-039
City of Parma	07/01/2020	2020-038
Stone County	07/01/2020	2020-037
Federal Funding for COVID-19 Response May 2020	06/30/2020	2020-036
Review of Article X, Sections 16 Through 24, Constitution of Missouri, Year Ended June 30, 2019	06/29/2020	2020-035
Monthly Report on Political Subdivision Filings May 2020	06/25/2020	2020-034
Monthly Report on Municipal Court and Revenue Filings May 2020	06/25/2020	2020-033
Clay County Public Administrator	06/24/2020	2020-032
Phelps County	06/23/2020	2020-031
Johnson County Collector and Property Tax System	06/22/2020	2020-030
The City of Monroe City	06/18/2020	2020-029
Charter School Oversight	06/17/2020	2020-028
St. John Crossing Transportation Development District	06/16/2020	2020-027
Clay County Recorder of Deeds	06/02/2020	2020-026
2019 Annual Report	05/21/2020	2020-025
Monthly Report on Political Subdivision Filings April 2020	05/20/2020	2020-024
Monthly Report on Municipal Court and Revenue Filings April 2020	05/20/2020	2020-023
Howard County	05/12/2020	2020-022
City of St. Louis Office of the Comptroller	05/04/2020	2020-021
Seventh Judicial Circuit City of Excelsior Springs Municipal Division	04/30/2020	2020-020
City of Otterville	04/29/2020	2020-019
Clay County County Clerk	04/27/2020	2020-018
Monthly Report on Political Subdivision Filings March 2020	04/20/2020	2020-017
Monthly Report on Municipal Court and Revenue Filings March 2020	04/20/2020	2020-016
Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund	04/15/2020	2020-015
State of Missouri Single Audit Year Ended June 30, 2019	03/26/2020	2020-014
Compilation of 2019 Federal Forfeiture Reports	03/24/2020	2020-013
Monthly Report on Political Subdivision Filings February 2020	03/19/2020	2020-012
Monthly Report on Municipal Court and Revenue Filings February 2020	03/19/2020	2020-011
Comprehensive Annual Financial Report - Report on Internal Control, Compliance,	03/05/2020	2020-010

and Other Matters / Year Ended June 30, 2019		
Monthly Report on Political Subdivision Filings January 2020	03/02/2020	2020-009
Monthly Report on Municipal Court and Revenue Filings January 2020	03/02/2020	2020-008
Compilation of 2019 Criminal Activity Forfeiture Act Seizures	02/24/2020	2020-007
Office of Attorney General Review of Whether State Resources Were Used for Political Purposes	02/06/2020	2020-006
Monthly Report on Political Subdivision Filings December 2019	02/03/2020	2020-005
Monthly Report on Municipal Court and Revenue Filings December 2019	02/03/2020	2020-004
Follow-Up Report On Audit Findings Plattsburg Special Road District	01/14/2020	2020-003
Working Capital Revolving Fund	01/10/2020	2020-002
Comprehensive Annual Financial Report / Year Ended June 30, 2019	01/10/2020	2020-001



Nicole Galloway, CPA

Missouri State Auditor

Missouri State Highway Patrol's
Use of Highway Funds

Year Ended June 30, 2020

Report No. 2020-131

December 2020

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Missouri State Highway Patrol's Use of Highway Funds

Background	Missouri state law requires the Missouri State Auditor to examine whether State Highways and Transportation Fund appropriations to the Missouri State Highway Patrol are used in accordance with the Missouri Constitution, which limits the use of these funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations.
Methodology	Audit staff reviewed policies and procedures, financial records and other pertinent documents; interviewed agency personnel; and tested selected transactions. Auditors also reviewed highway patrol calculations of amounts spent for non-highway activities; and the amounts spent for highway-related activities from other funding sources.
Conclusions	The audit determined the Missouri State Highway Patrol complied with legal provisions related to the use of this funding for the 2020 fiscal year.

Because of the limited objective of this review, no overall rating is provided.

Missouri State Highway Patrol's Use of Highway Funds

Table of Contents

State Auditor's Report	2
------------------------	---

Background, Methodology, and Conclusions	3
---	---



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sandra K. Karsten, Director
Department of Public Safety
and
Colonel Eric T. Olson, Superintendent
Missouri State Highway Patrol
Jefferson City, Missouri

We have audited the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds, as required by Section 226.200.3, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2020. The objective of our audit was to determine whether the agency is in compliance with legal provisions related to the use of Highway Funds.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The Background, Methodology, and Conclusions present our comments concerning the overall compliance related to the Department of Public Safety, Missouri State Highway Patrol's Use of Highway Funds.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Audit Director:	Robert E. Showers, CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Joyce Thomson

Missouri State Highway Patrol's Use of Highway Funds

Background, Methodology, and Conclusions

Background

The State Auditor is required to determine whether appropriations from the State Highways and Transportation Fund (State Highway Fund) to the Missouri State Highway Patrol (MSHP) are used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution.

Limitations and requirements

Article IV, Section 30(b), Missouri Constitution, limits the MSHP's use of highway funds to activities related to administering and enforcing state motor vehicle laws or traffic regulations. In addition, Section 226.200.3, RSMo, provides, in part:

" . . . Appropriations allocated from the state highways and transportation department fund to the highway patrol shall only be used by the highway patrol to administer and enforce state motor vehicle laws or traffic regulations. Beginning July 1, 2007, any activities or functions conducted by the highway patrol not related to enforcing or administering state motor vehicle laws or traffic regulations shall not be funded by the state highways and transportation department fund, but shall be funded from general revenue or any other applicable source. Any current funding from the highways and transportation department fund used for activities not related to enforcing state motor vehicle laws or traffic regulations shall expire on June 30, 2007. The state auditor shall annually audit and examine the appropriations made to the highway patrol to determine whether such appropriations are actually being used for administering and enforcing state motor vehicle laws and traffic regulations pursuant to the constitution. The state auditor shall submit its annual findings to the general assembly by January fifteenth of each year."

During the year ended June 30, 2020, the MSHP used appropriations from the State Highway Fund as follows:



Missouri State Highway Patrol's Use of Highway Funds Background, Methodology, and Conclusions

	Appropriation		Lapsed
	Authority	Expenditures ¹	Balances ²
Enforcement personal service	\$ 77,743,601	55,235,841	22,507,760
Enforcement expense and equipment	6,486,658	5,930,813	555,845
Technical services personal service	16,468,316	14,158,573	2,309,743
Technical services expense and equipment	14,839,238	13,938,130	901,108
Vehicle and driver safety personal service	11,641,966	10,622,943	1,019,023
Vehicle and driver safety expense and equipment	1,110,790	743,327	367,463
Refund unused motor vehicle inspection stickers	100,000	37,165	62,835
Administration personal service	6,518,675	5,859,975	658,700
Administration expense and equipment	527,891	414,343	113,548
Crime laboratories personal service	4,187,749	3,775,118	412,631
Crime laboratories expense and equipment	1,584,749	1,474,526	110,223
Law Enforcement Academy personal service	1,382,451	1,166,006	216,445
Law Enforcement Academy expense and equipment	73,576	33,299	40,277
Fringe benefits personal service	88,896,633	66,677,148	22,219,485
Fringe benefits expense and equipment	7,176,186	6,780,532	395,654
Vehicle replacement expense and equipment	6,323,075	6,115,420	207,655
Gasoline expenses	4,837,264	3,166,851	1,670,413
Interoperable system highway	5,612,926	5,201,959	410,967
Interoperable ongoing highway	4,100,000	3,719,888	380,112
Total	\$ 259,611,744	205,051,857	54,559,887

¹ Amounts exclude personal service expenditures totaling \$25,726,519 initially paid from MSHP appropriations from the State Highway Fund that were retroactively reclassified by the Office of Administration in November 2020 to Department of Public Safety appropriations from the State Emergency Management Federal Stimulus Fund for costs related to duties performed in response to the Coronavirus Disease 2019 (COVID-19) emergency.

² The lapsed balances include withholdings made at the Governor's request totaling \$4,263,390.

Methodology

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objective and assessed the design, implementation, and operating effectiveness of such internal control to the extent necessary to address our audit objective. We also obtained an understanding of legal provisions that are significant within the context of the audit objective, and we assessed the risk that illegal acts, including fraud, and violations of other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.



Missouri State Highway Patrol's Use of Highway Funds Background, Methodology, and Conclusions

To determine whether the MSHP complied with the limitations on the use of highway funds, we reviewed the MSHP calculations of amounts expended from the State Highway Fund for non-highway activities and the amounts expended by the MSHP for highway-related activities from other funding sources. We compared the amounts used in the MSHP calculations to expenditures recorded in the state accounting system (SAM II) and other supporting documentation. In addition, we tested certain expenditures to determine if the expenditures were properly recorded.

Conclusions

We concluded the MSHP is in compliance with legal provisions related to the use of Highway Funds. During fiscal year 2020, the MSHP spent approximately \$1,695,000 appropriated from the State Highway Fund for expenditures not related to highway activities. This amount included non-highway personal service expenditures made from the State Highway Fund from appropriations for administration, crime laboratories, and fringe benefits; and expense and equipment expenditures from appropriations for administration, gasoline, and fringe benefits. However, these expenditures were more than offset by personal service and/or expense and equipment expenditures totaling approximately \$4,221,000 from appropriations for crime laboratories, training academy, and technical services that were related to highway activities, but not paid from the State Highway Fund. As a result, approximately \$2,526,000 more was spent on highway-related activities than was paid from highway funds during fiscal year 2020.

The seal of the State Auditor of Missouri is circular. It features a central shield with a balance scale and a sword. Above the shield is an eagle with spread wings. The text "SEAL OF THE STATE AUDITOR" is at the top, "JULY 1820 MISSOURI 1892" is at the bottom, and "UNDER THE STAND DIVIDED" is in the center.

Nicole Galloway, CPA

Missouri State Auditor

Department of Corrections County Reimbursement Program

Report No. 2020-130

December 2020

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Department of Corrections County Reimbursement Program

<p>Inadequate Reimbursement Rate Results in State Liabilities and Increased Subsidization of State Costs at the Local Level</p>	<p>Appropriations and reimbursement rates for the reimbursement of criminal costs, prisoner transportation, and extradition costs for state prisoners to Missouri counties have generally kept up with inflation over the past decade, but have not kept up with reimbursement requests submitted from the counties. In addition, incarceration costs incurred by counties for state prisoners have continued to increase, resulting in county governments increasingly subsidizing state incarceration costs.</p>
<p>Clarification in State Law Needed</p>	<p>Clarification is needed in state law to improve clarity and consistency for counties. Officials from the Department of Corrections (DOC) as well as several county officials stated the statutory wording of Section 221.105.3, RSMo, was unclear regarding the state's potential maximum liability to counties and could be open to multiple interpretations. The state prisoner transport reimbursement methodology does not align with actual costs incurred by the counties. State law defining which cases are eligible for county reimbursement is inconsistent and can result in uncertainty for counties about when and if incarceration costs for certain inmates will be reimbursed, and can result in administrative burden.</p>
<p>Weaknesses in DOC Processes and Procedures</p>	<p>The DOC has not requested sufficient funds to pay outstanding liabilities to counties and the department's annual budget requests have not acknowledged the state's liability to county governments. The DOC's procedures for processing county reimbursement requests are not adequate, resulting in overpayments to county governments.</p>

Due to the nature of this report no rating is provided.

Department of Corrections

County Reimbursement Program

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology.....	9

Management Advisory Report - State Auditor's Findings	
1. Inadequate Rate Reimbursement Results in State Liabilities and Increased Subsidization of State Costs at the Local Level	11
2. Clarification in State Law Needed	15
3. Weaknesses in DOC Processes and Procedures	19

Appendixes	
A Historical Daily Reimbursement Rate.....	23
B Historical Costs in Criminal Cases Appropriations.....	24
C Arrearage by County	25
D Missouri Department of Corrections Response.....	29



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Anne L. Precythe, Director
Department of Corrections
Jefferson City, Missouri

We have audited certain operations of the Department of Corrections (DOC). The state's low reimbursement rates for housing state prisoners has been an ongoing concern for several years and has received more attention lately due to the state's inability to make timely reimbursement payments to county governments. The objectives of our audit were to:

1. To evaluate internal controls over significant management and financial functions related to the County Reimbursement Program.
2. To evaluate compliance with certain legal provisions related to the County Reimbursement Program.
3. To evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions related to the County Reimbursement Program.
4. To determine the impact of unpaid bill of costs on county governments.

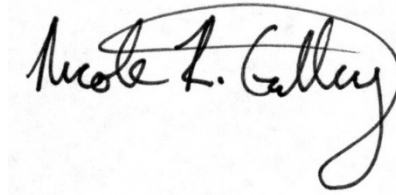
Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the view of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Due to the nature of this report, and due to the majority of the findings being legislative in nature, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in findings 1 and 2 of the Management Advisory Report. The views of DOC officials were obtained and included in finding 3 of the Management Advisory Report.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) increases in

state liabilities and insufficient reimbursement rates resulting in county governments increasingly subsidizing the cost of housing of state prisoners.

The accompanying Management Advisory Report presents our findings arising from our audit of the DOC's County Reimbursement Program.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written in a smaller, more compact script between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Joshua Allen, CPA, CIA, CGAP, CFE
In-Charge Auditor:	Charity Grotzinger, CGAP, CFE
Audit Staff:	Terese Summers, MSAS, CPA

Department of Corrections

County Reimbursement Program

Introduction

Background

The Department of Corrections (DOC) has the responsibility of supervising and managing 20 correctional institutions, 10 institutional treatment centers, 49 probation and parole offices, 6 community supervision centers, and 1 community release center providing correctional services throughout the state. The DOC is composed of the Office of the Director and four divisions: Human Services, Adult Institutions, Offender Rehabilitative Services, and Probation and Parole. The department has approximately 11,000 employees, overseeing and supervising 24,000 convicted adult felons, 18,700 parolees, and 37,600 probationers across the state.

In 2006, Senate Committee Substitute for Senate Bill (SB) 870 modified state law to transfer responsibility for some payments from the Office of Administration (OA) to other state agencies. Prior to SB 870, sheriffs in counties were required to file claims with the OA for reimbursable services such as boarding costs, extradition, and transportation of certain offenders. SB 870 transferred the responsibility of reimbursing counties from the OA to the Director of the DOC.

Crimes are classified as either felonies or misdemeanors. Under Section 556.061, RSMo, a crime is a felony offense if it is so designated or an offense for which persons found guilty thereof may be sentenced to death or imprisonment for a term greater than one year. Offenders charged with a felony and sentenced to imprisonment for more than one year serve their term in a DOC correctional center. Conversely, a crime is a misdemeanor if an offense is so designated or the offense results in a sentence of imprisonment for one year or less. Those charged with a misdemeanor and receiving a sentence of imprisonment of one year or less, serve their term in a county jail. Expenses for indigent prisoners are reimbursable by the state to the sheriff for those offenders who were charged with a felony, convicted, and sentenced to DOC as provided in Section 550.020, RSMo.

The DOC is statutorily required to reimburse counties and sheriffs for certain expenses incurred on behalf of offenders that are sentenced to the custody of the DOC. Sections 548.241 and 548.243, RSMo, allow for counties to be reimbursed for extradition services provided by the sheriff, deputy, or private transport companies. In addition, sheriffs are to be reimbursed for providing transportation to a reception and diagnostic center once an offender is sentenced, per Section 57.290, RSMo. Chapter 550, RSMo, also outlines certain criminal costs, including incarceration costs, that are to be reimbursed by DOC once an offender is sentenced to the DOC. Section 221.105.3, RSMo, states the DOC is authorized to pay "up to" \$37.50 per day per offender; however, the reimbursement rate is "subject to appropriations, but not less than the amount appropriated the previous year." The current rate of \$22.58 per day, was established July 1, 2017. The DOC establishes the rate based on legislative intent through the appropriations process. The DOC modifies the



Department of Corrections
County Reimbursement Program
Introduction

rate based on the intent of increases or decreases to reimbursement appropriations authorized by the General Assembly.

Currently, counties submit claims throughout the year for all 3 types of expenses. Typically, these claims are submitted to the DOC County Reimbursement Unit in packets for multiple reimbursement requests, not just for one individual. Unit personnel log and audit each request for accuracy and to ensure prior payment has not been provided. Once audited, a coversheet is prepared for the claim packet to note the important details including but not limited to date, type of claim, audited amount to be paid, and county. However, because appropriations have not been sufficient to pay all submitted claims timely, there is a backlog of payments due. Each quarter when appropriations are made available, DOC personnel enter and approve claims pending reimbursement on a first in first out basis up to the appropriation amount available. Payments are usually processed and paid within the first 48 hours of receipt of these appropriations. Currently, for all 3 types of expenses there is a time delay from receipt of the claim to payment. These delays are approximately 3 months for extraditions, 8 months for bill of costs, and 9 months for certificate of deliveries, according to DOC records.

Prior audit

The State Auditor's Office (SAO) issued an audit report of the DOC that included recommendations regarding county reimbursements in 2009.¹ That audit reported the DOC had not established adequate policies and procedures to review and approve cost reimbursement requests. In addition, the audit found that the interpretation of the state law for reimbursing counties for transporting convicted offenders provided excess reimbursement for these services. The audit recommended the DOC expand monitoring procedures and consider developing an electronic billing system with sufficient edit checks designed to prevent and detect improper payments. Other recommendations included considering amending procedures to provide for reimbursements that more closely represent actual mileage costs and seeking applicable legislation or legal opinions for state law clarification.

Comparison with other states

According to a survey conducted by the DOC, Missouri is potentially the only state in the nation that reimburses counties for the cost of incarcerating individuals in county jails for pretrial detention days. In March 2019, the DOC surveyed the other 49 states to determine if county jails were reimbursed by the state for time spent in jail custody pretrial. Of the 30 states that responded, none provided county reimbursement for pretrial days. We also reviewed a February 2010 report issued by the National Association of

¹ SAO Report No. 2009-103, *Department of Corrections*, issued in September 2009 is available at <<https://app.auditor.mo.gov/repository/press/2009-103.pdf>>.



Department of Corrections
County Reimbursement Program
Introduction

Counties (NACO), "State Prisoners in County Jails,"² which indicated at that time Missouri was the only state providing reimbursement for pretrial detention days. We could not identify any other state that provided pretrial reimbursement payments to local county jails.

While it is common for states to have some form of a county jail reimbursement program, these programs typically only provide reimbursement to counties holding prisoners after sentencing, or for counties to house state prisoners due to the overcrowding of state prisons. In some states, like Arkansas, reimbursement begins as early as the date of sentencing. Other states, such as Iowa and Oklahoma, contract or negotiate rates with counties to hold prisoners due to insufficient space in state facilities.

The governmental entity responsible for holding inmates awaiting trial can also vary among the states. For example, some states use regional jails that provide jail services for multiple counties. The state of West Virginia provides funding to the Regional Jail and Corrections Facility Authority, which operates regional jail facilities throughout that state. The authority then charges counties for housing pretrial prisoners. Currently, the rate charged to West Virginia counties is \$48.25 per day per prisoner.

Missouri's unique statutory provision of paying counties for inmates unable to pay criminal costs dates back to the earliest years of Missouri's history as a state. We reviewed the Revised Statutes of Missouri published in 1825 and 1835. We noted that statutes in the 1825 publication provided for state reimbursement to counties after the first year of incarceration if the offender could not pay the accrued costs. By the 1835 publication, the language requiring counties to pay for the first year of incarceration was removed. State law currently reimburses counties for incarceration costs in 4 general circumstances:

1. Pretrial jail time served for cases where offender is sentenced to state incarceration.
2. Post-sentence jail time served awaiting transfer to a state facility.
3. Parole violator jail time served while awaiting judicial determination and transfer to a state facility.
4. Probation violator jail time served while awaiting judicial determination and transfer to a state facility only if the judge sentences the offender to state incarceration. This circumstance also makes any pretrial jail time served eligible for state reimbursement.

² NACO February 2010 *State Prisoners in County Jail Report*, is available at <https://www.naco.org/sites/default/files/documents/State%20Prisoners%20in%20County%20Jails%20Updated.pdf>, accessed September 30, 2020.



Department of Corrections
County Reimbursement Program
Introduction

Pretrial detention

Pretrial detention is the detaining of an accused person in a criminal case before the trial has taken place, either because of a failure to post bail or due to denial of release under pretrial detention statutes (Sections 544.455 and 544.470, RSMo).

When polled by the Missouri Sheriffs' Association regarding local jail populations, 69 of the 114 counties (61 percent) responded and indicated that overall, approximately 73 percent of the jail population were awaiting trial on a felony offense. However, data on pretrial detention in Missouri is not available due to the lack of a centralized database of incarceration data.

The Missouri Supreme court recently issued new court rules regarding the use of monetary bonds and non-monetary conditions of release. Effective July 1, 2019, the Missouri Supreme Court introduced Rule 33.01, requiring judges to first consider non-monetary conditions for pretrial. Under the new bond rules, a defendant's ability to pay, his or her family situation, and the danger posed to the public by release were crucial points for judges to consider.

At the federal level, on September 27, 1982, the Pretrial Services Act was signed into law, mandating pretrial services functions be provided in each judicial district except the District of Columbia. Therefore, in Missouri, many of the pretrial options are used by the Eastern and Western Districts of Missouri for federal offenders. In addition, several counties in Missouri have created their own pretrial services in an attempt to reduce incarceration costs, allowing criminal justice funding to be spent more effectively. The most notable programs are in the counties of Boone, Cole, Greene, Jasper, Jackson, and St. Louis, and the City of St. Louis.

Missouri State Justice Reinvestment Task Force

In June 2017, Governor Greitens established the Missouri State Justice Reinvestment Task Force with Executive Order 17-17. The 22-member task force includes state lawmakers, judiciary members, corrections officials, defense and prosecuting attorneys, and local law enforcement executives. The Council of State Governments (CSG) Justice Center was tasked with collecting and analyzing data and partner with state leaders to develop appropriate policy options and strategies. On November 28, 2017, the CSG Justice Center presented its fourth presentation to the Missouri State Justice Reinvestment Task Force. This presentation³ focused on 3 main areas (1) understanding drivers of jail populations, (2) breaking down county jail reimbursement, and (3) changing Missouri's jail reimbursement paradigm.

³ The Justice Reinvestment in Missouri, Fourth presentation to the Missouri State Justice Reinvestment Task Force is available at <https://csgjusticecenter.org/wp-content/uploads/2020/10/MO-JR-Pres-Nov-28-2017_FINAL_Updated.pdf>, accessed October 26, 2020.



Department of Corrections
County Reimbursement Program
Introduction

In the presentation, driving factors for the increase in jail population not only included pretrial detention but also long case processing times often due to understaffing of the public defenders. The Justice Center also noted that certain offenses should not require jail time, that citation and release in lieu of arrest could be used for non-violent offenses.

In reviewing of county jail reimbursement for fiscal year 2017, the Justice Center noted that Missouri spent more than \$40 million to reimburse county jails, representing a total of approximately 1.8 million incarceration days statewide. Of these claims, 34 percent were associated with days in jail in excess of 3 months. In addition, the report indicated the process is not transparent, efficient, or effective. Judges, sheriffs, prosecutors, and county clerks must certify claimed jail days, but DOC manually enters and audits the claims and adjusts reimbursement amounts accordingly. The report indicated all this is done without benefit of any meaningful database on jail populations.

The Justice Center concluded in its final presentation⁴ to the Missouri State Justice Reinvestment Task Force on December 13, 2017, that opportunities existed to change current investments into more flexible and impactful resources to aid local communities in improving pretrial and jail resource management practices. Such opportunities included encouraging counties to implement pretrial practices that enhance public safety and make better use of limited criminal justice resources.

Proposed changes

In response to recommendations from the task force, the General Assembly revised Section 221.105, RSMo, effective August 28, 2018 to create an alternative jail sanction in an attempt to reduce jail costs and overcrowding and to improve payments to counties without impacting public safety. This new law allowed counties to seek reimbursement for certain pretrial monitoring services. However, the statute placed a number of restrictions on counties in order to participate in the program. For example, counties could only receive reimbursement for pretrial services if the defendant was ultimately eligible for state incarceration. In addition, counties participating in the pretrial service program could not receive more in total reimbursement than the amount received in the previous fiscal year. Since an offender is not determined to be a state liability until sentencing and a county cannot control the number of criminal cases each year, interest from counties in participating in the program was limited and program funding was diverted to fund additional county reimbursements for traditional incarceration costs.

⁴ The Justice Reinvestment in Missouri, Final presentation to the Missouri State Justice Reinvestment Task force is available at <https://csgjusticecenter.org/wp-content/uploads/2020/10/12.13.17_JR-in-MO_Final-Presentation.pdf>, accessed October 26, 2020.



Department of Corrections
County Reimbursement Program
Introduction

During the 2020 regular legislative session, multiple proposals were introduced that could impact the county jail reimbursement program. The most notable was House Bill (HB) 1735 that would have modified Section 221.105, RSMo, to allow counties to continue receiving reimbursement for incarcerating prisoners. However, the rate paid by the DOC would be calculated and adjusted quarterly using available appropriation amounts and the number of eligible incarceration days requested by counties for reimbursement, with a maximum rate of \$40 per day. Requests paid at the calculated quarterly rate would not be eligible for additional reimbursement from the state. This proposed revision would prevent additional liabilities from being incurred by the state due to low appropriation amounts. However, the rate paid could be lower than current rates paid depending on reimbursement requests received by the DOC and amounts appropriated by the legislature for county reimbursement. This bill did not pass during the 2020 regular legislative session.

Scope and Methodology

The scope of our audit included, but was not limited to, the year ended June 30, 2020. Our methodology included obtaining databases for criminal costs, in-state transportation, and extradition reimbursements maintained by the DOC; analyzing the data and performing tests to determine if certain elements were accurate and in accordance with statutory requirements; and interviewing various personnel of the Department of Corrections, as well as certain external parties. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To gain an understanding of the legal requirements governing the DOC's county reimbursement program, we reviewed relevant state statutes. We then reviewed documentation from the DOC to determine if statutory requirements were being fulfilled during the reimbursement process to ensure compliance.

To gain an understanding of the DOC's policies and procedure regarding county reimbursement for criminal costs, we met with applicable officials from the agency and reviewed the agency's relevant written policies and procedures. We then performed tests to determine compliance with certain policies and procedures.

To gain an understanding of relevant issues at the county level, we contacted officials from the Missouri Sheriff's Association and emailed a brief survey



Department of Corrections
County Reimbursement Program
Introduction

to county officials and the City of St. Louis. We received responses from 31 county or city representatives (e.g. County Commissioners, County Auditors, Director of Finance) representing jurisdictions with both large and small jail populations.

Department of Corrections

County Reimbursement Program

Management Advisory Report - State Auditor's Findings

1. Inadequate Reimbursement Rate Results in State Liabilities and Increased Subsidization of State Costs at the Local Level

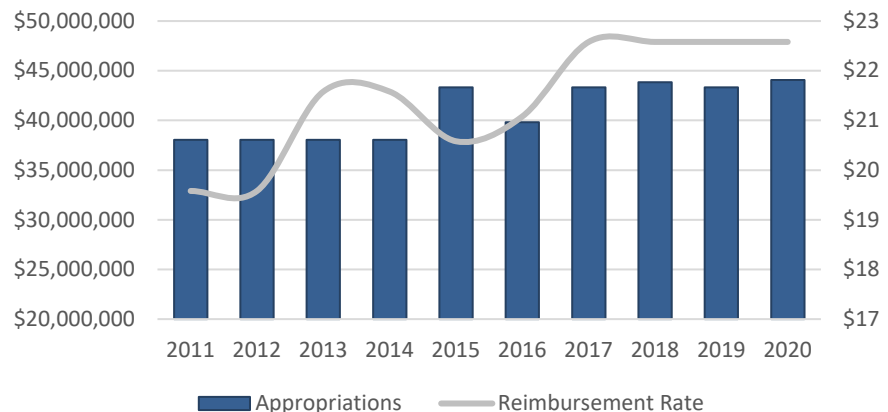
State appropriations and reimbursement rates

Appropriations and reimbursement rates for the reimbursement of criminal costs, prisoner transportation, and extradition costs for state prisoners to Missouri counties have generally kept up with inflation over the past decade, but have not kept up with reimbursement requests submitted from the counties. As a result, the state has accumulated a liability of approximately \$31 million to counties as of June 30, 2020, which represents approximately 80 percent of the annual amount claimed for reimbursement. In addition, incarceration costs incurred by counties for state prisoners have continued to increase, resulting in county governments increasingly subsidizing state incarceration costs.

State appropriations for bill of cost (boarding of prisoners), as well as the reimbursement rate paid to counties, have generally kept up with inflation over the past decade. However, the reimbursement rate paid to counties in fiscal year 2020 is, essentially, the same rate paid in 1998.

Figure 1 depicts state appropriations for bill of cost and the daily reimbursement rate for fiscal years 2011 through 2020, in current dollars (not adjusted for inflation).

Figure 1: Annual appropriations and daily reimbursement rate, fiscal years 2011 to 2020, current dollars



Source: Missouri House of Representatives archived documents and Missouri Department of Corrections (DOC)

See Appendix A and B for historical daily reimbursement rate and historical appropriations information, respectively.

Section 221.105 RSMo requires the state to reimburse counties for costs incurred in housing the state's prisoners, including prisoners being held on probation and parole violations, subject to certain limitations. While some statutorily required fees are reimbursed by the state, most criminal costs reimbursed to counties are for the boarding of prisoners that are sentenced to imprisonment in the DOC. Per statute, the DOC is to reimburse counties at a

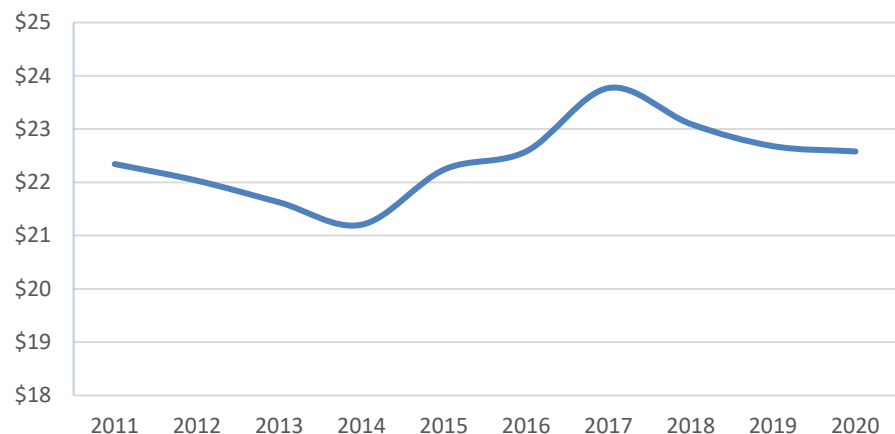


Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

rate of "up to" \$37.50 per day, per prisoner. DOC officials indicated the department determines the reimbursement rate based upon the legislative intent of the appropriated funding. The fiscal year 2020 bill of cost appropriation for this purpose was set at approximately \$40.3 million (this amount included \$1.75 million for the payment of bill of costs requests received by DOC prior to July 1, 2019), and the DOC established the fiscal year 2020 reimbursement rate at \$22.58 per day, per prisoner. For fiscal year 2021, the General Assembly appropriated \$52 million for total county reimbursements with \$48.25 million appropriated for prisoner boarding. The \$48.25 million includes \$9.75 million dedicated for the payment of unpaid reimbursements.

Figure 2, depicts the reimbursement rates in Figure 1, adjusted for inflation. As shown, the inflation-adjusted reimbursement rate has fluctuated over the past decade, but has generally kept up with inflation.

Figure 2: Daily reimbursement rate, fiscal years 2011 to 2020, adjusted for inflation



Source: Missouri DOC records, SAO analysis of Consumer Price Index data from <https://fred.stlouisfed.org/series/CPIAUCSL> and Appendix A

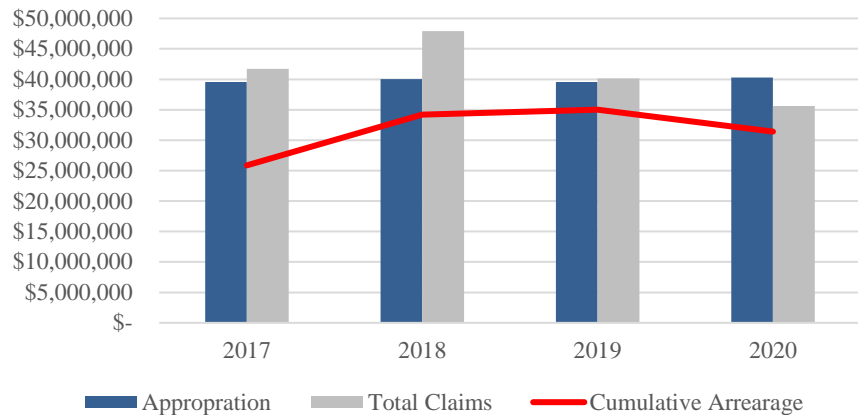
Appropriations have not been sufficient to pay reimbursement claims

Appropriation amounts have not been sufficient to cover all bill of cost reimbursement claims since at least fiscal year 2006, according to DOC officials. In that year, the DOC took responsibility for the program from the Office of Administration. DOC officials indicated that arrearage was an issue at that time. However, the DOC did not start officially tracking annual county reimbursement requests and arrearages until January 2016, therefore the total number of prisoner days requested annually prior to 2016 is unknown. Our review of the available data indicates that between fiscal year 2017 and fiscal year 2020, the bill of cost arrearage increased by approximately \$6 million, to a total cumulative arrearage of approximately \$29 million. Figure 3 shows annual bill of cost appropriations, claims, and arrearage amounts, as well as the cumulative bill of cost arrearage balance, for fiscal year end 2017 to 2020.



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

Figure 3: Bill of cost appropriations, claims, and cumulative arrearage, fiscal years 2017 to 2020



Source: Missouri DOC

Appendix C, shows the fiscal year 2020 submitted claims, payments, arrearage, and cumulative arrearage, by county.

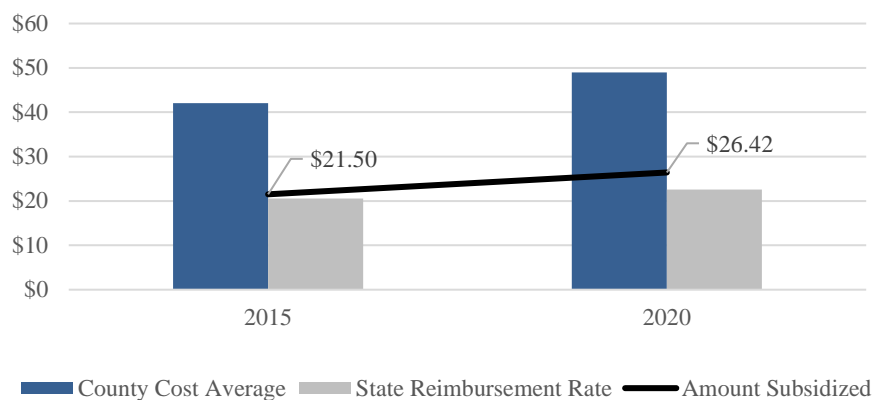
Actual local boarding costs have continued to rise

Incarceration costs at the county level have continued to increase despite only moderate increases in the reimbursement rate. In late 2015, the Committee on Legislative Research's Oversight Division reviewed the DOC's county reimbursement program. During that review, the Oversight Division obtained the daily incarceration cost from 109 counties and determined incarceration costs from these counties ranged from \$20 to \$88 per day, with an average of \$42.08. In March 2020, the Missouri Sheriff's Association surveyed its members regarding the actual daily costs for boarding prisoners. Of the 53 counties that responded, daily rates reported ranged from \$25.45 to \$110 per day with an average of \$49.

Counties are subsidizing state incarceration costs at an increasing rate

The increasing difference between the daily reimbursement rate and incarceration costs at the county level has resulted in an increase in the amount counties are subsidizing the state for housing state prisoners. Figure 4 shows the level of increase in the amount being subsidized at the county level.

Figure 4: Average daily county incarceration costs vs state reimbursement rate, for 2015 and 2020



Source: Missouri Sheriff Association and Missouri DOC



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

The reimbursement rates for both 2015 and 2020 are less than half the average daily county incarceration cost for each year. However, the portion of costs being subsidized by the counties has, on average, increased over that time.

The amount of local revenues necessary to subsidize these state incarceration costs is significant. For fiscal year 2020, claims submitted by counties totaled 1,545,168 bed days. Assuming the average daily cost rate from the Missouri Sheriff's Association survey (\$49 per day), less the state reimbursement rate of \$22.58 per day, counties subsidized an estimated total of \$40.8 million in incarceration costs for state prisoners in fiscal year 2020.

The local cost of incarcerating state prisoners has exceeded the state reimbursement rate for many years. Senate Bill (SB) 781 in 1996, increased the per diem prisoner costs that a county could charge the state for actual cost of incarceration from \$20 per day per prisoner to up to \$37.50 per day per prisoner effective July 1, 1997. The fiscal note for the bill indicated "OA officials assumed that most, if not all counties and St. Louis City would be able to establish an actual per diem cost of incarceration at least as high as the proposed \$37.50 and would therefore be able to receive the maximum reimbursement." However, due to the lack of sufficient appropriations, the reimbursement rate paid has not exceeded \$22.58 since 1998.

Local concerns

We provided a survey to each county and the City of St. Louis to obtain specific concerns or issues caused by both the low reimbursement rate and also the delay in reimbursements. Currently, the length of time from claim submission to payment is approximately 8 months. The delay is due to the DOC paying claims in the order received, so unpaid claims that are in arrears are paid before current claims. Of the 30 counties and the City of St. Louis that responded, all indicated concerns or issues regarding the county reimbursement program. Concerns included, but were not limited to (1) having to use general revenue funds or reserve funds in order to cover jail costs not paid by the state, (2) having to make choices of eliminating other services or increasing local tax rates in order to cover unreimbursed costs, and (3) hiring issues in the Sheriff's office due to low salary or inability to purchase necessary equipment. Several counties indicated they do not budget revenue for county jail reimbursements due to the unreliability of receiving timely reimbursement from the state. The impact caused by both the low reimbursement rate and the timeliness of reimbursements tends to be greater on smaller counties with limited revenue sources.

Conclusion

The costs of housing prisoners charged with state crimes requires significant taxpayer resources at the local level. Inadequate state appropriations for these services has resulted in low reimbursement rates and delayed payments to counties. Due to low reimbursements rates, the burden of these costs have increasingly been transferred from the state to individual county governments. To adequately address the current situation, policy makers must



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

determine to what degree these costs are to be funded through state or local tax revenues and then adjust appropriations accordingly.

Recommendation

The General Assembly further evaluate the current funding appropriated to the incarceration reimbursement program to ensure the program is paying the desired level of resources to the local level, and ensure appropriation amounts are sufficient to pay the state's current liabilities timely.

2. Clarification in State Law Needed

Clarification is needed in state law to improve clarity and consistency for counties. Clarity is needed regarding maximum reimbursement amounts for counties and mileage reimbursements to Sheriffs for prisoner transportation. In addition, state law is not consistent regarding the eligibility of certain cases for state reimbursement.

2.1 Maximum reimbursement amount unclear

Officials from the DOC as well as several county officials stated the statutory wording of Section 221.105.3, RSMo, is unclear regarding of the state's potential maximum liability to counties and could be open to multiple interpretations.

Section 221.105.3(3) RSMo, states that beginning on July 1, 1997 the state reimbursement rate is "up to thirty-seven dollars and fifty cents per day per prisoner, subject to appropriations, but not less than the amount appropriated in the previous fiscal year." During our discussions with various County Commissioners, the Missouri Sheriff's Association, and the DOC, there were varying interpretations of the meaning of this statute. Based on these discussions, the meaning of the limiting language of "subject to appropriations, but not less than the amount appropriated in the previous fiscal year" is not clear because the reimbursement rate is set per day per prisoner, but the appropriations are not set in that way. Appropriations are for the total amount of reimbursement to all counties during the fiscal year. In addition, as shown in Appendix B, the appropriation for reimbursement has been reduced 6 times since fiscal year 2001, while the reimbursement rate has been reduced 3 times during that time period.

Amending the statute to provide clarity to state and local governmental officials regarding the legislative intent and statutory requirements of Section 221.105 RSMo, would reduce uncertainty for local officials and allow all parties involved to plan accordingly.

2.2 Mileage reimbursements do not align with actual costs

The state prisoner transport reimbursement methodology does not align with actual costs incurred by the counties. State law allows for reimbursement of mileage reimbursements for each prisoner in the vehicle rather than based on travel costs incurred. Clarification of the transport reimbursement methodology is necessary.



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

Section 57.290.2, RSMo, requires the DOC to pay the following costs for travel reimbursements to Sheriffs for transporting convicted offenders to state reception and diagnostic centers:

- \$8 per day per Sheriff or other officer.
- \$6 per day per guard (allowed when 3 or more prisoners are transported or if ordered by a judge).
- Round trip mileage for each Sheriff or officer.
- Round trip mileage for each guard.
- One-way mileage for each prisoner.

The mileage is reimbursed at the Internal Revenue Service rate for allowable expenses for motor vehicles. From July 1, 2019 to December 31, 2019, and January 1, 2020 to June 30, 2020, this rate was \$.58, and \$.575 per mile, respectively. For comparative purposes, the state employee mileage reimbursement for the same timeframe was \$.43 per mile.

The reimbursement provisions result in reimbursement payments that do not align with the actual costs incurred. For example, a county was reimbursed for a 1-day trip, in which 2 deputies transported 27 prisoners to the Fulton Reception and Diagnostic Center. The county's reimbursement for this trip was \$2,888.80, which included mileage totaling \$2,505.60 for the prisoners. For another trip to the same center, the same county's reimbursement is \$754.40 for transporting 4 prisoners, again claiming expense for 2 deputies. The prisoners portion of this mileage reimbursement was \$371.20. The reimbursement would have been \$383.20 for each of these trips, if mileage was not provided for each prisoner. The existing reimbursement methodology resulted in \$2,876.80 in excess mileage reimbursement for prisoners for these two trips.

During our review of the DOC records of county transportation payments, we noted that more than 50 percent of the total transportation reimbursement payments are for one way mileage of prisoners. Table 1 shows the computations for fiscal year 2017 to 2020.

Table 1: Prisoner mileage reimbursement as a percentage of total transportation reimbursement, fiscal years 2017 to 2020

Fiscal Year	Total Reimbursement	Prisoner Reimbursement	Percentage of Total Claims
2017	\$ 2,249,473	1,189,280	52.9
2018	\$ 2,209,307	1,170,827	53.0
2019	\$ 1,976,439	1,029,666	52.1
2020	\$ 1,778,011	896,897	50.4

The rationale for requiring the state to pay mileage reimbursements with this methodology is unclear. Mileage reimbursements are more commonly used to reimburse for the costs associated with total cost of transportation. For example, the state travel policy (SP-6) outlined in 1 CSR 10-11.010, states that when multiple individuals ride in the same personal vehicle for



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

conducting state business, only the owner of the vehicle is allowed reimbursement.

Simplifying and clarifying state law related to state prisoner transportation reimbursement would help ensure the reimbursement claimed and provided to the counties was reasonable and more aligned with the costs associated with the underlying activity.

2.3 Inconsistent reimbursement eligibility

State law defining which cases are eligible for county reimbursement is inconsistent and can result in uncertainty for counties about when and if incarceration costs for certain inmates will be reimbursed, and can result in administrative burden.

Case dispositions

Under Section 550.020, RSMo, reimbursements to counties are limited to offenders who are sentenced to the DOC. However, costs may or may not be reimbursable depending on how a case is disposed. Under Section 557.011, RSMo, courts have several disposition options when an individual pleads guilty or is found guilty of a felony or a misdemeanor. These options include the following:

1. Sentence the person to a term of imprisonment.
2. Sentence the person to pay a fine.
3. Suspend the imposition of sentence, with or without placing the person on probation.
4. Pronounce sentence and suspend its execution, placing the person on probation.
5. Impose a period of detention as a condition of probation.

Option 3 is referred to as a Suspended Imposition of Sentence (SIS) while option 4 is referred to as a Suspended Execution of Sentence (SES). In both cases, the offender has been found guilty and initially avoids serving time in state prison. Typically, both dispositions also require an offender to serve a period of time on probation. However, despite these similarities between SIS and SES dispositions, the reimbursement for the related incarceration costs for these dispositions are handled differently.

SIS and SES reimbursement differences

SIS dispositions do not involve a sentence of imprisonment in the DOC. As a result, boarding costs incurred by counties for defendants with SIS dispositions are not eligible for reimbursement from the state, despite pleading or being found guilty of state offenses. As a condition of the SIS, individuals may be required to serve up to 5 years of probation. During this period of probation, these individuals may violate conditions of their probation that can result in the court revoking their probation. Upon probation revocation, the court may then impose a sentence of imprisonment in the DOC. Since the individual would then have a sentence of imprisonment to the DOC, all past boarding costs associated with this case would become eligible for reimbursement by the state.



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

In contrast, SES dispositions involve a sentence of imprisonment in the DOC along with a number of years of probation. SES dispositions are considered a conviction; however, the imprisonment sentence is suspended and only the probation term is initially served. If probation is not successfully completed, probation can be revoked and the court may order the individual to serve the original imprisonment sentence. Because an initial sentence of imprisonment was ordered by the court in an SES disposition, the case is immediately eligible for state reimbursement of costs, regardless of whether the offender violates his/her terms of probation and actually serves any time in a DOC facility.

In both an SIS and SES disposition, the county has immediate incarceration costs for a defendant who has either pled or been found guilty of state violations. The inconsistency in cost reimbursement eligibility has no correlation to actual costs incurred by the county. In effect, this inconsistency results in counties potentially having to pay the full incarceration costs of SIS defendants. It is unclear if that is the intention of state law.

Reimbursement for SIS
dispositions are delayed and
must be tracked

Incarceration costs for SIS probation violators can only be claimed for reimbursement after the probation violation occurs. This may be several years after the costs have been incurred. This delay requires counties to track and maintain historical incarceration cost data, and also results in the state reimbursing for prior period costs out of current appropriations.

For example, during our review, we noted one defendant who was charged with Possession of a Controlled Substance in August 2011, and received an SIS with 5 years of supervised probation in May 2012. Due to failing to appear in court prior to receiving the SIS, and then failing to appear at several probation violation hearings, multiple arrest warrants were issued, and the individual spent multiple time periods in the county jail during 2011, 2012, 2014, and 2018. In September 2018, another arrest warrant was served and the court then issued an SES disposition with 5 years of supervised probation. With the issuance of the SES, the county became eligible for all boarding costs associated with the state going back to initial custody in 2011. Due to additional probation violations and another issued arrest warrant, the individual incurred additional incarceration days in the county jail during October 2019. In total, between 2011 and 2019 the offender spent 144 days in the county jail resulting in \$3,017 of boarding costs at the state reimbursement rates. Prior to receiving the SIS in May 2012, the individual spent 52 days in the county jail, representing \$1,018 in state reimbursements. The county submitted a reimbursement for the boarding costs to the DOC in November 2019. However, due to the lack of appropriations, the DOC could not pay the bill during fiscal year 2020. Funds are expected to be available to pay the bill in fiscal year 2021, approximately 10 years after the county incurred the first prisoner boarding costs.



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

Conclusion

Clarifying state law to eliminate the inconsistent reimbursement of SIS and SES disposition costs, and making costs for both dispositions reimbursable immediately after the case is closed would create more consistency among disposition types, would reduce the administrative burden on counties, and would allow costs to be claimed for reimbursement more timely.

Recommendations

The General Assembly:

- 2.1 Consider reviewing Section 221.105, RSMo, and amending the statute to clarify legislative intent and statutory requirements of county reimbursement rates.
- 2.2 Consider amending Section 57.290.2, RSMo, to align prisoner transportation reimbursements with actual costs incurred.
- 2.3 Consider amending state law to provide consistency among cases receiving state reimbursement and reduce the time period between the time boarding services are provided and reimbursements are paid to counties.

**3. Weaknesses in
DOC Processes
and Procedures**

The department has not requested sufficient appropriations during the budget process to pay all reimbursement claims made by counties. In addition, weaknesses in DOC processes and procedures for reviewing and approving reimbursement requests have resulted in duplicate payments to counties for incarceration and extradition reimbursements.

**3.1 Budget requests not
sufficient**

The DOC has not requested sufficient funds to pay outstanding liabilities to counties and the department's annual budget requests have not acknowledged the state's liability to county governments.

Section 33.220, RSMo, requires each department to submit to the budget director estimates of its requirements for appropriations for the next fiscal year on forms prescribed by the budget director. Estimates must separately indicate the requirement for ordinary expenditures for operation and maintenance, extraordinary expenditures for operation and maintenance, and capital expenditures. The department may also include other reports, data or other explanatory material to support the budget estimates. The DOC Budget Unit is responsible for developing, preparing, and presenting the department's annual budget request.

We reviewed the DOC's budget requests for fiscal years 2017 through 2020 and noted appropriation amounts requested by the department were not sufficient to pay anticipated reimbursement claims and unpaid claims accumulated from prior fiscal years. For fiscal year 2021, the Governor recommended an additional \$22 million in appropriations to pay amounts owed to counties. The General Assembly ultimately appropriated \$9.75 million to reduce the state's liability. Table 2 identifies the DOC's fiscal year



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

2017 through 2020 appropriation requests for county reimbursement claims, as well as the approved appropriation, and claims.

Table 2: Comparison of requested and approved appropriation to actual claims

Fiscal Year	Appropriation Requested	Appropriation Approved	Claims	Difference
2017	\$ 43,330,272	43,330,272	45,978,646	(2,648,374)
2018	\$ 43,830,272	43,830,272	52,108,236	(8,277,964)
2019	\$ 43,330,272	43,330,272	44,069,374	(739,102)
2020	\$ 44,080,948	44,080,948	39,151,132	4,929,816

In addition, the DOC's budget requests have not acknowledged or provided information regarding the program's insufficient appropriations in prior years and the resulting accumulated liability owed to counties. The Financial History section of the budget request forms identify actual expenditures for the prior 3 fiscal years and estimated expenditures for the current year. However, without noting the lack of appropriation authority to pay all claims and the accumulated liability owed to counties, the information presented does not provide a complete picture of the program's financial history.

While the General Assembly is responsible for determining final amounts of state appropriations, it is necessary for the DOC to request funding at a sufficient level to ensure the DOC's legal obligations can be paid to local governments timely. In addition, including financial information regarding insufficient appropriations in prior years and the amount owed to counties is necessary to provide policy makers and the general public a complete picture of the program's financial history.

3.2 Payment errors

The DOC's procedures for processing county reimbursement requests are not adequate, resulting in overpayments to county governments. The DOC primarily uses electronic spreadsheets for processing and tracking reimbursement requests. The information in these spreadsheets is entered by DOC staff manually, without edit checks, resulting in records that contain incomplete or inaccurate information.

Prior to January 2016, the DOC did not maintain electronic records in order to track county reimbursement requests. Beginning in January 2016, electronic spreadsheets for criminal costs, in-state transportation, and extradition reimbursement claims were developed to track, audit, and maintain claims submitted to the DOC by counties. During our review and analysis of the in-state transportation and extradition reimbursement records, for January 2016 through June 2020, we identified various data entry errors, such as blank date fields and apparent typos in the transportation date field.

Detailed written procedures for reviewing criminal cost reimbursements were established to ensure proper documentation and statutory requirements were met prior to approving claims for reimbursements, as well as to ensure the claim had not already been submitted and paid. However, DOC officials



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

Transportation and
extradition reimbursement
overpayments

indicated claims for transportation and extradition reimbursements do not go through a formal review process. As a result, our review identified multiple instances of duplicate payments for extradition and transportation reimbursements.

Our review of the department's electronic transportation reimbursement data from January 2016 through June 2020 identified 103 instances of duplicate transportation reimbursement payments to counties, totaling \$53,167. Transportation payments during this period totaled approximately \$8.3 million. In addition, our review of the department's electronic extradition reimbursement data from January 2016 through June 2020 identified 12 instances of duplicate extradition payments to counties, totaling \$10,569. Extradition payments during this period totaled approximately \$8.6 million. Our review of transportation and extradition reimbursement data involved filtering for same names, case numbers, social security numbers, and/or date of birth, and looking for duplicate transport dates. We provided the DOC with the list of duplicate payments to confirm their accuracy. DOC officials also indicated they corrected or would correct on the next county payment, some of the duplicate payments we identified.

Policies and procedures are needed to prevent the duplicate payment of reimbursement requests, ensure databases are complete and accurate, and ensure payments are in compliance with state law. Conversion to an electronic billing system, containing sufficient edit checks, would help increase efficiency and improve the DOC's ability to monitor billings for accuracy and compliance with state law.

A similar condition was noted in our prior audit report.⁵

The DOC does not ensure
transportation and extradition
reimbursements are made
within timeframe required by
state law

Based on our review of reimbursement data, the DOC does not ensure reimbursement claims are made timely in accordance with state law. Per Section 33.120, RSMo, claims against the state must be presented to the Commissioner of Administration within 2 years to be eligible for payment. Excluding claims with blank field dates and apparent typos, we identified reimbursement claims for 192 prisoners, totaling \$18,136 were received after the 2 year statutory time limit. Of this total, claims for 159 prisoners, representing \$13,350 had been approved for payment during fiscal year 2020 but were not paid yet due to insufficient appropriations. We also reviewed extradition claims to determine the number of days between the date the claim was submitted and the date the extradition services were performed to determine if the claim was submitted within the statutory time frame. We identified claims for 14 prisoners, resulting in overpayments totaling \$12,752, paid despite being submitted to DOC after the 2 year time limit.

⁵ SAO Report No. 2009-103, *Department of Corrections*, issued in September 2009 is available at <<https://app.auditor.mo.gov/repository/press/2009-103.pdf>>.



Department of Corrections
County Reimbursement Program
Management Advisory Report - State Auditor's Findings

In addition, the DOC spreadsheets contained data entry errors and often lacked necessary information to properly determine if some claims were paid in compliance within statutory time limitations. DOC officials indicated they typically follow the 2 year rule, but made exceptions due to the "sensitive nature" of the county reimbursement program.

In addition, due to the lack of sufficient details in the DOC database, including the date of prisoner transport and a number of data entry errors, additional payments exceeding the statutory time limit may exist but could not be readily identified.

Recommendations

The Department of Corrections:

- 3.1 Request appropriation amounts necessary to pay all obligations of the department timely. In addition, the department should ensure budget request documents provide a complete financial history of the program by identifying total amounts owed to local governments.
- 3.2 Implement controls and procedures to ensure electronic records contain accurate and complete information. In addition, the department should ensure claims approved for payment have not been previously paid and comply with state law. The department should review the erroneous payments identified and reduce future billings as appropriate.

Auditee's Response

The department's written response is included at Appendix D.



Appendix A
County Reimbursement Program
Historical Daily Reimbursement Rate

Period		Reimbursement Rate
From	To	
7/1/1998	6/30/2002	\$ 22.50
7/1/2002	6/30/2007	\$ 20.00
7/1/2007	6/30/2008	\$ 21.25
7/1/2008	6/30/2010	\$ 22.00
7/1/2010	9/30/2014	\$ 19.58
10/1/2014	6/30/2015	\$ 21.58
7/1/2015	6/30/2016	\$ 20.58
7/1/2016	6/30/2017	\$ 21.08
7/1/2017	6/30/2018	\$ 22.58
7/1/2018	6/30/2019	\$ 22.58
7/1/2019	6/30/2020	\$ 22.58

Source: < <https://doc.mo.gov/divisions/human-services/county-reimbursement> >



Appendix B
County Reimbursement Program
Historical Costs in Criminal Cases Appropriations

Fiscal Year	Criminal Cases Appropriation
2001	\$ 30,700,000
2002	\$ 30,680,000
2003	\$ 27,612,000
2004	\$ 30,908,000
2005	\$ 29,860,616
2006	\$ 35,960,616
2007	\$ 40,060,616
2008	\$ 41,935,616
2009	\$ 43,060,616
2010	\$ 43,060,616
2011	\$ 38,060,616
2012	\$ 38,060,616
2013	\$ 38,060,616
2014	\$ 38,060,616
2015	\$ 43,330,272
2016	\$ 39,817,168
2017	\$ 43,330,272
2018	\$ 43,830,272
2019	\$ 43,330,272
2020	\$ 44,080,948



Appendix C
County Reimbursement Program
Arrearage by County

County	Fiscal Year 2020 Requests*	Fiscal Year 2020 Payments	Fiscal Year 2020 (Arrearage)/ Overage	Cumulative Arrearage	Arrearage as Percent of Fiscal Year 2020 Requests
Adair	\$ 291,709	209,523	(82,186)	288,295	98.8
Andrew	37,279	40,066	2,787	34,370	92.2
Atchison	35,713	30,713	(5,000)	14,313	40.1
Audrain	265,933	282,697	16,764	208,068	78.2
Barry	280,078	264,339	(15,739)	228,729	81.7
Barton	118,048	98,570	(19,478)	63,634	53.9
Bates	21,306	125,353	104,047	10,816	50.8
Benton	89,845	91,225	1,380	65,503	72.9
Bollinger	3,382	63,440	60,058	2,730	80.7
Boone	1,379,512	1,222,324	(157,188)	1,028,728	74.6
Buchanan	806,681	617,666	(189,015)	775,664	96.2
Butler	764,443	707,561	(56,882)	474,310	62.0
Caldwell	33,975	57,998	24,023	32,528	95.7
Callaway	358,035	444,862	86,827	231,375	64.6
Camden	274,464	202,036	(72,428)	259,222	94.4
Cape Girardeau	741,833	807,787	65,954	561,189	75.6
Carroll	35,205	64,822	29,617	32,866	93.4
Carter	23,916	29,511	5,595	17,140	71.7
Cass	405,227	492,370	87,143	300,076	74.1
Cedar	56,580	82,801	26,221	33,638	59.5
Chariton	40,707	42,141	1,434	32,671	80.3
Christian	261,952	393,524	131,572	191,550	73.1
Clark	65,123	131,754	66,631	65,123	100.0
Clay	1,376,135	1,223,771	(152,364)	1,032,964	75.1
Clinton	8,533	218,792	210,259	3,777	44.3
Cole	160,970	321,006	160,036	148,894	92.5
Cooper	103,472	119,634	16,162	85,777	82.9
Crawford	252,858	309,571	56,713	121,792	48.2
Dade	24,601	51,414	26,813	24,472	99.5
Dallas	233,261	360,631	127,370	190,272	81.6
Daviess	162,218	127,574	(34,644)	124,130	76.5
DeKalb	209,029	164,597	(44,432)	158,764	76.0
Dent	112,633	211,090	98,457	111,443	98.9
Douglas	29,405	68,511	39,106	29,405	100.0



Appendix C
County Reimbursement Program
Arrearage by County

County	Fiscal Year 2020 Requests*	Fiscal Year 2020 Payments	Fiscal Year 2020 (Arrearage)/ Overage	Cumulative Arrearage	Arrearage as Percent of Fiscal Year 2020 Requests
Dunklin	719,105	539,633	(179,472)	624,881	86.9
Franklin	419,189	480,869	61,680	366,682	87.5
Gasconade	39,993	41,720	1,727	39,993	100.0
Gentry	56,243	19,148	(37,095)	43,621	77.6
Greene	3,702,946	3,491,446	(211,500)	3,188,925	86.1
Grundy	30,359	75,878	45,519	28,706	94.6
Harrison	40,893	56,332	15,439	40,718	99.6
Henry	391,653	203,237	(188,416)	360,895	92.1
Hickory	90,863	78,508	(12,355)	71,028	78.2
Holt	30,427	4,899	(25,528)	29,626	97.4
Howard	50,611	46,388	(4,223)	41,201	81.4
Howell	158,087	171,020	12,933	125,552	79.4
Iron	200,724	225,170	24,446	199,902	99.6
Jackson	4,761,627	2,888,257	(1,873,370)	4,000,096	84.0
Jasper	496,523	599,194	102,671	474,229	95.5
Jefferson	250,860	803,769	552,909	86,862	34.6
Johnson	155,042	214,611	59,569	80,384	51.8
Knox	218	3,713	3,495	218	100.0
Laclede	531,667	489,531	(42,136)	466,986	87.8
Lafayette	336,631	354,156	17,525	192,372	57.1
Lawrence	259,639	376,234	116,595	233,900	90.1
Lewis	27,825	67,929	40,104	15,829	56.9
Lincoln	70,302	253,842	183,540	59,967	85.3
Linn	81,474	41,907	(39,567)	55,741	68.4
Livingston	204,356	225,471	21,115	140,669	68.8
Macon	65,013	54,506	(10,507)	65,013	100.0
Madison	71,405	91,433	20,028	45,990	64.4
Maries	26,799	47,646	20,847	23,047	86.0
Marion	315,454	261,622	(53,832)	255,862	81.1
McDonald	211,769	190,243	(21,526)	168,642	79.6
Mercer	182	10,104	9,922	0	0.0
Miller	300,372	253,813	(46,559)	223,311	74.3
Mississippi	210,475	220,231	9,756	183,085	87.0
Moniteau	139,393	144,292	4,899	94,961	68.1
Monroe	98,443	1,585	(96,858)	98,032	99.6
Montgomery	178,946	230,563	51,617	130,788	73.1



Appendix C
County Reimbursement Program
Arrearage by County

County	Fiscal Year 2020 Requests*	Fiscal Year 2020 Payments	Fiscal Year 2020 (Arrearage)/ Overage	Cumulative Arrearage	Arrearage as Percent of Fiscal Year 2020 Requests
Morgan	348,199	425,096	76,897	309,057	88.8
New Madrid	280,876	318,001	37,125	210,213	74.8
Newton	144,403	266,581	122,178	93,764	64.9
Nodaway	130,193	74,737	(55,456)	101,557	78.0
Oregon	42,493	14,746	(27,747)	41,750	98.3
Osage	3,465	15,496	12,031	2,666	76.9
Ozark	63,447	62,823	(624)	61,655	97.2
Pemiscot	243,227	112,803	(130,424)	231,179	95.0
Perry	33,172	168,026	134,854	29,773	89.8
Pettis	703,139	669,608	(33,531)	527,477	75.0
Phelps	631,195	558,650	(72,545)	453,912	71.9
Pike	107,344	63,094	(44,250)	93,227	86.8
Platte	560,661	539,221	(21,440)	532,682	95.0
Polk	274,901	208,671	(66,230)	271,459	98.7
Pulaski	254,984	367,499	112,515	213,572	83.8
Putnam	13,249	23,860	10,611	13,011	98.2
Ralls	46,061	58,176	12,115	5,976	13.0
Randolph	195,457	191,275	(4,182)	158,901	81.3
Ray	207,005	301,876	94,871	146,720	70.9
Reynolds	52,776	25,513	(27,263)	50,979	96.6
Ripley	99,942	111,358	11,416	88,301	88.4
Saline	236,398	294,093	57,695	162,736	68.8
Schuyler	16,029	17,872	1,843	15,014	93.7
Scotland	25,596	50,419	24,823	6,244	24.4
Scott	404,125	536,205	132,080	308,780	76.4
Shannon	17,526	48,281	30,755	17,526	100.0
Shelby	13,849	20,264	6,415	13,849	100.0
St. Charles	1,539,403	1,343,650	(195,753)	1,190,297	77.3
St. Clair	79,076	148,976	69,900	64,188	81.2
St. Francois	756,778	800,945	44,167	636,696	84.1
St. Louis County	2,693,087	4,670,196	1,977,109	2,013,160	74.8
St. Louis City	2,029,905	4,109,924	2,080,019	1,483,191	73.1
Ste. Genevieve	182,719	251,842	69,123	104,760	57.3
Stoddard	314,406	289,504	(24,902)	250,363	79.6
Stone	67,895	133,742	65,847	49,238	72.5
Sullivan	0	1,559	1,559	0	N/A



Appendix C
County Reimbursement Program
Arrearage by County

County	Fiscal Year 2020 Requests*	Fiscal Year 2020 Payments	Fiscal Year 2020 (Arrearage)/ Overage	Cumulative Arrearage	Arrearage as Percent of Fiscal Year 2020 Requests
Taney	996,888	533,715	(463,173)	994,317	99.7
Texas	16,639	74,633	57,994	16,639	100.0
Vernon	299,848	286,715	(13,133)	294,885	98.3
Warren	376,097	674,842	298,745	289,318	76.9
Washington	308,798	291,601	(17,197)	241,905	78.3
Wayne	191,471	252,604	61,133	95,733	50.0
Webster	133,536	179,336	45,800	92,027	68.9
Worth	123	606	483	0	0.0
Wright	215,167	230,582	15,415	180,839	84.0
Total	\$ 39,141,117	42,757,790	3,616,673	31,401,478	80.2

* Amount after review and approval by the DOC.



Appendix D
County Reimbursement Program
Missouri Department of Corrections Response

Michael L. Parson
Governor

Anne L. Precythe
Director



2729 Plaza Drive
P. O. Box 236
Jefferson City, MO 65102
Telephone: 573-751-2389
Fax: 573-526-0880

State of Missouri
DEPARTMENT OF CORRECTIONS
"Improving Lives for Safer Communities"

Honorable Nicole R. Galloway
Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Auditor Galloway:

The Department of Corrections submits the following responses to the County Reimbursement Program performance audit.

3.1 Budget requests not sufficient

Response:

The department has worked to ensure that the Governor, the General Assembly, and all stakeholders were well informed about the financial condition of the of the county reimbursement program to inform state appropriation decisions. However, in the future the department will ensure that the budget documents clearly reflect the financial condition of the program to allow the General Assembly to make informed appropriation decisions.

3.2 Payment Errors

Response:

During the period January 2016 through June 2020 the audit identified 103 instances of duplicate transportation reimbursement payments to counties, totaling \$53,167. During that same time period the Department of Corrections (DOC) processed 7,996 payments for a total of \$8,288,220.71. Our error rate is less than 1% without a centralized system for tracking. Prior to this audit being conducted DOC did implement a standardized tracking, audit, and reporting system for transportation payments.

During the period January 2016 through June 2020 the audit identified 12 instances of duplicate extradition payments to counties, totaling \$10,569. During that time period the DOC processed 2,901 payments, totaling \$8,606,187.14. Our error rate for extraditions was one-tenth of a percent without a centralized system for tracking. Prior to this audit being conducted DOC did implement a standardized tracking, audit, and reporting system for extradition payments.



Appendix D
County Reimbursement Program
Missouri Department of Corrections Response

During the period January 2016 through June 2020 the audit identified 14 extradition claims resulting in overpayments totaling \$12,752, paid after the 2 year statutory time limit. During that time period the DOC processed 2,901 payments, totaling \$8,606,187.14. Our error rate for extradition payments made outside of the 2 year statutory time limit was one-tenth of a percent without a centralized system for tracking. Prior to this audit being conducted DOC did implement a standardized tracking, audit, and reporting system for transportation payments.

The implementation of new standardized tracking, audit, and reporting systems has allowed and will continue to allow DOC to reduce errors. In addition the department is working to implement an online automated submission system for bills of cost that will further enhance the program by reducing manual administrative processing by the department and the submitting counties.

Sincerely,

A handwritten signature in black ink, appearing to read "Trevor Foley", is written over a light blue horizontal line.

Trevor Foley,
Director of Budget and Finance



Nicole Galloway, CPA

Missouri State Auditor

Missouri State Lottery Commission

Report No. 2020-129

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Missouri State Lottery Commission

Findings

The audit identified no significant deficiencies in internal controls, no significant noncompliance with legal provisions, and no significant deficiencies in management practices and procedures. No findings resulted from the audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Missouri State Lottery Commission

Table of Contents

State Auditor's Report	2
------------------------	---

Organization and Statistical Information	4
--	---

Appendixes

A	Comparative Statement of Appropriations and Expenditures, 2 Years Ended June 30, 2020.....	6
B	Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2020.....	7
C	Statements of Net Position, As of June 30, 2020 and 2019.....	8
D	Statements of Revenues, Expenses and Changes In Net Position, For The Years Ended June 30, 2020 and 2019	9
E	Statements of Cash Flows, For The Years Ended June 30, 2020 and 2019	10
F	Total Revenues and Expenditures, January 20, 1986 Through June 30, 2020.....	11
G	Revenues and Expenditures by Fiscal Year, January 20, 1986 Through June 30, 2020.....	12



NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Missouri State Lottery Commission
and
May Scheve Reardon, Executive Director
Missouri State Lottery Commission
Jefferson City, Missouri

The State Auditor is required under Section 313.315.1, RSMo, to audit the Missouri State Lottery Commission. The Lottery engaged CliftonLarsonAllen LLP, Certified Public Accountants (CPAs), to audit the Lottery's financial statements for the years ended June 30, 2020 and 2019. To satisfy our statutory obligation and minimize duplication of effort, the State Auditor has used the work of the CPA firm. We reviewed the reports and substantiating working papers of the CPA firm to satisfy ourselves as to the appropriateness of using the reports, and we accept them in partial fulfillment of our duties under Section 313.315.1, RSMo. We have also audited certain operations of the Lottery in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the years ended June 30, 2020 and 2019. The additional objectives of our audit were to:

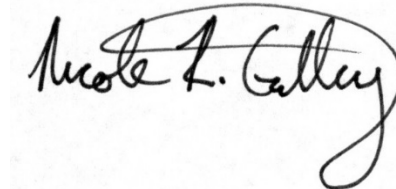
1. Evaluate the Lottery's internal controls over significant management and financial functions.
2. Evaluate the Lottery's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the Lottery, analysis of comparative data obtained from external and internal sources; review of contracts that are specific to the auditee's operations and significant within the context of the audit objectives; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design, implementation, and operating effectiveness of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Lottery's management and was not subjected to the procedures applied in our audit of the Lottery.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. No findings resulted from our audit of the Missouri State Lottery Commission.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	Josh Allen, CPA, CIA, CFE, CGAP
In-Charge Auditor:	Steven J. Barton
Audit Staff:	Ethan D. Evans, CFE, CGAP
	Joel Stucky

Missouri State Lottery Commission

Organization and Statistical Information

Pursuant to Sections 313.200 to 313.351, RSMo, the Missouri State Lottery Commission (Lottery) was created in June 1985. That action followed voter approval of a lottery amendment to the Missouri Constitution at the November 1984 general election. The Lottery began selling instant game tickets on January 20, 1986. From 1986 to 1993, lottery proceeds less prizes and expenses were transferred to the General Revenue Fund for appropriation by the General Assembly. Effective July 1, 1993, pursuant to a voter approved lottery amendment to Article III, Section 39(b), Missouri Constitution, lottery proceeds are transferred to the Lottery Proceeds Fund for appropriation by the General Assembly for educational purposes.

Section 313.321 RSMo, provides that money received from the sale of lottery tickets shall be allocated as follows: a minimum of 45 percent shall be awarded as prizes; administration, advertising, promotion, and retailer compensation costs shall be paid as appropriated by the General Assembly; and the remainder shall be transferred to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary, and higher education.

Traditionally, the Lottery has paid out more than the minimum 45 percent of sales as prizes. The pay-out percentage has averaged 63.28 percent from 1986 to 2020. The prize percentage fluctuates each year based on factors such as the type of scratcher tickets sold (each game has a different prize structure) and the timing of payouts related to draw game sales such as the Powerball and Mega Millions games. Lottery officials believe that more people will play if there are more prizes to receive. Lottery retailers are authorized to redeem prizes up to \$600, or players may claim any prizes in person at any of the Lottery offices.

Estimated Transfers of Profits

Article III, Section 39(b), of the Missouri Constitution requires transfer of Lottery profits to the Lottery Proceeds Fund to be appropriated solely for public institutions of elementary, secondary and higher education. In September each year, as part of the state budget process, the Lottery develops estimates of the transfer for the subsequent fiscal year in its budget request submitted to the Office of Administration and Governor. For example, the estimate for fiscal year 2021 (which began July 2020) was developed by the Lottery in September 2019. The Lottery's estimates provide a basis from which the Governor incorporates estimates into the budget submitted to the General Assembly for determining appropriations to schools from the Lottery Proceeds Fund.



Missouri State Lottery Commission Organization and Statistical Information

Estimated and actual transfers for the last 4 fiscal years were as follows:

Estimated and actual transfers to the Lottery Proceeds Fund

	Year Ended June 30,			
	2020	2019	2018	2017
Lottery estimate	\$ 293,095,042	289,606,888	286,004,759	278,794,691
Actual cash transfer	333,000,000	323,000,000	306,072,098	297,874,417
Actual over (under) estimate	\$ 39,904,958	33,393,112	20,067,339	19,079,726
Variance from estimate	13.6%	11.5%	7.0%	6.8%

The Lottery estimates transfers using the average of the total actual transfers for the preceding 5 fiscal years plus 1 percent rather than assuming continued growth. The Lottery's estimated transfers were \$309.1 and \$317.2 million for the fiscal year 2021 and 2022 budgets, respectively.

Commission

A five-member Lottery commission is appointed by the Governor with the advice and consent of the Senate. The commission must meet at least quarterly. The commission has the authority to promulgate rules as it deems necessary and desirable to fully implement the Lottery as mandated by the people in Article III, Missouri Constitution. The commission appoints an executive director to act as secretary of the commission and keep all books and records of the commission. The executive director oversees the commission's operation and administration. At June 30, 2020, May Scheve Reardon served as Executive Director, and members of the commission were:

Commissioner	Term Expiration (1)
John (Mike) Hannegan	September 2018
Lance Mayfield, Chairman	September 2022
Robert Gattermeir	September 2022
Michael Grewe, Vice-Chairman	September 2020
John Clark Hemeyer (2)	September 2020

(1) Section 313.215, RSMo, requires appointments to be made within 30 days of the expiration of a term. However, the current practice is for the expired member to serve until reappointed or a new member is appointed.

(2) John Clark Hemeyer was reappointed to a term ending in September 2023, and confirmed by the Senate in December 2020.

The Lottery staff is organized into four divisions: Executive, Sales, Marketing, and Operations. Each division is headed by a director who coordinates activities to meet the commission's objectives. At June 30, 2020, the Missouri State Lottery Commission employed 153 individuals.

Financial Activity

A summary of the Lottery's operating financial activity is presented in the following Appendixes.

Appendix A

Missouri State Lottery Commission
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2020			2019		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
LOTTERY ENTERPRISE FUND						
Advertising expenses	\$ 5,000,000	4,148,780	851,220	16,000,000	15,999,997	3
Personal services	7,325,225	7,119,329	205,896	7,129,896	6,841,029	288,867
Payment of real property leases, related services, utilities, system furniture, and structural modifications - expense and equipment	390,689	353,919	36,770	358,877	353,682	5,195
Expense and equipment	48,278,180	40,465,484	7,812,696	44,523,662	41,785,026	2,738,636
Total Lottery Enterprise Fund	60,994,094	52,087,511	8,906,583	68,012,435	64,979,734	3,032,701
STATE LOTTERY FUND						
Lottery prizes	174,075,218	147,408,366	26,666,852	174,075,218	174,075,218	0
Total State Lottery Fund	174,075,218	147,408,366	26,666,852	174,075,218	174,075,218	0
Total All Funds	\$ 235,069,312	199,495,877	35,573,435	242,087,653	239,054,952	3,032,701

Appendix B

Missouri State Lottery Commission Comparative Statement of Expenditures (From Appropriations)

		Year Ended June 30,				
		2020	2019	2018	2017	2016
Salaries and wages	\$	7,119,329	6,841,029	6,706,457	6,811,521	6,782,747
Travel, in-state		94,853	108,700	130,269	140,227	122,314
Travel, out-of-state		50,952	75,649	72,031	39,651	52,057
Fuel and utilities		126,305	141,672	42,519	39,350	38,184
Supplies		754,190	863,558	807,548	743,649	704,154
Professional development		125,027	145,664	140,765	113,876	130,518
Communication services and supplies		313,306	299,804	264,726	306,632	356,146
Services:						
Printing and binding		10,953,765	9,010,460	10,320,967	7,733,796	7,829,480
Advertising		3,721,914	14,613,928	14,021,940	13,571,864	13,501,826
Other business		20,976,613	24,089,179	23,440,925	19,424,599	20,832,033
Accounting and auditing		216,441	215,589	215,018	208,019	206,380
Public relations		1,456,735	1,515,652	1,534,293	1,496,890	1,865,127
Other professional		1,618,563	2,574,219	3,025,729	2,894,702	3,053,372
Housekeeping and janitorial		64,500	65,814	64,746	56,537	55,291
Maintenance and repair		1,250,009	1,248,546	840,806	909,086	732,941
Equipment:						
Computer		335,273	303,914	391,230	754,429	1,215,452
Motorized		307,622	190,412	136,948	177,850	136,214
Office		26,604	32,356	46,844	17,461	80,012
Other		689,748	622,087	889,668	998,863	586,657
Property and improvements		232,174	274,541	642,675	503,564	128,242
Building lease payments		375,398	379,922	514,523	449,554	433,910
Equipment rental and leases		1,053,991	1,095,455	87,917	76,318	70,734
Lottery prizes		146,161,560	172,393,075	164,906,021	140,538,806	166,709,217
Lottery prizes-merchandise		1,249,556	1,686,893	1,553,451	6,821,688	7,366,001
Lottery retailer-incentives		66,803	123,055	67,760	73,280	175,618
Lottery retailer incentive - merchandise		67,504	77,032	53,677	95,979	181,420
Agency provided food		21,843	25,608	20,572	18,587	10,691
Miscellaneous expenses		42,705	39,744	31,408	35,859	82,918
Refunds		22,594	1,395	3,595	10,379	3,483
Total Expenditures	\$	<u>199,495,877</u>	<u>239,054,952</u>	<u>230,975,028</u>	<u>205,063,016</u>	<u>233,443,139</u>

Appendix C

Missouri State Lottery Commission
(An Enterprise Fund of the State of Missouri)
Statements of Net Position As of June 30, 2020 and 2019

	2020	2019
Current Assets		
Cash and cash equivalents	\$ 52,865,041	65,318,927
Investments held for grand-prize winners	3,791,347	3,404,296
Accounts receivable, net of allowances for returns	66,176,799	52,302,693
Other assets	156,470	249,011
Total current assets	<u>122,989,657</u>	<u>121,274,927</u>
Noncurrent Assets		
Capital assets		
Capital assets not being depreciated	352,973	352,973
Capital assets	13,976,941	13,465,755
Accumulated depreciation	<u>(12,033,358)</u>	<u>(11,525,791)</u>
	2,296,556	2,292,937
Investments held for grand-prize winners	<u>34,344,280</u>	<u>29,039,795</u>
Total noncurrent assets	<u>36,640,836</u>	<u>31,332,732</u>
Total assets	<u>159,630,493</u>	<u>152,607,659</u>
Deferred Outflows		
Deferred Outflows - Pension	4,138,165	5,374,442
Deferred Outflows - OPEB	<u>579,684</u>	<u>358,075</u>
Total Deferred Outflows	<u>4,717,849</u>	<u>5,732,517</u>
Current Liabilities		
Accounts payable	538,259	406,173
Due to Lottery Proceeds Fund	9,449,500	22,732,931
Accrued prize liabilities	94,513,057	84,222,516
Grand-prize winner liabilities	3,794,000	3,474,000
Other accrued liabilities	<u>6,886,248</u>	<u>5,467,523</u>
Total current liabilities	<u>115,181,064</u>	<u>116,303,143</u>
Long-term Liabilities		
Due to Lottery Proceeds Fund	7,338,047	5,126,129
Grand-prize winner liabilities	28,892,198	25,775,933
Net Pension Liability	21,173,650	19,388,641
Net OPEB Liability	<u>7,487,627</u>	<u>7,422,823</u>
Total long-term liabilities	<u>64,891,522</u>	<u>57,713,526</u>
Total liabilities	<u>180,072,586</u>	<u>174,016,669</u>
Deferred Inflows		
Deferred Inflows - Pension	246,039	453,590
Deferred Inflows - OPEB	<u>413,199</u>	<u>300,374</u>
Total deferred inflows	<u>659,238</u>	<u>753,964</u>
Net Position		
Investment in capital assets	2,296,556	2,292,937
Unrestricted	(24,129,467)	(21,917,552)
Restricted for the unrealized gain/loss on investments held for grand-prize winners	<u>5,449,429</u>	<u>3,194,158</u>
Total net position	<u>\$ (16,383,482)</u>	<u>(16,430,457)</u>

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Appendix D

Missouri State Lottery Commission
(An Enterprise Fund of the State of Missouri)
Statements of Revenues, Expenses and Changes In Net Position
For The Years Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues		
Scratchers ticket sales	\$ 1,035,198,988	914,449,548
Draw Game ticket sales	368,228,313	437,528,006
Pull-Tab ticket sales	109,282,738	114,051,149
Total sales	1,512,710,039	1,466,028,703
Other	339,873	173,686
Total operating revenues	1,513,049,912	1,466,202,389
Operating Expenses		
Scratchers prizes	749,489,555	666,811,269
Draw Game prizes	214,611,316	245,716,968
Pull-Tab prizes	98,388,924	102,563,112
Scratchers retailer commissions and incentives	66,178,980	58,564,696
Draw Game retailer commissions and incentives	21,313,367	24,782,552
Pull-Tab retailer commissions and incentives	2,178,505	2,297,603
Cost of tickets sold	26,600,846	27,756,254
Depreciation	963,467	1,004,337
Advertising	4,147,990	15,999,997
Wages and benefits	14,120,451	12,987,593
Other general and administrative	9,284,682	9,618,079
Total operating expenses	1,207,278,083	1,168,102,460
Operating income	305,771,829	298,099,929
Nonoperating Revenues (Expenses)		
Interest income	692,833	907,464
Unclaimed prizes	13,197,121	18,359,576
Gain (Loss) on sale of capital assets	58,408	65,709
Net increase (decrease) in the fair value of investments		
held for grand-prize winners	3,430,771	2,415,701
Amortization of grand-prize winner liability	(1,175,500)	(1,232,986)
Transfers to State of Missouri Lottery Proceeds Fund	(321,928,487)	(319,376,658)
Total nonoperating revenues (expenses)	(305,724,854)	(298,861,194)
Changes in net position	46,975	(761,265)
Total Net Position, Beginning of Year	(16,430,457)	(15,669,192)
Total Net Position, End of Year	\$ (16,383,482)	(16,430,457)

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

Appendix E

Missouri State Lottery Commission
(An Enterprise Fund of the State of Missouri)
Statements of Cash Flows
For The Years Ended June 30, 2020 and 2019

	2020	2019
Cash Flows From Operating Activities		
Cash received from retailers and others	\$ 1,499,455,058	1,467,054,208
Cash paid for prizes	(1,042,436,133)	(991,741,997)
Cash paid for retailer commissions	(88,562,355)	(85,472,309)
Cash paid for employee services	(11,226,421)	(10,764,337)
Cash paid for other expenses	(39,902,190)	(53,524,744)
Net cash provided by operating activities	<u>317,327,959</u>	<u>325,550,821</u>
Cash Flows From Noncapital Financing Activities		
Transfers to State of Missouri	<u>(333,000,000)</u>	<u>(323,000,000)</u>
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(967,086)	(702,765)
Proceeds from sale of capital assets	58,408	65,709
Net cash used for capital and related financing activities	<u>(908,678)</u>	<u>(637,056)</u>
Cash Flows From Investing Activities		
Proceeds from maturity of investments	3,434,000	3,434,000
Interest received	692,833	907,464
Net cash provided by investing activities	<u>4,126,833</u>	<u>4,341,464</u>
Net Increase in Cash and Cash Equivalents	(12,453,886)	6,255,229
Cash and Cash Equivalents, Beginning of Year	65,318,927	59,063,698
Cash and Cash Equivalents, End of Year	<u>52,865,041</u>	<u>65,318,927</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities		
Operating income	305,771,829	298,099,929
Adjustments to reconcile operating income to net cash provided		
by operating activities:		
Depreciation	963,467	1,004,337
Noncash pension expense adjustment	2,769,755	2,208,296
Unclaimed prizes	13,197,121	18,359,576
Payments to grand-prize winners	(3,434,000)	(3,434,000)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable, net	(13,874,106)	694,054
(Increase) decrease in other receivables	92,541	50,664
Increase (decrease) in accounts payable and		
other accrued liabilities	1,550,811	144,191
Increase (decrease) in accrued prize liabilities	10,290,541	8,423,774
Net cash provided by operating activities	<u>317,327,959</u>	<u>325,550,821</u>
Noncash Activities		
Net increase (decrease) in the fair value of investments		
held for grand-prize winners	3,430,771	2,415,701
Amortization of grand-prize winner liability	\$ 1,175,500	1,232,986

Source: Excerpt from the Missouri State Lottery Commission's audited financial statements.

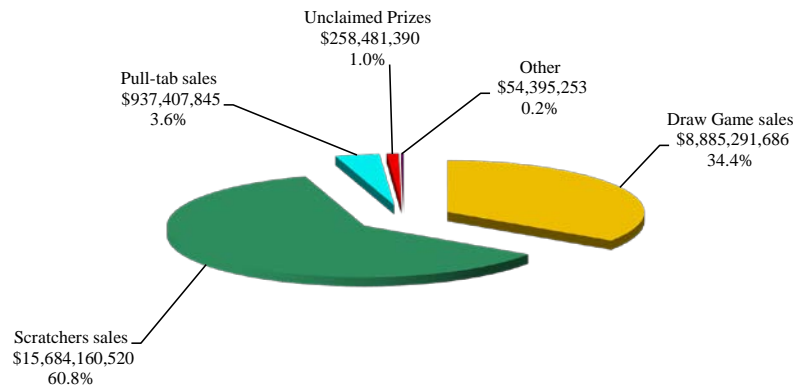
Appendix F

Missouri State Lottery Commission

Total Revenues and Expenditures

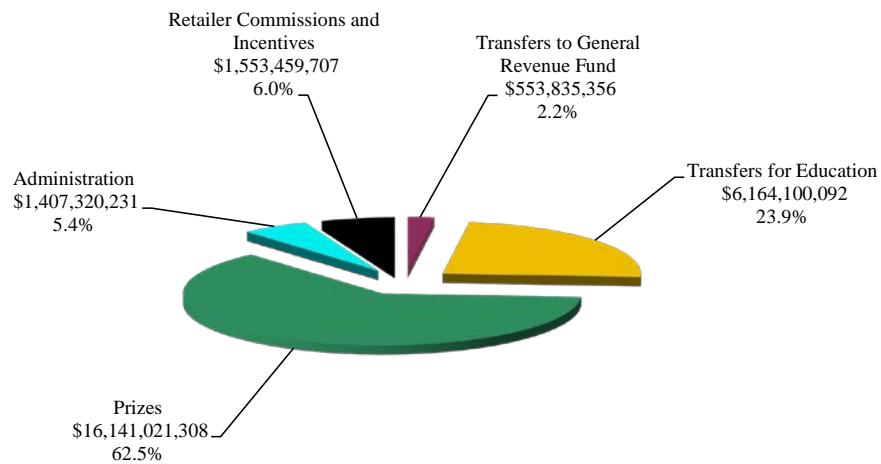
January 20, 1986 Through June 30, 2020

Revenues



Total Revenues: \$25,819,736,694

Expenditures

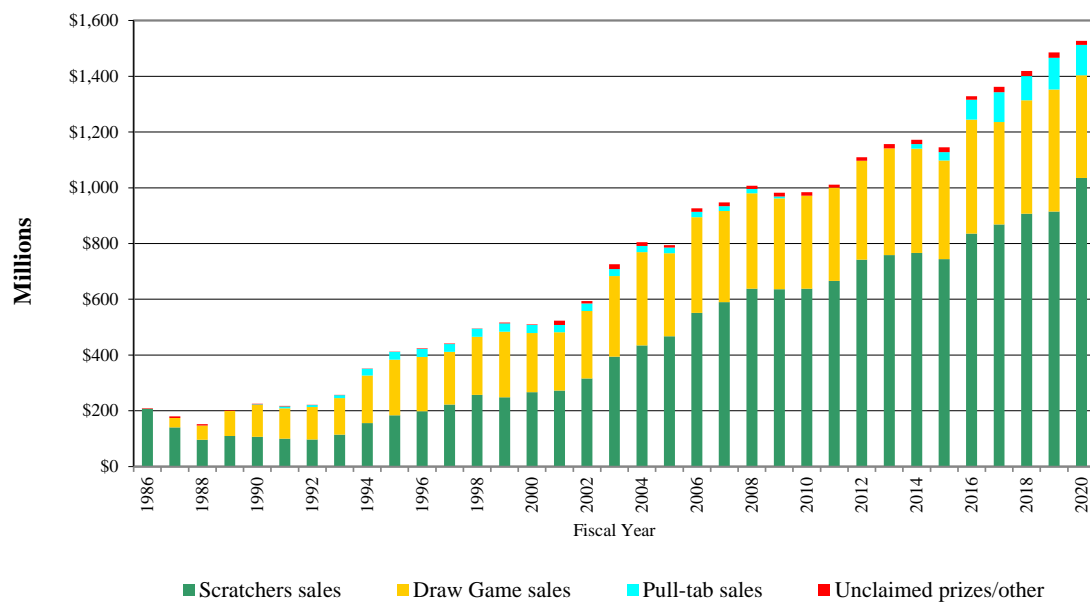


Total Expenditures: \$25,819,736,694

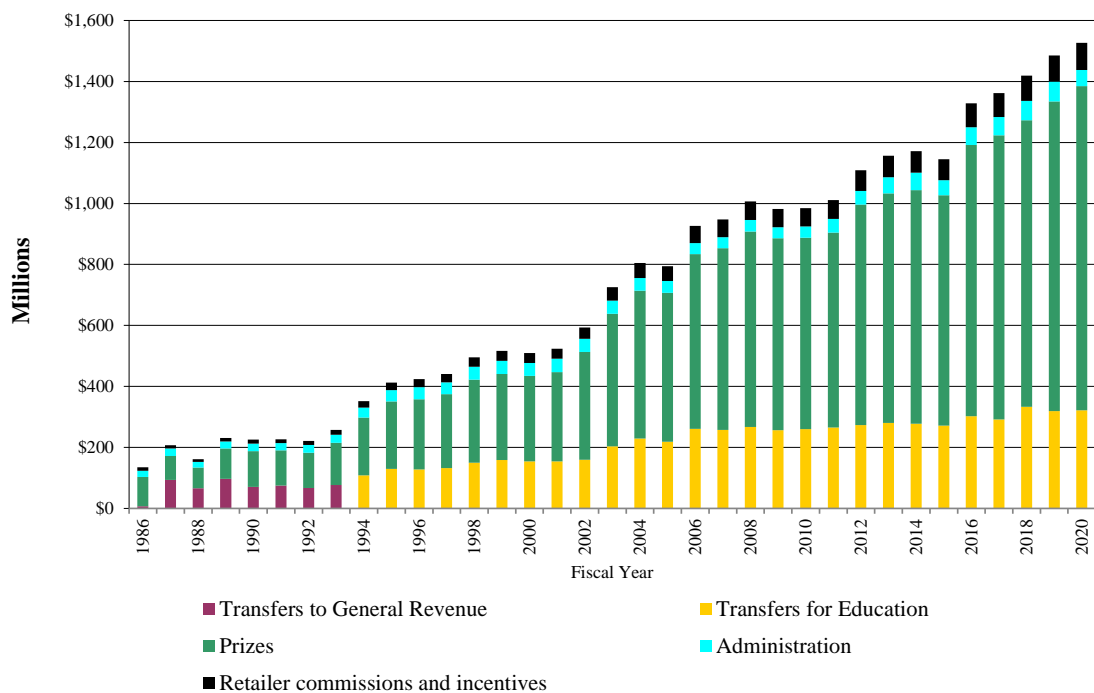
Appendix G

Missouri State Lottery Commission Revenues and Expenditures by Fiscal Year January 20, 1986 Through June 30, 2020

Revenues



Expenditures





NICOLE GALLOWAY, CPA

Missouri State Auditor

Board of Directors
County Employees' Retirement Fund
and
Missouri General Assembly
Jefferson City, Missouri

This letter reports the results of our review of a complaint received by my office from an elected state representative. The complaint related to the reporting of salary information by county officials participating in the County Employees' Retirement Fund (CERF). The objectives of our review were to determine whether county officials reported appropriate salary information to the CERF for the calculation of retirement benefits and determine if county clerk and collector fees were used to improperly elevate annual compensation amounts reported to the CERF resulting in increased retirement benefits.

In addition, the state representative reported concerns about three specific county officials. These concerns were referred to the Attorney General's Office in a letter dated August 24, 2020.

Methodology

Our methodology included reviewing policies and procedures; comparing salary information from State Auditor's Office (SAO) audit reports, the CERF, and Secretary of State's Office (SOS); and interviewing various personnel of the CERF, as well as certain external parties.

In July 2020, the CERF provided us a report of county clerks and county collectors that had retired since January 1, 2010, including their final average salary. We compared the information to salary information previously reported by the SAO in the applicable county audit report and salary information provided by the SOS to determine if salary information reported to the CERF was comparable. When we identified differences, we obtained additional information from the applicable county. The SOS also provided salary history for the final 10 years, if applicable, of selected county collectors and clerks who had retired since 2010. We reviewed the data for significant fluctuations that may indicate more than one year's fees or commissions were reported in a single year's salary amount. We used the SOS Annual Report of County Officials' Compensation data because fees and commissions are not separately reported to the CERF and are generally included in the amount of total compensation. The SOS reports provided separate detail and amounts on base salary and fees and commissions for each elected official. To evaluate fluctuations, we reviewed related SAO audit reports, CERF information, and SOS filings; and discussed them with current county officials.

Background

The CERF was established by an act of the Missouri General Assembly effective August 28, 1994. The Board of Directors has the authority to adopt rules and regulations for administering the retirement fund. Laws governing the retirement fund are found in Sections 50.1000-50.1300, RSMo, and 16 CSR 50.

Counties report salary information online after each payroll period through CERF's secure county portal. CERF staff are trained to ask questions about reported compensation if it varies from previously reported information. As compensation is reported by pay period, CERF software flags any payroll amount that varies by \$6,000 or 25 percent of prior amount. CERF staff then follow up with the applicable county clerk's office to identify why there is a variance. Additionally, when a member applies for retirement benefits, CERF benefits staff will question compensation figures if the salary for the two highest years varies by more than 10 percent from prior years.

Various county clerks and collectors statewide receive additional compensation in the form of fees and commissions from activities they are not statutorily required to perform such as preparation of tax books and collection of property taxes for cities, drainage districts, and levee districts. These types of services are typically addressed in a contract between the parties that specifies the compensation for the services and how it will be paid.

Employees covered by the CERF can retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for county employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan formula). When a participant leaves county employment, the county clerk's office in the county employing the person is required to complete a salary verification. In addition, the office must provide support for the two highest years of compensation documented by a W-2 form or certified payroll report. The CERF is dependent on the county providing accurate information for the fees and commissions received and the applicable year. Under Section 50.1034.1, RSMo, the CERF is authorized to adjust any benefit calculation that is made in error, including adjusting future benefit amounts and recovering any overpayments.

Under 16 CSR 50-2.050(4)(E), "Beginning January 1, 2000, officials whose compensation is collected partly or wholly from fees or a combination of fees and salary may only include these fees if they are processed through county payroll and in accordance with the definition of compensation included in 16 CSR 50-2.010(1)(K)." 16 CSR 50-2.010(1)(K), further provides "Compensation received from sources other than an employer and compensation received pursuant to independent contracting relationships shall not be included in calculating the retirement benefit."

Complaint and SAO Conclusion

Complaint - Compensation information reported to the CERF may be manipulated by elected officials receiving fees and commissions. The compensation is manipulated by reporting multiple years of fees and commissions earned in a single year's salary and, as a result, elevating the final compensation amounts used to calculate retirement benefits.

To ensure that compensation information reported to the CERF was appropriate, we first compared the information with related SAO reports and SOS filings. We noted some differences and followed up on those differences with additional information from the CERF and the related county, if needed. After additional follow up, we noted the salary amounts used by the CERF to calculate the officials' retirement benefits were comparable with the amounts reported by the SAO and to the SOS, or were less than those amounts, which would be appropriate. Our review of SOS data identified some officials that did not report fees and/or commissions to the SOS as required. This problem was limited, but indicates there is an opportunity for improvement in the reporting.

For 40 officials, we evaluated fluctuations in salary and fee amounts reported to the SOS to determine if there was an opportunity for manipulated salary information reported to the CERF. The review found no

unexplained fluctuations in the amounts. We followed up with county and CERF officials to determine the reasons for some fluctuations and determined that in at least two cases, the official paid premiums for his/her own health insurance and these amounts were reported on the employee's W-2 form and included in CERF salary calculation appropriately. The CERF maintained documentation to support this information and we noted no concerns. We noted other increases in the fees reported generally related to new contracts with cities, levee districts, or drainage districts to collect property taxes or prepare tax books on their behalf.

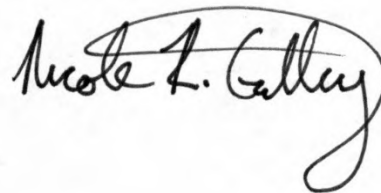
Overall SAO Conclusion

Based on the information provided by the CERF and SOS, the county officials generally reported the same salary information to the CERF and the SOS. In some instances, fee and commission information was not reported to the SOS. As salary information is collected by both entities, opportunity exists for the CERF and SOS to further strengthen salary verification procedures by comparing information. Such collaboration would also allow the SOS to ensure fees and commissions are consistently reported.

We noted no unexplained fluctuations in the fee amounts reported to the SOS. While we noted no instances of manipulated fees and commission amounts to increase retirement benefits, CERF officials indicated they do not have the statutory authority to investigate or question information provided by counties without direct evidence of fraud or allegations by a credible source. To ensure compensation information is not manipulated, the General Assembly should (1) evaluate whether fees and commissions from duties county officials are not statutorily required to perform should be included in the final compensation amounts used in retirement benefits calculations and (2) consider passing legislation to ensure the CERF has the proper authority to investigate and question compensation amounts reported.

My office plans to continue to review CERF reporting during regularly scheduled audits of third class counties.

Sincerely,

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor



Nicole Galloway, CPA

Missouri State Auditor

Summary of 2020 Follow-Up Reports

Report No. 2020-127

December 2020

auditor.mo.gov

Summary of 2020 Follow-Up Reports

Table of Contents

State Auditor's Report	2
------------------------	---

Status of Recommendations

1.	Plattsburg Special Road District	3
2.	City of Silex	3



NICOLE GALLOWAY, CPA

Missouri State Auditor

The Citizens of Missouri

This report was compiled from follow-up reports issued in 2020. The State Auditor's Office conducted 2 follow-up reviews pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the auditee about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

Auditors conduct follow-up work for audits with significant or serious findings when determined necessary.

Of the 29 recommendations included in the follow-up reports, 13 (45 percent) had a status of implemented, 7 (24 percent) had a status of in progress, 8 (28 percent) had a status of partially implemented, and 1 (3 percent) had a status of not implemented.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

Summary of 2020 Follow-up Reports

Status of Recommendations

- | | | |
|----|----------------------------------|--|
| 1. | Plattsburg Special Road District | Plattsburg Special Road District received a "Poor" overall audit rating. The follow-up report focused on 10 recommendations. |
| | Report Number 2020-003 | Status determined: |
| | | Implemented 5 |
| | | In Progress 3 |
| | | Partially Implemented 2 |
-
- | | | |
|----|------------------------|---|
| 2. | City of Silex | City of Silex received a "Poor" overall audit rating. The follow-up report focused on 19 recommendations. |
| | Report Number 2020-126 | Status determined: |
| | | Implemented 8 |
| | | In Progress 4 |
| | | Partially Implemented 6 |
| | | Not Implemented 1 |



Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

City of Silex

Report No. 2020-126

December 2020

auditor.mo.gov

City of Silex

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Financial Condition	3
2.1	Budgets and Financial Reporting - Budgets	3
2.2	Budgets and Financial Reporting - Published financial statements	3
2.3	Budgets and Financial Reporting - Filing of financial reports.....	4
3.	Restricted Funds and Recording Financial Transactions	4
4.	Disbursements.....	5
5.1	Accounting Controls and Disbursements - Segregation of duties	7
5.2	Accounting Controls and Disbursements - Bank account reconciliations and fees	7
7.1	Payroll and Related Issues - Payroll taxes	8
7.2	Payroll and Related Issues - Personnel policies.....	8
8.	Utility System	9
9.	Ordinances	10

*Includes selected findings



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Silex, Missouri

We have conducted follow-up work on certain audit report findings contained in Report No. 2019-108, *City of Silex* (rated as Poor), issued in November 2019, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the city about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by city officials and held discussions with city officials to verify the status of implementation for the recommendations. Documentation provided by the city included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was substantially completed during October 2020.

Nicole R. Galloway, CPA
State Auditor

City of Silex

Follow-Up Report on Audit Findings

Status of Findings

1. Financial Condition The General Fund was in poor financial condition. This problem was not expected to improve significantly in the immediate future.

For the year ended December 31, 2018, the city transferred restricted utility monies totaling \$141,181 to the General Fund. Transfers included (1) \$75,570 from the Water Fund and (2) \$65,611 from the Sewer Fund. The city was transferring the majority of revenues from these restricted utility funds to subsidize the General Fund.

Recommendation The Board of Aldermen ensure it receives detailed financial data monthly, perform long-term planning, and closely monitor and take necessary steps to improve the city's financial condition.

Status **In Progress**

The Board now receives detailed financial data monthly and closely monitors the finances of the city. However, due to the city's financial condition and current economic uncertainty, the Board has not performed any significant long-term planning to improve the financial condition, other than planning to pay all of the city's outstanding bills and debt.

2.1 Budgets and Financial Reporting - Budgets The Board does not have adequate procedures to prepare or monitor budgets.

Recommendation The Board of Aldermen prepare accurate annual budgets that contain all information required by state law, and ensure the budgets are adequately monitored.

Status **Not Implemented**

The Board did not pass a budget for the year ending December 31, 2020, and, as a result, did not monitor budget to actual revenues and expenditures during the year.

2.2 Budgets and Financial Reporting - Published financial statements The financial statements had not been published for the year ended December 31, 2018. As a result, information regarding the city's financial activity and condition was not available to citizens.

Recommendation The Board of Aldermen ensure publication of the city's semiannual financial statements as required by state law.

Status **Implemented**

City officials had the July - December 2019 financial statement published on January 29, 2020, and the January - June 2020 financial statement published on July 29, 2020.



City of Silex
Follow-up Report on Audit Findings
Status of Findings

2.3 Budgets and Financial
Reporting - Filing of
financial reports

City officials did not file timely annual financial reports with the State Auditor's Office as required by state law. The city's financial report for the year ended December 31, 2017, due by June 30, 2018, was not filed until September 10, 2018. In addition, financial reports were not filed for the years ended December 31, 2015, and 2016.

Recommendation

The Board of Aldermen submit annual financial reports to the State Auditor's Office as required by state law.

Status

Partially Implemented

City officials filed the financial report for the year ended December 31, 2019, with the State Auditor's Office on July 21, 2020, after the June, 30 2020, due date.

3. Restricted Funds and
Recording Financial
Transactions

The city had not established adequate procedures to ensure revenues and expenditures were credited to the appropriate fund or to ensure restricted monies were used only for intended purposes.

3.1 Transfers and
commingling of funds

The city used restricted monies to finance general operations of the city. The Board had not established controls to ensure transfers between funds are proper, documented, and approved by the Board. In addition, minutes did not document the discussion or approval of transfers. As a result, restricted monies were commingled with general operating funds and were not always used for their intended purpose and misuse of restricted funds may have occurred.

Recommendation

The Board of Aldermen establish a process to ensure transfers between funds are proper, approved, and timely. In addition, the Board should ensure monies received are deposited in the appropriate bank accounts and restricted monies are spent for allowable purposes only. The Board should also develop plans to repay the amounts owed to the Water and Sewer Funds.

Status

Partially Implemented

Each month, the Board receives a list of transfers but does not formally document approval of the transfers. Our review of transfer lists indicated that the transfers are typically related to the allocation of payroll to various funds and did not include any unallowable transfers to restricted funds. The Board also receives monthly bank statements, bank reconciliations, and a list of expenditures to help ensure all transfers and restricted monies are handled properly. The Mayor and City Clerk indicated the Board will develop a plan to repay the amounts owed to the Water and Sewer Funds after the city's debts are paid.



City of Silex
Follow-up Report on Audit Findings
Status of Findings

3.2 Recording and
allocation of revenues
and disbursements

The city does not have controls and procedures to ensure revenues and disbursements are accurately and consistently recorded. As a result, financial statement information is not accurate, complete, and useful when assessing results of city operations.

Recommendation

The Board of Aldermen allocate disbursements to city funds based on specific criteria and retain documentation to support the allocation. In addition, ensure revenues and disbursements are properly recorded.

Status

Implemented

As previously noted, payroll expenditures are allocated to various funds through transfers. Time worked on various tasks (water, sewer, etc.) is tracked and documented to support how these allocations are determined. Electric expenditures are also allocated to various funds. The city has 17 locations that use electricity. A spreadsheet is maintained to show how each location's electric expenses should be allocated to the various funds. In addition, we reviewed the city's financial records for April 2020 and August 2020 and noted that revenues and disbursements were properly recorded.

4. Disbursements

City disbursements were not properly supported or approved and some disbursements were questionable. In addition, the city did not properly bid or report some disbursements as required.

4.1 Disbursement
documentation and
review

Significant improvement was needed in the city's disbursement documentation and review procedures. Our review identified disbursements that did not have supporting documentation and no one could explain their purpose.

City personnel did not document their review and approval of invoices or the receipt of goods or services.

Recommendation

The Board of Aldermen maintain adequate supporting documentation for all disbursements and ensure all disbursements are recorded in the accounting system. The Board should ensure invoices are adequately reviewed and approved and require documentation of receipt of goods and/or services prior to payment of invoices.

Status

Partially Implemented

All disbursements that we reviewed had adequate supporting documentation and were recorded in the accounting system. Even though invoices typically do not have documentation of receipt of goods and/or service, they are made available for Board members to review or question at any time prior to payment. The Board approves unpaid invoices at each regular Board meeting. In addition, all checks required 2 signatures before issuance. The Mayor, City Clerk, and a Board member are all authorized to sign checks.



City of Silex
Follow-up Report on Audit Findings
Status of Findings

4.2	Questionable purchases	The city reimbursed unreasonable and/or unnecessary purchases made by city personnel while attending a training seminar at the Lake of the Ozarks.
	Recommendation	The Board of Aldermen ensure all disbursements are necessary and prudent uses of public funds.
	Status	Implemented Our review of the disbursement listings for 2020 through September indicated the city is only spending money on necessary goods and services.
4.3	Fuel cards	The city did not have procedures to adequately monitor fuel card accounts and fuel use to detect unauthorized use. The city also did not ensure fuel card access was restricted after employees were placed on administrative leave, and, as a result, employees on administrative leave purchased fuel with city fuel cards.
	Recommendation	The Board of Aldermen ensure all credit card accounts are properly monitored and credit cards are turned in by employees when their employment has been terminated or suspended. The Board should also establish adequate records and procedures to effectively monitor vehicle and fuel use. Fuel tickets should be submitted to the City Clerk and reconciled to fuel invoices. Usage/mileage logs should be maintained for all vehicles and compared to fuel use.
	Status	Implemented The city no longer has any credit cards. The Mayor and City Clerk indicated the city has 2 vehicles, one that is not in use and the other that is only used for snow plowing, limiting the need for usage/mileage logs.
4.4	Procurement procedures and contracts	City officials did not always solicit bids or proposals as required by city policy. Also, they could not provide some written contracts and some contracts were not sufficiently detailed.
	Recommendation	The Board of Aldermen ensure formal bidding policies and procedures are followed, periodically solicit proposals for professional services, and enter into clearly written agreements for those services.
	Status	Implemented We reviewed the monthly Board packets and noted the Board has solicited bids and proposals several times in 2020. We did not note any other disbursements requiring bidding during our review of city disbursement records. In addition, the city attorney ordinance has been updated to include



City of Silex
Follow-up Report on Audit Findings
Status of Findings

the fees charged to the city. The city is also now entering into written agreements when warranted.

4.5 1099-MISC forms

The city did not prepare and file 1099-MISC forms with the Internal Revenue Service (IRS), as required, for legal services received for the year ended December 31, 2017.

Recommendation

The Board of Aldermen ensure payments totaling greater than \$600 to non-employees and businesses are properly reported to the IRS. The city should file amended 1099-MISC forms for past years.

Status

Partially Implemented

City officials prepared 1099-MISC forms for the year ended December 31, 2019, including one for the city attorney and one for a local vendor. The city has not filed amended 1099-MISC forms for past years. The City Clerk indicated she was unsure of the accuracy of the records for prior years so she did not file the forms.

5.1 Accounting Controls and Procedures - Segregation of duties

The Board had not adequately segregated accounting duties or ensured a documented supervisory or independent review over various financial accounting functions is performed.

Recommendation

The Board of Aldermen segregate the accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.

Status

Implemented

Due to the size of the city, accounting duties cannot be fully segregated. As a result, the Mayor and the Board regularly review and monitor the work performed by the City Clerk. The Board is given a copy of all bank statements, reconciliations, and other financial reports monthly. In addition, 2 signatures are required on all checks.

5.2 Accounting Controls and Procedures - Bank account reconciliations and fees

Controls and procedures over bank accounts and reconciliations needed improvement. We identified the following issues:

- City personnel did not prepare bank reconciliations for 5 of 10 months between January and October 2018. For the 5 bank reconciliations prepared, the reconciliations did not include a detailed listing of deposits in transit or outstanding checks to support the reconciliation.
- The Board and the former City Clerk failed to monitor the city's cash balances. As a result, the city incurred \$157 in overdraft and returned



City of Silex
Follow-up Report on Audit Findings
Status of Findings

item fees in the general, water, and renovation bank accounts during calendar year 2018.

Recommendation

The Board of Aldermen ensure monthly bank reconciliations are prepared and reconciled timely, and any differences are promptly investigated and resolved. In addition, the Board should also properly monitor bank account balances to avoid unnecessary bank fees.

Status

Implemented

Bank reconciliations are performed monthly and included in the monthly packets given to the Board. In addition, through September 2020, the city had not been charged any bank fees for the year.

**7.1 Payroll and Related
Issues - Payroll taxes**

City officials did not ensure payroll taxes were paid as required and some compensation was not reported on employee W-2 forms. City officials failed to timely file and remit federal payroll taxes, totaling \$17,666 to the Internal Revenue Service (IRS) for the 2 quarterly periods ending September 30, 2018. In addition, the city did not file and remit state payroll taxes totaling \$3,510 to the Missouri Department of Revenue for at least the 3 quarterly periods ending September 30, 2018. City officials also indicated payroll taxes were not paid in previous years or in 2019.

The city paid compensation totaling \$3,120 to the former City Administrator per his contract for health insurance during the year ended December 31, 2018. These payments were not included on his W-2 form and as a result were not subject to payroll tax withholdings.

Recommendation

The Board of Aldermen ensure payroll tax returns are filed timely and delinquent payroll taxes are remitted. In addition, the Board of Aldermen should ensure previous years' W-2 forms are amended, as appropriate, and compensation is properly reported and subjected to proper withholdings.

Status

In Progress

The city is now filing payroll tax returns timely. We reviewed the payroll tax return for the quarter ended June 30, 2020, and noted the return was filed timely. The city is waiting for guidance from the IRS on the proper way to handle issues from previous years.

**7.2 Payroll and Related
Issues - Personnel
policies**

The city's personnel policy did not adequately address overtime and established policies were not always followed.

Nonworking time (vacation, sick leave, and holidays) was included in total hours worked when determining the amount of overtime earned by employees, which is not required by the Fair Labor Standards Act. As a result, the city had been paying more overtime to employees than required. The city



City of Silex
Follow-up Report on Audit Findings
Status of Findings

	did not have a policy addressing the hours (nonworking time) to be considered when calculating overtime.
Recommendation	The Board of Aldermen review and update the personnel policy, as necessary, and ensure compliance with the policy.
Status	Implemented The city's policies have been updated so that nonworking time is not included in the city's overtime calculation. The city currently has 2 part-time, hourly employees.
8. Utility System	Significant weaknesses existed in the city's utility system controls and procedures. As a result, there was less assurance all utility payments had been properly recorded and transmitted.
8.1 Water loss	City officials did not reconcile the total gallons of water billed to the gallons of water pumped, and as a result, significant differences were not investigated. Also, the city did not track the water usage for flushing the system, fire suppression, or fire hydrant testing.
Recommendation	The Board of Aldermen ensure water use is properly metered, gallons of water pumped is reconciled to gallons billed monthly, and significant differences are promptly investigated.
Status	Partially Implemented The fire department does not have a water meter, so the city cannot track department usage. However, the city is reconciling all other usage to gallons billed. We reviewed a reconciliation and identified no concerns.
8.2 Utility deposits	City water deposits charged did not comply with city ordinance. In addition, the city did not maintain and reconcile a listing of customer deposits held to the balance of the Water Deposit Fund checking account.
Recommendation	The Board of Aldermen ensure compliance with the water deposit ordinance. In addition, the Board should account for all customer utility deposits previously paid, prepare an accurate list of utility deposits and reconcile to monies in the Water Deposit Fund bank account monthly, and resolve any discrepancies.
Status	In Progress The city is now collecting water deposits in accordance with the water deposit ordinance and maintaining a list of deposits collected within the last year. Due



City of Silex
Follow-up Report on Audit Findings
Status of Findings

to time constraints, city officials have not investigated past discrepancies in the water deposit list, but they indicated they will when time allows.

8.3 Delinquent accounts and adjustments

City procedures for discontinuing services and receiving partial payments did not comply with city ordinance. The Board did not review and approve adjustments to customer accounts or a listing of delinquent accounts each month.

Recommendation

The Board of Aldermen ensure compliance with utility ordinances. The Board should also ensure utility service is shut off in accordance with city ordinance. In addition, the Board should review all adjustments made to customer accounts and require reports of delinquent utility accounts be prepared and reviewed monthly.

Status

Partially Implemented

Due to COVID-19, the city is currently not discontinuing services to customers who cannot pay their bill. The city did shut off utility service for nonpayment prior to the current policy and will again when appropriate. No adjustments to customer accounts have been made recently for the Board to review. The Board is not provided a list of delinquent accounts for review.

9. Ordinances

City ordinances were not codified or complete.

- Ordinances were not maintained in an organized manner.
- The city had not adopted an ordinance establishing elected official terms, trash rates, an employee travel policy, a conflict of interest policy, and the procedures for fuel credit card usage. In addition, ordinances had not been adopted establishing fees charged for bad checks, rental of the city community center, towing cars, and aiding with vehicle lockouts.
- The city did not have ordinances establishing the compensation for the city administrator, city clerk, public works supervisor, and police officers.
- Ordinance 130.230B establishing a fee of \$0.25 per copy for public records requests was in violation of the Sunshine Law. Section 610.026, RSMo, limits the charge to \$0.10 per copy.

Recommendation

The Board of Aldermen ensure ordinances are maintained in a complete and well-organized manner and an index of all ordinances passed and rescinded is established. The Board should establish, by ordinance, the terms and compensation of all city officials and employees; trash rates; procedures for fuel credit card use, travel and conflict of interest policies; and the fees



City of Silex
Follow-up Report on Audit Findings
Status of Findings

charged for bad checks, community center rental, towing, and vehicle lockouts. The Board should also ensure ordinances comply with state law.

Status

In Progress

The City Clerk indicated she has been evaluating how best to codify and maintain current and rescinded ordinances. In addition, the Board has updated the city clerk ordinance to include compensation. The Board plans to update other ordinances related to fees, rates, copy charges, and other city official compensation.



Nicole Galloway, CPA

Missouri State Auditor

City of Berger

Report No. 2020-125

December 2020

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Berger

Accounting Controls and Procedures	The Board of Aldermen has not adequately segregated accounting duties or ensured documented supervisory or independent reviews over various financial accounting functions are performed. The City Clerk did not issue receipt slips for most payments received. City personnel did not prepare bank reconciliations for the city's 14 bank accounts. The city does not have a formal bidding policy and has not established policies for the selection of vendors providing professional services.
Meeting Minutes	Open meeting minutes did not always document the specific reasons or section of law allowing the meetings to be closed. Some topics discussed and voted on in closed meetings were not allowable under the Sunshine Law. The city failed to prepare minutes for 3 of the 8 closed meetings and 2 of the 16 open meetings held from June 17, 2019, through June 30, 2020.
Budgets and Published Financial Statements	City budgets prepared for the years ended June 30, 2018, 2019, and 2020, did not include all required elements. The city does not publish semiannual financial statements as required by state law.
Compensation Ordinance	Other than the Mayor, the city does not have an ordinance establishing the compensation of city officials and the city's part-time employee.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Berger

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Accounting Controls and Procedures	4
2. Meeting Minutes.....	6
3. Budgets and Published Financial Statements	7
4. Compensation Ordinance	8

Organization and Statistical	9
Information	



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Berger, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Berger. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2020. The objectives of our audit were to:

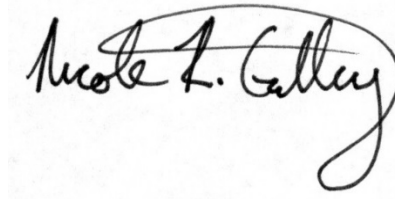
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Berger.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M. Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA, CFE, CGAP
In-Charge Auditor:	Joyce Thomson

City of Berger

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. The city collected receipts totaling approximately \$406,000 from water, sewer, trash and natural gas services; Proposition P sales taxes; grants; and other receipts.

1.1 Segregation of duties

The Board of Aldermen has not adequately segregated accounting duties or ensured documented supervisory or independent reviews over various financial accounting functions are performed.

The City Clerk position is responsible for most financial duties of the city including receipting payments received, preparing deposits, preparing invoices for payment, and making transfers between bank accounts.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

1.2 Receipting

The City Clerk did not issue receipt slips for most payments received. The City Clerk only issued receipt slips when an individual requested a receipt slip.

Failure to implement adequate receipting procedures increases the risk that loss, theft, or misuse of funds will go undetected.

1.3 Bank reconciliations

City personnel did not prepare bank reconciliations for the city's 14 bank accounts. No bank reconciliations had been prepared since April 2019, as of June 30, 2020. Direct deposits and interest were not always recorded in the check registers and bank statement balances were occasionally recorded in the check registers without properly reconciling the check registers balances to the bank statements balances.

Performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely.

1.4 Procurement procedures

The city does not have a formal bidding policy and has not established policies for the selection of vendors providing professional services. The city did not solicit proposals for professional services including legal services (\$12,000), trash services (\$22,000), and utility bill preparation (\$20,000). According to the Mayor, utility bill preparation has been done by the same vendor for at least 15 years without solicitation of bids.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders.



City of Berger Management Advisory Report - State Auditor's Findings

Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Formal bidding procedures should be sufficiently detailed and include requirements for documenting the process of awarding a bid.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.

Recommendations

The Board of Aldermen:

- 1.1 Segregate the accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 1.2 Require issuance of prenumbered receipt slips for all monies received.
- 1.3 Ensure adequate monthly bank reconciliations are prepared. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 1.4 Establish formal bidding policies and procedures and periodically solicit proposals for professional services.

Auditee's Response

- 1.1 *We have split the duties of the City Clerk and City Treasurer. We have also implemented a two-signature requirement on our checking account. All checks must be signed by the City Treasurer and the Mayor. All expenditures exceeding \$500 must be approved by the Board.*
- 1.2 *We do not accept cash payments. We copy each check received and place it with all invoices (utility bills) submitted. Cashed checks serve as the customer receipt, a customary business practice.*
- 1.3 *Bank reconciliations are now required every month and are prepared by the City Treasurer, subject to review monthly by the Mayor. The Mayor will initially investigate differences between accounting records and reconciliations. The City Marshal will be involved where appropriate.*
- 1.4 *We will develop and adopt formal bidding policies and procedures by January 31, 2021. We will solicit proposals for legal, accounting, engineering, and other professional services upon completion of current contract terms.*



City of Berger
Management Advisory Report - State Auditor's Findings

Auditor's Comment

1.2 Issuing a receipt slip for each payment received provides a record of the transaction and helps reduce the risk of loss, theft, or misuse of funds.

2. Meeting Minutes

The city did not comply with the Sunshine Law for closed and open Board meetings.

2.1 Closed meetings

The city did not comply with the Sunshine Law for the 8 closed meetings held during the year ended June 30, 2020.

Reasons for closing meetings

Open meeting minutes did not always document the specific reasons or section of law allowing the meetings to be closed. Most meeting notices and agendas included a statement that a closed session could be held, in the event the Board wanted to enter into a closed session.

Section 610.022, RSMo, of the Sunshine Law, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the vote and reason into the minutes. The section also limits discussion topics and actions in closed meetings to only those specifically announced prior to closure.

Allowable topics

Some topics discussed and voted on in closed meetings were not allowable under the Sunshine Law. For example, in closed meetings the Board passed a motion to add signers to the bank accounts, reviewed the budget, passed a motion to purchase an evidence safe, discussed the city's Facebook page, and discussed starting a Community Action Plan. In addition, due to the pandemic, the Board held its regular monthly meetings in April and May as closed meetings instead of open meetings and did not provide an alternative way for the public to access these meetings.

Section 610.021, RSMo, lists the topics that may be discussed in closed meetings. Section 610.022.3, RSMo, requires that the discussion topics and actions in closed meetings must be limited to only those specifically allowed by law as announced in the justification for closing the meeting.

2.2 Meeting minutes

The city failed to prepare minutes for 3 of the 8 closed meetings and 2 of the 16 open meetings held from June 17, 2019, through June 30, 2020.

Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of actions and decisions.

Recommendations

The Board of Aldermen:

2.1 Ensure specific reasons for closing a meeting are documented in the open minutes, ensure only topics allowed by state law are discussed



City of Berger
Management Advisory Report - State Auditor's Findings

in closed meetings, and discussions are limited to the specific reasons cited for closing the meeting.

2.2 Ensure minutes are prepared and retained for all open and closed meetings.

Auditee's Response

2.1 *We are now including statutory provision(s) for closed sessions in the minutes and public notices. The Mayor and City Clerk will ensure that discussions in closed sessions are limited to the specific reason cited for closing the meetings and allowed by law.*

2.2 *Minutes will be prepared and retained for every Board meeting. The minutes, public notices, and all documents reviewed by the Board will be available to the public for open sessions. The minutes and public notices for all closed sessions will be made available pursuant to state law.*

3. Budgets and Published Financial Statements

The city does not properly prepare budgets, and does not publish semiannual financial statements in accordance with state law.

3.1 Budgetary requirements

The city budgets prepared for the years ended June 30, 2018, 2019, and 2020, did not include all required elements. The budget documents did not include a budget message, actual or budgeted amounts for the 2 preceding years, the actual beginning and estimated ending cash balance for each fund, or a budget summary.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in determining tax levies and utility rates and informing the public about city operations and current finances.

3.2 Published financial statements

The city does not publish semiannual financial statements as required by state law. As a result, information regarding the city's financial activity and condition is not available to all citizens.

Section 79.160, RSMo, requires the Board to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city.



City of Berger
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 3.1 Prepare annual budgets that contain all information required by state law.
- 3.2 Publish semiannual financial statements as required by state law.

Auditee's Response

- 3.1 *City officers and employees will prepare annual budgets that conform to state law.*
- 3.2 *We will publish semiannual financial statements as required by state law.*

4. Compensation Ordinance

Other than for the Mayor, the city does not have an ordinance establishing the compensation of city officials and the city's part-time employee.

Ordinances documenting approved salary amounts help ensure equitable treatment and prevent any misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of all city officials and employees by ordinance.

Recommendation

The Board of Aldermen establish, by ordinance, the compensation of city officials and employees.

Auditee's Response

We are preparing an ordinance to establish salaries for the Board and all appointed officers and employees.

City of Berger

Organization and Statistical Information

The City of Berger is located in Franklin County. The city was incorporated in 1928 and is currently a fourth-class city. The city employed 3 part-time employees on June 30, 2020.

City operations include water, sewer, trash, and natural gas services.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2020, are identified below. The Mayor is paid \$250 per month and Board of Aldermen members \$35 per month. The Mayor's compensation is established by ordinance; however, an ordinance has not been established for the compensation of the Board of Aldermen.

Harold Englert, Mayor
Liz Fields, Alderwoman
Eric Bruckerhoff, Alderman
Dennis Reed, Alderman
Bernard Steinhoff, Alderman

Other Principal Officials

The City Clerk and Police Marshal are appointed positions. The city's principal officials at June 30, 2020, are identified below:

Nina Adams, City Clerk
Trace Gutierrez, Police Marshal

Financial Activity

A summary of the city's financial activity, prepared using the city's bank statements, for the year ended June 30, 2020, follows:

City of Berger
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended June 30, 2020

	General Fund	Gas Fund	Police Fund	Sewer Operations Fund	Solid Waste Fund	Utilities Fund	Water Fund	Park Fund
RECEIPTS	\$ 19,370	57,856	30,938	70,495	33,110	150,960	26,157	0
DISBURSEMENTS	58,533	26,479	40,117	37,398	13,869	177,949	9,315	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(39,163)	31,377	(9,179)	33,097	19,241	(26,989)	16,842	0
OTHER FINANCING SOURCES (USES)								
Transfers in	39,227	0	0	0	0	0	0	0
Transfers out	0	0	(14,227)	0	0	0	0	0
Total Other Financing Sources (Uses)	39,227	0	(14,227)	0	0	0	0	0
CASH BALANCE, JULY 1, 2019	11,452	41,614	41,201	43,117	14,123	44,033	8,760	1,863
CASH BALANCE, JUNE 30, 2020	\$ 11,516	72,991	17,795	76,214	33,364	17,044	25,602	1,863

	Short Lived Asset Reserve Fund	State Fuel Fund	Money Market Fund	Natural Gas Deposit On Meter Fund	Debt Service Fund	Court Fund	Total
RECEIPTS	\$ 2,377	8,736	1,569	2,115	2,609	3	406,295
DISBURSEMENTS	0	19,520	0	4,675	0	0	387,855
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,377	(10,784)	1,569	(2,560)	2,609	3	18,440
OTHER FINANCING SOURCES (USES)							
Transfers in	0	0	0	0	0	0	39,227
Transfers out	0	0	(25,000)	0	0	0	(39,227)
Total Other Financing Sources (Uses)	0	0	(25,000)	0	0	0	0
CASH BALANCE, JULY 1, 2019	16,519	15,217	301,310	11,645	23,543	2,192	576,589
CASH BALANCE, JUNE 30, 2020	\$ 18,896	4,433	277,879	9,085	26,152	2,195	595,029



Nicole Galloway, CPA

Missouri State Auditor

Federal Funding
for COVID-19 Response
November 2020

Report No. 2020-124

December 2020

auditor.mo.gov

Federal Funding for COVID-19 Response

November 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds November 1, 2020, through November 30, 2020	8
B	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through November 30, 2020.....	9
C	Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to show Missouri's spending of federal assistance in the month of November 2020 for the Coronavirus Disease 2019 (COVID-19) emergency and the cumulative financial activity since the state began receiving funding in April 2020.

In March and April 2020, Congress passed several legislative measures signed into law to provide assistance to citizens, businesses, healthcare facilities, and government entities during the COVID-19 emergency. The funding received by or made available to Missouri state government agencies will help pay for the state's emergency response to COVID-19 and provides (1) additional federal matching funds for the state's Medicaid program (MO HealthNet) and other applicable programs, and (2) funding for various other assistance and benefit programs. The state is passing through some of the funding to local governments. Some funding authorized in the legislation also went directly to local government entities, healthcare facilities, and colleges and universities. The majority of the funding has specific restrictions on its use or state actions and must be spent in defined limited time periods.

In November, the state spent \$432.7 million from federal COVID-19 assistance (Appendix A). Through the end of November, the state has received \$3.175 billion and spent \$1.95 billion from this assistance. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation in Appendix C. A significant portion of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$482 million) and funding passed through to counties and the City of St. Louis (\$521 million). Other funding has been (1) provided to schools, institutions of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. In addition, the state is currently using \$250 million of COVID-19 relief funding for cash management needs.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Senior Auditor:	Jeffrey Roberts, CISA, CFE
Staff Auditor:	Kristin A. Clink, MBA, CISA, CFE

Federal Funding for COVID-19 Response

November 2020

Executive Summary

Executive Summary

Missouri has been awarded federal funding under the following federal laws enacted in March and April 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123; H.R. 6074)
- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139; H.R. 266)

The Coronavirus Preparedness and Response Supplemental Appropriations Act provides for grants to or cooperative agreements with states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The state has been awarded as of November 30, 2020, approximately \$18.8 million under this act for additional or new funding under various federal grant programs. Part of this funding went directly to community health centers from the federal government. Each grant program has a separate time limit on use of the funding.

The Families First Coronavirus Response Act provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the state's Medicaid program (MO HealthNet) and other applicable programs. The state's FMAP percentage was approximately 66 percent prior to this act.¹ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the COVID-19 public health emergency, including any extensions, ends. To qualify for the temporary FMAP increase, Missouri must:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020, (maintenance of effort requirement).
- Not charge premiums that exceed those that were in place as of January 1, 2020.

¹ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act.

Federal Funding for COVID-19 Response
November 2020
Executive Summary

- Cover, without impositions of any cost sharing, testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19.
- Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state (continuous coverage requirement).

Under the Families First Coronavirus Response Act, the state has also been awarded as of November 30, 2020, approximately \$36.2 million of additional or new funding under various federal grant programs for meal assistance, food subsidies, and administrative costs. Each grant program has a separate time limit on use of the funding.

The CARES Act specifies that payments provided to the state from the Coronavirus Relief Fund² may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the state; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The state has received approximately \$2.38 billion in Coronavirus Relief Fund assistance including nearly \$173.5 million for St. Louis County and \$122.7 million for Jackson County.³ Twenty-five percent of the remaining state share (approximately \$521 million) was distributed to other counties in the state and the City of St. Louis based on population. In early July, the Department of the Treasury Office of Inspector General (OIG) issued interim and quarterly reporting requirements for Coronavirus Relief Fund payments. The OIG is responsible for monitoring and oversight of the receipt, disbursement, and use of these payments.

Eligible expenditures for Coronavirus Relief Fund assistance include, but are not limited to, payment for:⁴

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.

² From the U.S. Department of the Treasury, CFDA number 21.019.

³ The funding for Jackson County and St. Louis County went directly to those local governments from the federal government.

⁴ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, September 2, 2020, <<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>>, accessed September 25, 2020.

Federal Funding for COVID-19 Response
November 2020
Executive Summary

- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
- Expenses for communication and enforcement by state, territorial, local, and tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.

Federal Funding for COVID-19 Response
November 2020
Executive Summary

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy CARES Act eligibility criteria.

The state may also use Coronavirus Relief Fund assistance to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures.⁵ If the state has not used the Coronavirus Relief Fund assistance it has received to cover costs that were incurred by December 30, 2020, as required by federal law, those funds must be returned to the federal government.

The General Assembly has authorized the Office of Administration (OA) to transfer up to \$750 million in Coronavirus Relief Fund assistance from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. Any transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund prior to June 30, 2021. In May, the OA transferred \$250 million from the stimulus

⁵ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, p.14, October 19, 2020, < <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf> >, accessed October 30, 2020.

Federal Funding for COVID-19 Response
November 2020
Executive Summary

fund to the General Revenue Fund. No cash management transfers occurred in November.

Under the CARES Act, the state has also been awarded as of November 30, 2020, approximately \$3.22 billion of additional or new funding under other various federal grant programs for assistance for public schools, institutions of higher education, and healthcare facilities; child care and family services; health care worker training programs; public health education; expanded telehealth services; and numerous other assistance services or benefits. A significant part of this funding went directly to local governments or the awarded entity. Each grant program has a separate time limit on use of the funding.

The Paycheck Protection Program and Health Care Enhancement Act provides funding to states for expanded COVID-19 testing. Under the act, the state has been awarded approximately \$165 million with some of this funding going directly to rural health departments from the federal government.

In November, the state spent \$432.7 million from federal COVID-19 assistance (Appendix A). Through the end of November, the state has received \$3.175 billion and spent \$1.95 billion from this assistance. A significant portion of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$482 million) and funding passed through to counties and the City of St. Louis (\$521 million).

Other funding has been (1) provided to schools, institutions of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. The state will be responsible for monitoring use of the funding it passes through to local governments. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation are presented in Appendix C.

Appendix A

Federal Funding for COVID-19 Response
 Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds
 November 1, 2020, through November 30, 2020

	Unaudited					
	Beginning					Ending
	Fund Balance	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Coronavirus Emergency Supplemental Fund	\$ 11,646,541	2,119	0	0	0	11,648,660
FMAP (Federal Medical Assistance Percentage) Enhancement Fund ¹	235,418,138	64,570,635	142,155,822	0	0	157,832,951
Department of Elementary and Secondary Education Federal Stimulus Fund	25,709	16,817,374	16,819,307	0	0	23,776
Department of Elementary and Secondary Education Federal Emergency Relief Fund	0	13,738,316	13,269,231	0	0	469,085
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	0	431,653	98,672	0	0	332,981
Missouri Department of Transportation Federal Stimulus Fund	462,510	2,860,504	3,283,650	0	0	39,364
State Emergency Management Federal Stimulus Fund	966,512,071	36,834,466	231,562,057	0	39,977,106	731,807,374
Department of Mental Health Federal Stimulus Fund	11,888,895	79,431	480,990	0	13,162	11,474,174
Department of Health and Senior Services Federal Stimulus Fund	1,595,862	22,854,838	23,162,497	0	164	1,288,039
Department of Social Services Federal Stimulus Fund	94,958	1,702,979	1,792,660	0	0	5,277
Department of Labor & Industrial Relations Federal Stimulus Fund	634,254	0	263	0	0	633,991
Secretary of State Federal Stimulus Fund	3,742,150	19,701	123,006	0	0	3,638,845
Total all Funds	\$ 1,232,021,088	159,912,016	432,748,155	0	39,990,432	919,194,517

¹ For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. In November 2020, \$142,155,822 was transferred from this fund to the General Revenue Fund. This transfer uses federal COVID-19 funding to reimburse expenditures incurred by the General Revenue Fund with state funding. In the interest of displaying the net effect of this transfer, which ultimately represents use of COVID-19 funding, we reclassified this amount from a transfer out to a disbursement in this statement. These amounts will not appear under the FMAP Enhancement Fund in Appendix C. Through November 2020, the Department of Social Services (DSS) has transferred the maximum \$158,000,000 allowed under the legislation authorizing appropriations from this fund. The DSS is waiting on further legislative decision items or accounting transfers to use the remaining \$157,832,951 fund balance.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix B

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through November 30, 2020

	Unaudited				
	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 3,801,643	3,801,643	0	0	0
Coronavirus Emergency Supplemental Fund	11,648,668	8	0	0	11,648,660
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	640,224,121	482,391,170	0	0	157,832,951
Department of Elementary and Secondary Education Federal Stimulus Fund	73,316,610	73,292,834	0	0	23,776
Department of Elementary and Secondary Education Federal Emergency Relief Fund	127,745,763	127,276,678	0	0	469,085
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	6,986,943	6,653,962	0	0	332,981
Missouri Department of Transportation Federal Stimulus Fund	12,644,046	12,604,682	0	0	39,364
Office of Administration Federal Stimulus Fund	521,241,978	521,093,744	66,711	214,945	0
Department of Public Safety Federal Stimulus Fund	2,262,000	189,250	0	2,072,750	0
State Emergency Management Federal Stimulus Fund ²	1,582,671,070	559,546,171	14,890,694	306,208,219	731,807,374
Department of Corrections Federal Stimulus Fund	11,578,485	1,514,706	0	10,063,779	0
Department of Mental Health Federal Stimulus Fund	22,066,721	6,484,312	725,786	4,834,021	11,474,174
Department of Health and Senior Services Federal Stimulus Fund	106,262,583	104,899,162	0	75,382	1,288,039
Department of Social Services Federal Stimulus Fund	26,858,869	25,753,842	0	1,099,750	5,277
Department of Labor & Industrial Relations Federal Stimulus Fund	21,384,485	20,472,404	0	278,090	633,991
Secretary of State Federal Stimulus Fund	4,028,666	389,821	0	0	3,638,845
Total all Funds	\$ 3,174,722,651	1,946,364,389	15,683,191	324,846,936	919,194,517

¹ During the fiscal year ending June 30, 2020, the Secretary of State used this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. This fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. Beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund is used to account for all COVID-19 receipts and related disbursements.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of November, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUND						
Department of Public Safety (DPS) - Office of the Director - Coronavirus Emergency Supplemental Fund grants - personal service	\$ 675,494	0	675,494	675,494	0	675,494
DPS - Office of the Director - Coronavirus Emergency Supplemental Fund grants - expense and equipment	10,758,773	1	10,758,772	10,758,773	7	10,758,766
Total Coronavirus Emergency Supplemental Fund	11,434,267	1	11,434,266	11,434,267	7	11,434,260
FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE) ENHANCEMENT FUND						
Department of Social Services (DSS) - MO HealthNet Division - Medicare Part D Clawback payments ²				100,000,000	74,391,170	25,608,830
DSS - MO HealthNet Division - payment to comprehensive prepaid health care plans as provided by federal or state law or for payments to programs authorized by the Frail Elderly Demonstration Project Waiver as provided by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508, Section 4744) and by Section 208.152 (16), RSMo, provided that the department shall implement programs or measures to achieve cost-savings through emergency room services reform, and further provided that MO HealthNet eligibles described in Section 501(a)(1)(D) of Title V of the Social Security Act may voluntarily enroll in the Managed Care Program ²						
Total FMAP Enhancement Fund				250,000,000	250,000,000	0
				350,000,000	324,391,170	25,608,830
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) FEDERAL						
Free public schools - all expenditures	2,000,000,000	31,398,562	1,968,601,438	1,515,839,292	0	1,515,839,292
School Nutrition Services Program - reimbursements to schools for school food programs				117,552,821	41,894,272	75,658,549
Total DESE Federal Stimulus Fund	2,000,000,000	31,398,562	1,968,601,438	1,633,392,113	41,894,272	1,591,497,841
DESE FEDERAL EMERGENCY RELIEF FUND						
Distributions to free public schools under the Coronavirus Aid, Relief, and Economic Security (CARES) Act	208,443,000	57,683,780	150,759,220	300,000,000	67,469,751	232,530,249
Distributions of the Governor's Emergency Education Relief Funds to the free public schools under the CARES Act	30,000,000	2,592,232	27,407,768			
Total DESE Federal Emergency Relief Fund	238,443,000	60,276,012	178,166,988	300,000,000	67,469,751	232,530,249
DEPARTMENT OF HIGHER EDUCATION AND WORKFORCE DEVELOPMENT (DHEWD)						
Crowder College	1,718,186	0	1,718,186	1,718,186	0	1,718,186
Crowder College - maintenance and repair	65,732	0	65,732	65,732	0	65,732
Crowder College - equity	133,645	0	133,645	133,645	0	133,645
East Central College	1,622,326	0	1,622,326	1,622,326	0	1,622,326
East Central College - maintenance and repair	47,965	0	47,965	47,965	0	47,965
East Central College - equity	126,188	0	126,188	126,188	0	126,188

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Jefferson College	2,326,275	0	2,326,275	2,326,275	0	2,326,275
Jefferson College - maintenance and repair	114,448	0	114,448	114,448	0	114,448
Jefferson College - equity	180,943	0	180,943	180,943	0	180,943
Metropolitan Community College	9,402,075	0	9,402,075	9,402,075	0	9,402,075
Metropolitan Community College - maintenance and repair	395,635	0	395,635	395,635	0	395,635
Metropolitan Community College - equity	731,315	0	731,315	731,315	0	731,315
Mineral Area College	1,691,577	0	1,691,577	1,691,577	0	1,691,577
Mineral Area College - maintenance and repair	68,720	0	68,720	68,720	0	68,720
Mineral Area College - equity	131,575	0	131,575	131,575	0	131,575
Moberly Area Community College	1,904,480	0	1,904,480	1,904,480	0	1,904,480
Moberly Area Community College - maintenance and repair	45,518	0	45,518	45,518	0	45,518
Moberly Area Community College - equity	148,135	0	148,135	148,135	0	148,135
North Central Missouri College	811,508	0	811,508	811,508	0	811,508
North Central Missouri College - maintenance and repair	16,606	0	16,606	16,606	0	16,606
North Central Missouri College - equity	63,121	0	63,121	63,121	0	63,121
Ozarks Technical Community College	4,398,254	0	4,398,254	4,398,254	0	4,398,254
Ozarks Technical Community College - maintenance and repair	68,116	0	68,116	68,116	0	68,116
Ozarks Technical Community College - equity	342,106	0	342,106	342,106	0	342,106
St. Charles Community College	2,760,428	0	2,760,428	2,760,428	0	2,760,428
St. Charles Community College - maintenance and repair	63,893	0	63,893	63,893	0	63,893
St. Charles Community College - equity	214,713	0	214,713	214,713	0	214,713
St. Louis Community College	12,960,637	0	12,960,637	12,960,637	0	12,960,637
St. Louis Community College - maintenance and repair	473,822	0	473,822	473,822	0	473,822
St. Louis Community College - equity	1,008,108	0	1,008,108	1,008,108	0	1,008,108
State Fair Community College	1,858,709	0	1,858,709	1,858,709	0	1,858,709
State Fair Community College - maintenance and repair	64,102	0	64,102	64,102	0	64,102
State Fair Community College - equity	144,575	0	144,575	144,575	0	144,575
Three Rivers College	1,588,805	0	1,588,805	1,588,805	0	1,588,805
Three Rivers College - maintenance and repair	41,015	0	41,015	41,015	0	41,015
Three Rivers College - equity	123,581	0	123,581	123,581	0	123,581
State Technical College of Missouri	2,010,124	0	2,010,124	2,010,124	0	2,010,124
University of Central Missouri	18,446,119	0	18,446,119	18,446,119	0	18,446,119
Southeast Missouri State University	15,293,156	0	15,293,156	15,293,156	0	15,293,156
Missouri State University	31,333,687	0	31,333,687	31,333,687	0	31,333,687
Lincoln University	7,156,731	0	7,156,731	5,859,958	0	5,859,958
Lincoln University - land grant match				1,296,773	0	1,296,773

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Truman State University	13,886,774	0	13,886,774	13,886,774	0	13,886,774
Northwest Missouri State University	10,395,373	0	10,395,373	10,395,373	0	10,395,373
Missouri Southern State University	8,010,414	0	8,010,414	8,010,414	0	8,010,414
Missouri Western State University	7,415,585	0	7,415,585	7,415,585	0	7,415,585
Harris-Stowe State University	3,487,087	0	3,487,087	3,487,087	0	3,487,087
University of Missouri	138,745,625	0	138,745,625	138,745,625	0	138,745,625
Total DHEWD Federal Stimulus Fund	304,037,512	0	304,037,512	304,037,512	0	304,037,512
DHEWD FEDERAL EMERGENCY RELIEF FUND						
Distributions of the Governor's Emergency Education Relief Funds to institutions of higher education under the CARES Act	23,643,000	6,986,943	16,656,057	200,000,000	0	200,000,000
Total DHEWD Federal Emergency Relief Fund	23,643,000	6,986,943	16,656,057	200,000,000	0	200,000,000
MISSOURI DEPARTMENT OF TRANSPORTATION (MoDOT) FEDERAL STIMULUS FUND						
Transit Program - grants to non-urbanized areas under Sections 5311 and 5340, Title 49, United States Code	61,770,760	8,908,568	52,862,192	20,000,000	4,114,460	15,885,540
Aviation Program - construction, capital improvements, or planning of publicly owned airfields by cities or other political subdivisions, including land acquisition, pursuant to provisions of the State Block Grant Program administered through the Federal Airport Improvement Program	19,870,044	423,274	19,446,770	1,000,000	0	1,000,000
Total MoDOT Federal Stimulus Fund	81,640,804	9,331,842	72,308,962	21,000,000	4,114,460	16,885,540
OFFICE OF ADMINISTRATION (OA) FEDERAL STIMULUS FUND						
Distribution of federal funds to units of local government as provided in the CARES Act				1,071,000,000	520,925,478	550,074,522
Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				316,500	158,016	158,484
Broadband expansion and/or cellular equipment and service to provide fixed or mobile broadband access to emergency services personnel in order to coordinate and dispatch services related to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Broadband expansion to residential and agricultural areas in counties of the state of Missouri with high concentrations of state employees without residential access to broadband internet, for the purpose of enabling state employees to work remotely due to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Reimbursement of broadband services costs, and/or for state purchase of cellular equipment and service to provide fixed or mobile broadband service for state employees required to work from home due to the COVID-19 disease - expense and equipment	2,000,000	0	2,000,000			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				16,000	10,250	5,750
Total OA Federal Stimulus Fund	12,000,000	0	12,000,000	1,071,332,500	521,093,744	550,238,756

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF PUBLIC SAFETY (DPS) FEDERAL STIMULUS FUND						
Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				2,262,000	189,250	2,072,750
Total DPS Federal Stimulus Fund				2,262,000	189,250	2,072,750
STATE EMERGENCY MANAGEMENT FEDERAL STIMULUS FUND						
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - state agency disasters ⁴	297,625,582	71,784,029	225,841,553	1,039,025,589	51,396,569	987,629,020
Alternative care treatment facility staffing expenses - personal service	35,000,000	3,388	34,996,612	35,000,000	1,119,066	33,880,934
MO HealthNet Division - Long-term care services - care in nursing facilities under the MO HealthNet fee-for-service program and for contracted services to develop model policies and practices that improve the quality of life for long-term care residents - funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional amount of \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020	90,000,000	28,468,809	61,531,191	90,000,000	0	90,000,000
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency and for first responder training programs	1,800,000	1,567,713	232,287	1,800,000	0	1,800,000
Emergency assistance expenses as provided in Section 44.032, RSMo	10,000,000	0	10,000,000	10,000,000	0	10,000,000
State Emergency Management Agency, Boone County Fire Protection District, Missouri Task Force 1 - expenses for response to emergencies and disasters in the State of Missouri and conduct of annual training exercises. Expenses may include, but are not limited to personnel salaries and benefits, supplies, and repair or replacement of damaged equipment	100,000	100,000	0			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	750,000,000	0	750,000,000			
DESE - Learning Loss Testing	8,400,000	2,853,583	5,546,417			
DESE - Transportation Costs	9,100,000	9,095,044	4,956			
DESE - State School Bus Routes	1,000,000	37,444	962,556			
DESE - Sheltered Workshops	4,000,000	3,011,688	988,312			
DESE - Distance Learning	10,000,000	5,609,001	4,390,999			
DHEWD - Distance Learning	10,000,000	9,360,758	639,242			
DHEWD - Computer-Based Training	2,000,000	1,028,000	972,000			
DHEWD - Workforce Development Boards	800,000	147,589	652,411			
DHEWD - Workforce Training	6,750,000	3,033,762	3,716,238			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DHEWD - Institutions of Higher Education COVID Expenses	80,000,000	79,011,876	988,124			
Department of Revenue (DOR) - Temporary Motor Vehicle and Driver Licensing Division Offices	2,000,000	347,231	1,652,769			
DOR - Technology and infrastructure costs due to the COVID-19 crisis - expense and equipment	363,066	68,000	295,066			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - personal service	427,109	53,351	373,758			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - expense and equipment	1,110,000	0	1,110,000			
OA - Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	516,500	404,000	112,500			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	122,500	74,500	48,000			
Missouri Consolidated Health Care Plan - COVID Reimbursement	5,000,000	4,893,352	106,648			
Department of Agriculture (MDA) - Division of Animal Health - support, workforce assistance, equipment and capital improvements to meat processing facilities located in the state to address supply chain disruptions and mitigate health and environmental impacts as a result of the COVID-19 pandemic	20,000,000	2,041,845	17,958,155			
Department of Economic Development (DED) - Broadband Expansion	12,750,000	1,415,424	11,334,576			
DED - Program to provide grants to small businesses incorporated in the state of Missouri with 50 or fewer employees, to reimburse the costs of business interruption caused by required closures in connection with the COVID-19 public health emergency, provided that no grants shall be provided to franchise or chain business entities, and further provided that one-quarter of funds under such program shall be allocated to family-owned farms	30,000,000	236,037	29,763,963			
DED - Innovation Grants	1,000,000	0	1,000,000			
DED - Manufacturer Retooling	20,000,000	14,115,985	5,884,015			
DED - Nonprofit Stimulus	22,000,000	0	22,000,000			
DED - Destination Marketing Organization Stimulus	15,000,000	14,833,420	166,580			
DPS - Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	2,262,000	1,605,665	656,335			
Department of Corrections (DOC) - Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	16,578,485	12,409,792	4,168,693			
Department of Mental Health (DMH) - Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	18,875,000	12,209,784	6,665,216			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30,			Year Ended June 30,		
	2021 (through November 30, 2020)			2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DMH - Division of Developmental Disabilities - Developmental Disabilities Waiver (DDW) - compensation of all DDW providers during the period that Missouri or the United States falls within an emergency declaration to compensate any DDW provider with a retention payment, gap payment, or temporary rate increase; and additional payment per day during the period which a DDW provider has at least one confirmed positive COVID-19 case on the premises, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need the services	20,000,000	16,513,289	3,486,711			
DMH - Division of Behavioral Health COVID Reimbursements	10,000,000	9,745,934	254,066			
DMH - Division of Behavioral Health - suicide prevention initiatives - expense and equipment	620,000	620,000	0			
DMH - Developmental Disabilities Telehealth	2,160,000	2,149,608	10,392			
DMH - Telehealth Training	3,500,000	3,500,000	0			
DMH - Behavioral Health Net	100,500	100,000	500			
Department of Health and Senior Services (DHSS) - Contact Tracing and Testing	140,000	0	140,000			
DHSS - Home & Community Based Services COVID Reimbursements	20,000,000	3,089,497	16,910,503			
Department of Social Services (DSS) - Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	1,294,500	734,313	560,187			
DSS - Family Support Division - electronic benefit transfers system - expense and equipment	901,788	421,743	480,045			
Department of Labor & Industrial Relations (DOLIR) Unemployment Insurance System Support	20,000,000	11,949,350	8,050,650			
DED Communications Campaign	3,250,000	1,115,798	2,134,202			
DPS Missouri National Guard Expenses	2,700,000	405,907	2,294,093			
DHSS Call Center/Data Entry	170,075	170,075	0			
DHSS Testing	89,291,600	15,938,013	73,353,587			
DHSS Contact Tracing/Tracking	11,800,000	113,072	11,686,928			
DHSS Lab Infrastructure	22,360,108	1,683,355	20,676,753			
DHSS Technology & Data Infrastructure	229,433	173,719	55,714			
DHSS Sewershed	216,081	48,700	167,381			
DHSS Surveillance	199,583	0	199,583			
DHSS Prevention in High Risk Settings	1,222,775	0	1,222,775			
DHSS COVID Support Services	1,405,200	138,990	1,266,210			
DHSS Epidemiology and Laboratory Capacity (ELC) Grant	5,000,000	3,784	4,996,216			
DESE Hearing Aid Distribution	100,000	100,000	0			
DHSS Poison Control	500,000	0	500,000			
DHSS Saliva-Based Testing	1,100,000	977,751	122,249			
DOC Waste Water Testing	250,000	98,599	151,401			
DSS Food Banks	6,500,000	6,450,000	50,000			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DHEWD American Graduate	378,828	0	378,828			
DESE K-12 Support	61,500,000	61,440,933	59,067			
DESE Independent Living Centers	250,000	144,657	105,343			
DESE Substitute Teachers	2,000,000	879,763	1,120,237			
DHEWD Independent Colleges	10,000,000	8,614,577	1,385,423			
DMH Access to Recovery	1,000,000	889,166	110,834			
DHSS Child Care Providers	12,000,000	708,849	11,291,151			
DSS Assisted Living Facilities	10,000,000	0	10,000,000			
COVID Dedicated Personal Service ⁴	200,000,000	9,964,350	190,035,650	200,000,000	71,054,071	128,945,929
DMH Signs of Suicide Program	3,200,000	0	3,200,000			
Fringe Benefits Personal Service ⁴	1,979,287	1,979,286	1	14,174,411	14,174,411	0
OA - Division of Accounting - for reimbursing the Division of Employment Security benefit account for claims paid to former state employees for unemployment insurance coverage and for related professional services	107	0	107			
Total State Emergency Management Federal Stimulus Fund	2,011,900,107	440,684,148	1,571,215,959	1,390,000,000	137,744,117	1,252,255,883
DEPARTMENT OF CORRECTIONS (DOC) FEDERAL STIMULUS FUND						
Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				11,578,485	1,514,706	10,063,779
Total DOC Federal Stimulus Fund				11,578,485	1,514,706	10,063,779
DEPARTMENT OF MENTAL HEALTH (DMH) FEDERAL STIMULUS FUND						
Office of the Director - personal service				75,000	2,298	72,702
Office of the Director - expense and equipment				5,000,000	0	5,000,000
Division of Behavioral Health - suicide prevention initiatives - expense and equipment	900,000	17,834	882,166	900,000	0	900,000
Division of Developmental Disabilities - community program funding, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need services - expense and equipment				15,364,800	0	15,364,800
Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				8,175,000	4,104,264	4,070,736
Office of the Director - Emergency COVID-19 Directed Treatment Services Program - expense and equipment	2,000,000	303,809	1,696,191	2,000,000	63,556	1,936,444
Division of Developmental Disabilities - telehealth physician services related to COVID-19 - expense and equipment	720,000	0	720,000			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - personal service	636,796	94,054	542,742			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - expense and equipment	19,363,204	1,928,825	17,434,379			
Total DMH Federal Stimulus Fund	23,620,000	2,344,522	21,275,478	31,514,800	4,170,118	27,344,682
DEPARTMENT OF HEALTH AND SENIOR SERVICES (DHSS) FEDERAL STIMULUS FUND						
Division of Community and Public Health - community health programs funding and related expenses	224,981	0	224,981	671,000	0	671,000
Division of Community and Public Health - Office of Emergency Coordination - personal service				445,516	0	445,516
Division of Community and Public Health - Office of Emergency Coordination - to address coronavirus preparedness and response - expense and equipment and program distribution	24,887,493	1,944,450	22,943,043	32,556,018	438,189	32,117,829
Division of Community and Public Health - Office of Rural Health and Primary Care - other programs and related expenses - expense and equipment	4,050,000	1,647,978	2,402,022	4,500,000	0	4,500,000
Division of Senior and Disability Services - funds for supportive services and meals to be distributed to each Area Agency on Aging - expense and equipment	18,000,000	11,324,599	6,675,401	25,000,000	6,404,165	18,595,835
Division of Community and Public Health - medications	401,508	262,379	139,129	1,620,000	0	1,620,000
Division of Community and Public Health - child nutrition and commodity assistance programs	185,000,000	53,408,628	131,591,372	30,062,065	30,062,065	0
Division of Community and Public Health - Office of Emergency Coordination - Poison Control Hotline - expense and equipment	100,000	0	100,000			
Division of Regulation and Licensure - program operations and support - personal service	300,000	139,352	160,648			
Division of Regulation and Licensure - program operations and support - expense and equipment	300,000	1,415	298,585			
Total DHSS Federal Stimulus Fund	233,263,982	68,728,801	164,535,181	94,854,599	36,904,419	57,950,180
DEPARTMENT OF SOCIAL SERVICES (DSS) FEDERAL STIMULUS FUND						
Family Support Division - Emergency Solutions Grant Program payments	9,584,276	0	9,584,276	30,000,000	0	30,000,000
Family Support Division - Food Distribution Program and the receipt and disbursement of donated food program payments	6,026,000	1,103,641	4,922,359	4,326,000	245,203	4,080,797
Family Support Division - grants to not-for-profit organizations for services and programs to assist victims of domestic violence	528,000	118,419	409,581	528,000	0	528,000

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Children's Division - child care services to provide immediate financial assistance to child care providers to prevent them from going out of business and to support child care for families, including healthcare workers, first responders, and other professionals in critical roles during the COVID-19 pandemic, the general administration of the programs, including development and implementation of automated systems to enhance time, attendance reporting, contract compliance and payment accuracy, and to support the Educare Program	66,542,726	14,916,255	51,626,471	20,000,000	9,088,706	10,911,294
Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				1,294,500	194,750	1,099,750
Family Support Division - community services programs provided by Community Action Agencies or other not-for-profit organizations under provisions of the Community Services Block Grant	27,847,053	76,503	27,770,550			
Family Support Division - Low Income Home Energy Assistance Program	17,970,880	15,641	17,955,239			
Children's Division - grants to community-based programs to strengthen the child welfare system locally to prevent child abuse and neglect and divert children from entering into the custody of the Children's Division, provided that the Children's Division shall coordinate the delivery of services with the Parents as Teachers Program within the Department of Elementary and Secondary Education	907,000	0	907,000			
Total DSS Federal Stimulus Fund	129,405,935	16,230,459	113,175,476	56,148,500	9,528,659	46,619,841
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) FEDERAL STIMULUS FUND						
Business and Community Solutions Division - Community Development Block Grant Program - projects awarded on or after July 1, 2019, provided no funds shall be expended at higher education institutions not headquartered in Missouri for purposes of accreditation				20,000,000	0	20,000,000
Business and Community Solutions Division - Community Development Block Grant Program - projects to support local community development activities - expense and equipment	20,000,000	0	20,000,000			
Total DED Federal Stimulus Fund	20,000,000	0	20,000,000	20,000,000	0	20,000,000
DEPARTMENT OF NATURAL RESOURCES (DNR) FEDERAL STIMULUS FUND						
Low-Income Weatherization Assistance Program payments	1,996,764	0	1,996,764			
Total DNR Federal Stimulus Fund	1,996,764	0	1,996,764			
LIEUTENANT GOVERNOR FEDERAL STIMULUS FUND						
Missouri State Council on the Arts - expense and equipment	517,000	0	517,000			
Missouri Humanities Council - program distribution	605,000	0	605,000			
Total Lieutenant Governor Federal Stimulus Fund	1,122,000	0	1,122,000			
DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS (DOLIR) FEDERAL STIMULUS FUND						
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - personal service				1,000,000	208,806	791,194
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - expense and equipment				700,000	687,146	12,854

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Division of Employment Security - personal service	23,948,454	23,290	23,925,164			
Division of Employment Security - expense and equipment	7,600,846	569,469	7,031,377			
Division of Employment Security - administration of programs authorized and funded by the United States Department of Labor, such as Disaster Unemployment Assistance, and provided that all funds shall be expended from discrete accounts and that no monies shall be expended for funding administration of these programs by the Division of Employment Security	17,000,000	17,000,000	0			
OA - Information Technology Services Division - for DOLIR - expense and equipment	1,887,001	1,160,028	726,973	1,000,000	823,665	176,335
Total DOLIR Federal Stimulus Fund	50,436,301	18,752,787	31,683,514	2,700,000	1,719,617	980,383
SECRETARY OF STATE (SOS) FEDERAL STIMULUS FUND						
Election reform grants, transaction costs, election administration improvements within Missouri, support of Help America Vote Act activities, and the state's share of election costs as required by Chapter 115, RSMo	16,100,000	199,412	15,900,588			
All allotments, grants, and contributions from the federal government or from any sources that may be deposited in the State Treasury for the use of the Missouri State Library	750,000	193,819	556,181			
Total SOS Federal Stimulus Fund	16,850,000	393,231	16,456,769			
FEDERAL BUDGET STABILIZATION FUND						
State Technical College of Missouri	549,415	0	549,415			
University of Central Missouri	4,928,740	0	4,928,740			
Southeast Missouri State University	4,094,371	0	4,094,371			
Missouri State University	8,433,094	0	8,433,094			
Lincoln University	1,576,580	0	1,576,580			
Truman State University	3,708,416	0	3,708,416			
Northwest Missouri State University	2,784,388	0	2,784,388			
Missouri Southern State University	2,159,973	0	2,159,973			
Missouri Western State University	1,985,243	0	1,985,243			
Harris-Stowe State University	931,228	0	931,228			
University of Missouri - operation of various campuses and programs	36,939,413	0	36,939,413			
University of Missouri - St. Louis - Biotech	133,378	0	133,378			
University of Missouri - State Historical Society	288,022	0	288,022			
MODOT - for a transportation cost-share program with local communities, provided these funds shall not supplant, and shall only supplement, the current planned allocation of road and bridge expenditures under the most recently adopted state transportation and improvement plan, including all amendments thereto, as of the date of passage of this bill by the General Assembly, and provided the MODOT and DED work cooperatively to select projects with the greatest economic benefit to the State	25,000,000	0	25,000,000			

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 and Fiscal Year 2021 through November 30, 2020

	Year Ended June 30, 2021 (through November 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
University of Missouri - Precision Medicine Initiative	10,000,000	0	10,000,000			
Total Federal Budget Stabilization Fund	103,512,261	0	103,512,261			
Total All Funds	\$ 5,263,305,933	655,127,308	4,608,178,625	5,500,254,776	1,150,734,290	4,349,520,486

¹ The appropriation authority is the maximum amount that may be expended for the purpose as documented and approved through appropriations bills.

² For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. Therefore, the Department of Social Services cannot directly expend any receipted monies from the fund, as it could during the fiscal year ended June 30, 2020.

³ Coronavirus Relief Fund assistance must be returned to the federal government if it is not spent to cover allowable costs incurred by December 30, 2020. State officials did not know whether or to what extent the state may have to repay any funding received at the time the appropriation was established. To acknowledge the existence of the obligation, the state established appropriations authorizing the return of up to \$750 million.

⁴ Statewide Accounting System (SAM II) adjustments between November 1, 2020, and November 30, 2020, retroactively charged COVID-19 personal service and fringe benefits appropriations for the fiscal year ended June 30, 2020, since the previous report. These appropriations were created using appropriation authority transferred from the "state agency disasters" appropriation. The Office of Administration (OA) completed these adjustments upon receiving new guidance from the United States Treasury in late October 2020.

Source: Statewide Accounting System (SAM II). The appendix is presented on the state's legal budgetary basis of accounting that records expenditures when the liabilities are recorded, rather than when cash is disbursed.



Nicole Galloway, CPA

Missouri State Auditor

**Federal Unemployment Funding
for COVID-19 Response
Through October 2020**

Report No. 2020-123

December 2020

auditor.mo.gov

Federal Unemployment Funding for COVID-19 Response Through October 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendix	
Benefits and Employer Refunds or Credits Through October 31, 2020	6



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to summarize the unemployment benefits and relief received by Missouri citizens, government entities, and nonprofit organizations related to the Coronavirus Disease 2019 (COVID-19) emergency from declaration of the emergency through October 2020.

In March 2020, Congress passed several legislative measures signed into law to provide assistance to citizens becoming unemployed due to the COVID-19 emergency. In August, following expiration of a significant program in the initial legislation, the President issued an executive memorandum for a new short-term program. The unemployment assistance funding is processed through the state's Unemployment Insurance Trust Fund at the Department of Labor and Industrial Relations.

Through October 31, 2020, more than 500,000 Missouri citizens have received assistance totaling nearly \$3.8 billion from at least one of the unemployment benefit programs. Also, through that date, approximately 1,600 government entities and nonprofit organizations have received \$22.8 million in emergency unemployment relief.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP

Federal Unemployment Funding for COVID-19 Response

Executive Summary

Executive Summary

Missouri citizens have received unemployment assistance under the following federal laws enacted or executive action taken in March and August 2020:

- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019

The Families First Coronavirus Response Act includes the Emergency Unemployment Insurance Stabilization and Access Act of 2020 (EUISAA).¹ That act provides, among other things, (1) emergency administrative grants to states; (2) emergency flexibilities to states related to temporarily modifying certain aspects of their unemployment compensation laws; (3) a short-term waiver of interest payments due and interest accrual on Title XII advances to states; and (4) full federal funding, under certain circumstances, of extended benefits (EB) paid through December 31, 2020. The EUISAA also required the U.S. Department of Labor to provide technical assistance and guidance to assist states in establishing, implementing, and improving employer awareness of the Short-Time Compensation (STC) program, also known as Shared Work or Work Share.

The CARES Act authorizes the following provisions:²

Pandemic Unemployment Assistance (PUA)

This program provides up to 39 weeks of benefits and is available starting with weeks of unemployment beginning on or after January 27, 2020, and ending on or before December 31, 2020.

The program covers individuals who are self-employed, seeking part-time employment, or whom otherwise would not qualify for regular unemployment compensation (UC) or EB under state or federal law or Pandemic Emergency Unemployment Compensation (PEUC). Coverage also includes individuals who have exhausted all rights to regular UC or EB under state or federal law, or PEUC.

¹ U. S Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 13-20*, pages 2-8, issued March 22, 2020.

² U. S Department of Labor, *Advisory: Unemployment Insurance Program Letter No. 14-20*, pages 3-6, issued April 2, 2020.

Pandemic Emergency Unemployment Compensation

This program provides up to 13 weeks of benefits and is available for weeks of unemployment beginning after the date on which the state enters into an agreement with the U.S. Department of Labor and ending with weeks of unemployment ending on or before December 31, 2020.

This program covers individuals who: have exhausted all rights to regular UC under state or federal law; have no rights to regular UC under any other state or federal law; are not receiving compensation under the UC laws of Canada; and are able to work, available for work, and actively seeking work. However, states shall offer flexibility in meeting the "actively seeking work" requirement if individuals are unable to search for work because of COVID-19, including because of illness, quarantine, or movement restriction.

Among the requirements of this program is a non-reduction rule, which prohibits states from changing the computation method governing regular UC law in a way that results in the reduction of average weekly benefit amounts or the number of weeks of benefits payable (i.e., maximum benefit entitlement).

Federal Pandemic Unemployment Compensation (FPUC)

This program provided an additional \$600 per week to individuals who were collecting regular UC (including Unemployment Compensation for Federal Employees and Unemployment Compensation for Ex-Servicemembers), PEUC, PUA, EB, STC, Trade Readjustment Allowances, Disaster Unemployment Assistance, and payments under the Self Employment Assistance program. The program was available for weeks of unemployment beginning after the date on which the state enters into an agreement with the U.S. Department of Labor and ending with weeks of unemployment ending on or before July 31, 2020.

The non-reduction rule applicable to PEUC also applied to this program.

Emergency unemployment relief for governmental entities and non-profit organizations

This section of the CARES Act provides for transfers to a state's account in the unemployment trust fund from the Federal Unemployment Account to provide partial reimbursements (generally 50 percent of the amount of payments in lieu of contributions) to state and local governmental entities, certain nonprofit organizations, and federally recognized Indian tribes for weeks of unemployment between March 13, 2020, and December 31, 2020. These partial reimbursements apply to all payments made during this time period, even if the unemployed individual is not unemployed as a result of COVID-19.

Temporary full federal funding of the first week of compensable regular unemployment for states with no waiting week

States that provide compensation to individuals for their first week of unemployment (i.e., states which do not require a waiting week) and that enter into an agreement with the U.S. Department of Labor will receive 100 percent federal funding for the total amount of regular UC paid to individuals for their first week of regular UC. This funding is available for weeks of unemployment beginning after the date on which the state enters into the agreement and ends with weeks of unemployment ending on or before December 31, 2020.

Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019³

Through a Federal Emergency Management Agency (FEMA) administered grant for lost wages assistance from the Disaster Relief Fund, a state can provide eligible recipients a \$400 payment per week, which shall reflect a \$300 federal contribution, to eligible claimants from the week of unemployment ending August 1, 2020. The state is responsible for \$100 of the weekly benefit. The President issued the memorandum on August 8, 2020.

This program was available until the Disaster Relief Fund balance reached \$25 billion or for weeks of unemployment ending not later than December 6, 2020, whichever occurred first, at which time the lost wages assistance program would terminate. In Missouri, the program ended in early September 2020.

Through October 31, 2020, more than 500,000 Missouri citizens have received assistance totaling nearly \$3.8 billion from at least one of these programs. Also, through that date approximately 1,600 government entities and nonprofit organizations have received \$22.8 million in emergency unemployment relief.

³ Memorandum on Authorizing the Other Needs Assistance Program for Major Disaster Declarations Related to Coronavirus Disease 2019, <<https://www.whitehouse.gov/presidential-actions/memorandum-authorizing-needs-assistance-program-major-disaster-declarations-related-coronavirus-disease-2019/>>, accessed October 7, 2020

Appendix

Federal Unemployment Funding for COVID-19 Response Benefits and Employer Refunds or Credits Through October 31, 2020

Program Name	Benefits/Employer Refunds or Credits Through October 31, 2020 ¹	Number of Citizens Impacted	Start Date ²	End Date ²
Benefits:				
Federal Pandemic Unemployment Compensation	\$ 2,949,509,846	541,400	3/28/2020	7/31/2020
Pandemic Unemployment Assistance	293,399,151	121,527	1/27/2020	12/31/2020
Pandemic Emergency Unemployment Compensation	145,742,891	81,316	3/28/2020	12/31/2020
Temporary Federal Funding of the Waiting Week	45,413,982	565,783	3/28/2020	12/31/2020
Short-Time Compensation	23,079,913	48,142	3/27/2020	12/31/2020
Federal Funding of Extended Benefits	12,826,735	8,315	5/31/2020	10/10/2020
Lost Wage Assistance ³	293,548,139	209,889	7/26/2020	9/05/2020
Total Benefits Programs	<u>3,763,520,657</u>			
Refunds or Credits:				
Emergency Relief for Government Entities and				
Nonprofit Organizations	22,818,137	1,631	3/13/2020	12/31/2020
Total all Programs	<u>\$ 3,786,338,794</u>			

¹ Benefits paid are reported on a cash basis, net of cancellations and recoupment of any overpayments.

² The start and end dates for benefit programs refer to the week of unemployment that is reported by the claimant after the week is over. If a claim is under review because of an issue, the payment for the week will be delayed until the issue is resolved. Issues may include reason for termination, other wages received, availability for work, etc.

³ The state's portion of this program is not included in the total.

Source: Missouri Department of Labor and Industrial Relations



Nicole Galloway, CPA

Missouri State Auditor

**Department of Conservation
Employees' Benefit Plan**

Report No. 2020-122

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Department of Conservation Employees' Benefit Plan

Personnel Costs	The Department of Conservation Employees' Benefit Plan (CEBP) does not allocate to the CEBP Trust Fund the proportionate share of personnel costs of Missouri Department of Conservation (MDC) employees who administer the CEBP. Salaries and benefits provided to MDC employees who administer the CEBP are paid from the Conservation Commission Fund. Because these personnel costs were not identified and allocated to the CEBP, these costs, which represent at least 11 percent of total administrative costs and 1 percent of total costs during the year ended December 31, 2019, were not covered by the CEBP.
Other Postemployment Benefits Liability	The CEBP has not evaluated its Other Postemployment Benefits (OPEB) liability amounts or considered prefunding the OPEB liability. In addition, the CEBP has not obtained experience studies and audits of actuarial valuations.
Contractor Performance Guarantees	The CEBP did not monitor performance guarantees of the Third Party Administrator. The CEBP did not require the TPA to timely submit the performance guarantee report and supporting audit for 2019.
Board Composition	The Board of Trustees does not consist of members representing varied and balanced interests. As of August 2020, all Board members were active MDC employees.
Conflict of Interest Policy	The Board of Trustees does not have a conflict of interest policy.
Electronic Communication Policy	The MDC's records management and retention policy, followed by the CEBP, does not comply with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri State Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Conservation Employees' Benefit Plan

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Personnel Costs4 2. Other Postemployment Benefits Liability5 3. Contractor Performance Guarantees.....6 4. Board Composition.....7 5. Conflict of Interest Policy8 6. Electronic Communication Policy.....9
---	---

Organization and Statistical Information	10
---	----

Appendixes	A Auditee Responses - Board of Trustees.....12 B Comparative Statement of Income and Expenses 5 Years Ended December 31, 201915
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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Conservation Commission
and
Sara Parker Pauley, Director
Missouri Department of Conservation
and
Board of Trustees
Department of Conservation Employees' Benefit Plan
Jefferson City, Missouri

We have audited certain operations of the Department of Conservation Employees' Benefit Plan (CEBP), in fulfillment of our duties under Chapter 29, RSMo. The CEBP engaged Evers & Company, Certified Public Accounts (CPA's), LLC, to audit the CEBP's financial statements for the 2 years ended June 30, 2020. To minimize duplication of effort, we reviewed the CPA firm's audit report for the 2 years ended June 30, 2018, since the report for the 2 years ended June 30, 2020, had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

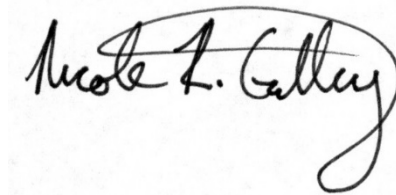
1. Evaluate the CEBP's internal controls over significant management and financial functions.
2. Evaluate the CEBP's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, contracts, and other pertinent documents; interviewing various personnel of the Missouri Department of Conservation; and analyzing comparative data obtained from the CEBP. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the CEBP's management and was not subjected to the procedures applied in our audit of the CEBP.

For the areas audited, we identified (1) a deficiency in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Department of Conservation Employees' Benefit Plan.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Emily Barraclough, CPA
Audit Staff:	Devin Jackson
	Shelby Reams

Department of Conservation Employees' Benefit Plan

Management Advisory Report

State Auditor's Findings

1. Personnel Costs

The Department of Conservation Employees' Benefit Plan (CEBP) does not allocate to the CEBP Trust Fund the proportionate share of personnel costs of Missouri Department of Conservation (MDC) employees who administer the CEBP. As a result, these costs were paid from the Conservation Commission Fund rather than the CEBP Trust Fund and were not covered by plan premiums.

The CEBP is administered by MDC employees. Except for personnel costs, all administrative costs of the CEBP are paid from the CEBP Trust Fund. Administrative costs paid from the CEBP Trust Fund during the year ended December 31, 2019, totaled about \$1.4 million. The CEBP sets premiums annually based on claims experience, administrative costs, and other cost factors.

Salaries and benefits provided to MDC employees who administer the CEBP are paid from the Conservation Commission Fund. In accordance with the CEBP procedures manual, five MDC employees serve as board members, and five Human Resources Division employees and two Financial Services Division employees perform part-time administrative duties for the CEBP. Two of these employees, the Administrative Services Division Chief and the Human Resources Division Chief, serve as board members and perform administrative duties for the CEBP. Upon our request, the CEBP estimated the proportionate share of the 12 MDC employees' salaries (excluding benefits) for services provided to the CEBP totaled approximately \$159,000 during the year ended December 31, 2019. Because these personnel costs were not identified and allocated to the CEBP, these costs, which represent approximately 11 percent of total administrative costs and 1 percent of total costs, were not covered by the CEBP.

The Trust Agreement establishing the CEBP grants power to the Board of Trustees to pay all expenses of the CEBP including "such amounts as may be agreed to by the MDC in payment to the MDC for administrative services rendered the Benefits Plan and Trust Fund." Additionally, the Government Finance Officers Association (GFOA)¹ recommends, "governments calculate the full cost of the different services they provide." A complete accounting of CEBP administrative costs, including MDC salaries and benefits related to the CEBP, is necessary for the CEBP to accurately allocate all costs to the plan and ensure all costs are covered by premiums.

¹ "Full Cost Accounting for Government Services," Government Finance Officers Association, January 2002, <<https://www.gfoa.org/materials/full-cost-accounting-for-government-services>>, accessed on October 1, 2020.



Department of Conservation Employees' Benefit Plan
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Trustees work with the MDC to pay from the CEBP Trust Fund the proportionate share of personnel costs of MDC employees performing administrative services for the CEBP.

Auditee's Response

The CEBP Board of Trustees' written response is included at Appendix A.

2. Other Postemployment Benefits Liability

The CEBP has not evaluated its Other Postemployment Benefits (OPEB) liability amounts or considered prefunding the OPEB liability. In addition, the CEBP has not obtained experience studies and audits of actuarial valuations.

The CEBP's OPEB liability is the projected future retirement healthcare benefit payments for current and retired employees that is attributed to those employees' past periods of service. To comply with financial statement reporting requirements, the CEBP obtains annual actuarial projections of its OPEB liability. As of June 30, 2019, the CEBP's OPEB liability totaled approximately \$150 million. At December 31, 2019, the CEBP's Trust Fund balance (available for payment of claims for active and retired employees) totaled approximately \$11 million.

Liability and funding

The CEBP has not evaluated or considered prefunding its OPEB liability.

The CEBP pays medical claims from the CEBP Trust Fund for both active and retired members when the medical expenses are incurred (pay-as-you-go). Consequently, the CEBP has not funded any of the OPEB liability or developed a funding plan. While the CEBP reviews the sufficiency of the Trust Fund balance monthly and strives to maintain a fund balance reserve equal to at least 2.5 months of current claims expenses, the review does not include a consideration of the OPEB liability and the CEBP has not determined an appropriate reserve for the OPEB liability.

The GFOA² recommends governments prefund their obligations for OPEB "once they have determined that the employer has incurred a substantial long term liability. In most cases, employers can make long term investments to cover these obligations through a separate trust fund that should, over time, result in a lower total cost for providing postemployment benefits." Additionally, the GFOA³ states "[f]inancing other postemployment benefits as they are earned (prefunding) rather than as they come due (pay-as-you-go

² "Establishing and Administering an OPEB Trust," Government Finance Officers Association, September 2016, <<https://www.gfoa.org/materials/establishing-and-administering-an-opeb-trust>>, accessed on September 23, 2020.

³ "Ensuring Other Postemployment Benefits (OPEB) Sustainability," Government Finance Officers Association, January 2016, <<https://www.gfoa.org/materials/ensuring-other-postemployment-benefits-opeb-sustainability>>, accessed on September 23, 2020.



Department of Conservation Employees' Benefit Plan Management Advisory Report - State Auditor's Findings

funding) offers significant advantages in terms of equity and sustainability and should be formalized through a specific funding policy for postemployment benefits." Given the relatively large size of the CEBP's OPEB liability, the CEBP should evaluate the liability and consider implementing policies and procedures to prefund the OPEB liability. Such procedures include adopting a funding policy requiring appropriate contribution amounts to reduce the unfunded OPEB liability amount and accounting for OPEB contributions and costs through a separate trust fund.

Experience studies and actuarial audits

The CEBP has not obtained an experience study comparing actual experience with actuarial assumptions used in the determination of the OPEB liability or obtained an independent actuarial audit to ensure (1) the reliability of the amounts reported in actuarial reports, and (2) the reasonableness of the actuarial methods and assumptions used by the CEBP's actuary. The CEBP has utilized the same actuarial firm for all previous OPEB liability valuations.

According to the GFOA,⁴ "[e]xperience studies, performed no less frequently than every five years, can help to ensure the assumptions are in line with the plan's demographic and economic experience, or can be used as a guide to make necessary changes. Likewise, a comprehensive audit of the plan's actuarial valuations performed by an independent actuary at least once every five to eight years can be used to evaluate the appropriateness of the actuarial methods, assumptions, and their application." Without periodically obtaining experience studies or actuarial audits or similar services, the CEBP has less assurance regarding the reliability of the CEBP's actuarial reports.

Recommendation

The Board of Trustees work with the Conservation Commission to evaluate the OPEB liability and consider establishing policies and procedures to prefund the OPEB liability. Additionally, the Board should periodically obtain experience studies and audits of actuarial valuations of the OPEB liability and make changes to the actuarial assumptions if necessary.

Auditee's Response

The CEBP Board of Trustees' written response is included at Appendix A.

3. Contractor Performance Guarantees

The CEBP did not monitor performance guarantees of the Third Party Administrator (TPA).

The TPA processes and pays medical and prescription claims for the CEBP. During the year ended December 31 2019, the TPA paid CEBP claims totaling approximately \$18 million, and the TPA received approximately \$440,000 in service fees.

⁴ "The Role of the Actuarial Valuation Report in Plan Funding," Government Finance Officers Association, <<https://www.gfoa.org/materials/the-role-of-the-actuarial-valuation-report-in-plan>>, accessed on October 1, 2020.



Department of Conservation Employees' Benefit Plan
Management Advisory Report - State Auditor's Findings

The TPA contract establishes performance guarantees for various service areas, including accuracy and timeliness of claims processing and timeliness of customer service response. The contract provides that claims processing performance should be measured through an annual external audit of 2 percent of paid claims. The contract requires the TPA to submit to the CEBP a report summarizing performance for each guarantee by January 31 of the following year. For any performance guarantees not met, the TPA is required to pay penalties to the CEBP.

The CEBP did not require the TPA to submit the performance guarantee report and supporting audit for 2019. After we inquired about the performance guarantee report, the CEBP obtained the report from the TPA on August 5, 2020, more than 6 months after it was due. The report indicated the TPA met each of the performance guarantees.

Review of TPA reports and audits of compliance with performance guarantees is a necessary component of contractor monitoring procedures and helps ensure payments for healthcare are proper and that the TPA provides quality and reliable services in accordance with contract terms. Additionally, the GFOA⁵ recommends plan sponsors consider auditing claims to ensure TPAs pay benefits according to plan rules to help contain healthcare costs.

Recommendation

The Board of Trustees timely obtain and review annual reports and audits of TPA compliance with performance guarantees.

Auditee's Response

The CEBP Board of Trustees' written response is included at Appendix A.

4. Board Composition

The Board of Trustees does not consist of members representing varied and balanced interests.

The CEBP Trust Agreement requires the 5-member Board of Trustees consist of the MDC Administrative Services Division Chief; the MDC Human Resources Division Chief; and three members appointed by the Conservation Commission, including one MDC Division Chief and two members of the CEBP. As of August 2020, all Board members were active MDC employees.

Because all Board members are MDC employees, the governance structure does not allow for a variety of interest groups to be represented. For example, the Trust Agreement does not require the Board include representation of retirees, and none of the current Board members are retirees. As of December 31, 2019, retired CEBP members totaled 1,144, or approximately 27 percent of total membership (4,191).

⁵ "Strategic Health-Care Plan Design," Government Finance Officers Association, February 2009, <<https://www.gfoa.org/materials/strategic-health-care-plan-design>>, accessed on September 23, 2020.



Department of Conservation Employees' Benefit Plan
Management Advisory Report - State Auditor's Findings

The GFOA⁶ recommends the governing board for OPEB plans have a composition that reflects "the varied interests of those responsible for funding the plan and should include plan participants and retirees, citizens of the governmental unit, and officers of the plan sponsor, as well as independent directors" to ensure balanced deliberations and decision making. Providing for varied and balanced representation of a plan's governing board helps ensure decisions are unbiased and the interests of all parties are considered.

Recommendation

The Board of Trustees work with the Conservation Commission to ensure the Board consists of a varied and balanced representation of key stakeholders.

Auditee's Response

The CEBP Board of Trustees' written response is included at Appendix A.

Auditor's Comment

The CEBP Board of Trustees' response states the Board believes its member composition is varied and balanced. However, as stated in the finding, representation from various key stakeholder groups, including retirees, would help ensure the Board is balanced in its deliberations and decision making, and is considered a best practice by the GFOA.

**5. Conflict of Interest
Policy**

The Board of Trustees does not have a conflict of interest policy.

While the MDC has policies requiring employees, including CEBP Board members, to disclose outside employment, the MDC policy does not require disclosure of other financial interests such as stock ownership, gifts, and paid travel expenses. In addition, without a conflict of interest policy, the Board does not have policies for how to handle actual conflicts of interest or the appearance of conflicts of interest, or to require board members to recuse themselves from decision-making actions relevant to their personal financial interests.

The GFOA⁶ recommends the governing board of benefit plans adopt policies to discourage board members from voting on matters that advance their personal financial interests. To help ensure board decisions are made in an objective and unbiased manner, the CEBP should develop a conflict of interest policy requiring board members disclose financial interests, outlining procedures for handling actual or the appearance of conflicts of interest, and requiring board members to recuse themselves from decision-making actions involving personal financial interests.

Recommendation

The Board of Trustees develop a conflict of interest policy.

Auditee's Response

The CEBP Board of Trustees' written response is included at Appendix A.

⁶ "Governance of Public Employee Postretirement Benefits Systems," Government Finance Officers Association, March 2010, <<https://www.gfoa.org/materials/governance-of-public-employee-postretirement-benefits>>, accessed on September 23, 2020.



Department of Conservation Employees' Benefit Plan
Management Advisory Report - State Auditor's Findings

6. Electronic Communication Policy

The MDC's records management and retention policy, followed by the CEBP, does not comply with the Missouri Secretary of State Records Services Division guidance,⁷ as approved by the Missouri State Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

The CEBP does not have a records management and retention policy, but follows MDC policy. While the MDC's Communication Systems policy addresses the retention of emails initiated from MDC communication systems, the policy does not address all of the issues set forth in the guidance, including the retention of messages sent from text messages and other third party platforms, such as personal email accounts and personal devices, when they represent official business of the state.

Proper retention of electronic communications is necessary to ensure all documentation of official business of the state is retained.

Recommendation

The Board of Trustees work with the MDC to update the records management and retention policy to comply with the Missouri Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

The CEBP Board of Trustees' written response is included at Appendix A.

⁷ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/RecordsManagement/CommunicationsGuidelines.pdf>>, accessed September 23, 2020.

Department of Conservation Employees' Benefit Plan

Organization and Statistical Information

The Missouri Department of Conservation (MDC) is constitutionally created pursuant to Article IV, Section 40(a). The general functions of the MDC are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. The MDC is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. The Conservation Commissioners serve without compensation for staggered 6-year terms.

Effective January 1, 2000, the Conservation Commission established the Department of Conservation Employees' Benefit Plan (CEBP). The CEBP provides medical, life, and accidental death and dismemberment insurance to salaried employees and retirees of the MDC, and a limited high deductible medical plan to eligible hourly employees. Medical benefits are self-insured by the CEBP, while life and accidental death and dismemberment (AD&D) insurance are covered by commercial insurance. Dental and vision benefits are available to MDC employees through the Missouri Consolidated Health Care Plan. The MDC employees and retirees can also enroll spouses and dependents as members in the CEBP. As of December 31, 2019, there were 2,996 active members, 1,144 retired members, 38 hourly members, and 13 Consolidated Omnibus Budget Reconciliation Act (COBRA) members enrolled in the CEBP.

Contributions to the CEBP are from premiums paid by the MDC and participating employees and retirees. The CEBP sets medical premiums annually based on recent trends in actual claims experience, administrative costs, and other cost factors. During the year ended December 31, 2019, the MDC, as employer, subsidized medical plan premiums for active salaried and hourly employees at 68 percent of total premiums and for retirees at up to 35 percent of total premiums depending upon the retiree's years of service. The MDC also subsidized 100 percent of the basic life and AD&D premiums for active salaried employees.

Board of Trustees and Key Personnel

The responsibility for the operation and administration of the CEBP is vested in a 5-member Board of Trustees. The Board consists of the MDC Administrative Services Division Chief; the MDC Human Resources Division Chief; one MDC Division Chief appointed by the Conservation Commission to serve a 5-year term; and two members of the CEBP appointed by the Conservation Commission to serve a 3-year term.



Department of Conservation Employees' Benefit Plan
Organization and Statistical Information

The members of the Board of Trustees as of December 31, 2019, were:

Name and Title	Membership	Term Expires
Brad Farwell, Board Chair	Appointed Member	December 31, 2020
Jacob Careaga, Board Vice Chair	Appointed Division Chief	August 1, 2023
Cynthia Voss	Administrative Services Division Chief	(1)
Thomas Neubauer	Human Resources Division Chief	(1)
Matthew Markley (2)	Appointed Member	December 31, 2019

(1) The member is appointed based on his/her role at the MDC and the term does not expire.

(2) Robyn Parker was appointed as of January 1, 2020, to replace Matthew Markley.

In addition to serving as board members, the MDC Administrative Services Division Chief and the MDC Human Resources Division Chief perform other part-time administrative duties for the CEBP. Also, as of December 31, 2019, seven other MDC employees performed part-time administrative duties for the CEBP (five MDC Human Resources Division employees and two MDC Financial Services Division employees).

Consultants

The CEBP contracts with HealthSCOPE Benefits, Inc. for third party administrator services; Anthem Blue Cross and Blue Shield for network provider services; Express Scripts, Inc. for pharmacy benefit management services; Willis Towers Watson US LLC for consulting services; The Central Trust Bank for investment management services; Milliman, Inc. for actuarial services; Evers & Company, CPA's, LLC, for auditing services; Gerber Life Insurance Company for stop loss insurance services; and The Hartford for life and AD&D insurance services.

Additional information regarding the CEBP's provisions and benefits, assets, investments, financial activities, consultants, and actuarial valuations can be obtained by contacting the CEBP Benefits Staff directly at (573) 522-4115, extension 3225, or by emailing HRBenefits@mdc.mo.gov.



Appendix A
Department of Conservation Employees' Benefit Plan
Auditee Responses - Board of Trustees



CONSERVATION EMPLOYEES'
BENEFITS PLAN

P.O. Box 507, Jefferson City, MO 65102-0507

December 1, 2020

The Honorable Nicole R. Galloway, CPA
Missouri State Auditor
PO Box 869
Jefferson City, MO 65102

Dear Auditor Galloway,

The Board of Trustees of the Conservation Employees' Benefits Plan (CEBP) is providing this letter in response to the recommendations of the audit of certain operations of the Department of Conservation Employees' Benefit Plan.

1. **Personnel Costs** – The Board of Trustees work with the MDC to pay from the CEBP Trust Fund the proportionate share of personnel costs of MDC employees performing administrative services for the CEBP.

The Board of Trustees understands the importance of ensuring all costs to the plan are covered by premiums. However, for the five MDC employees that serve as board members, the Trust Agreement establishing the CEBP indicates in Article V, Section 6 "Expenses. The Board shall serve without compensation for their services as such, but shall be paid for any necessary expenses incurred in attending meetings of the Board or in the performance of other duties by the Board. Duties performed for the Plan by any member of the Board shall be considered duties in connection with the regular employment of the individual, and he shall suffer no loss in regular compensation by reason of the performance of such duties."

The Board of Trustees believes the administrative burden of tracking specific time related to insurance administration vs. overall MDC benefits for Compensation and Benefits personnel is unnecessary to ensure all costs of the plan are covered by premiums. The estimated proportionate share of \$159,000 for administrative services provided to the CEBP during the year ended December 31, 2019 is immaterial to the Plan's assets and the overall premium contributions in 2019. Therefore, the Board respectfully declines to track personnel costs to reimburse MDC for employees performing administrative services for CEBP and will continue to consider these expenditures part of MDC's contribution.

BRYAN PARKER
EDUCATION

CYNTHIA VON
CONSERVATION BUSINESS SERVICES

TRUSTEES
TOM NEUBAUER
HUMAN RESOURCES

JACOB CAREAGA
INFRASTRUCTURE MANAGEMENT

BRAD FARWELL
STATEWIDE RESOURCE MANAGEMENT



Appendix A
Department of Conservation Employees' Benefit Plan
Auditee Responses - Board of Trustees

2. **Other Postemployment Benefits Liability** - The Board of Trustees work with the Conservation Commission to evaluate the OPEB liability and consider establishing policies and procedures to prefund the OPEB liability. Additionally, the Board should periodically obtain experience studies and audits of actuarial valuations of the OPEB liability and make changes to the actuarial assumptions if necessary.

The Board of Trustees will communicate the prefunding recommendation to the Conservation Commission since the prefunding of the OPEB liability is the responsibility of the employer and not the OPEB plan itself. However, while we recognize that it is a recommended "best practice" to set aside assets to fund this liability, there is no accounting standard that requires this.

The Board understands the "best practice" recommendation of experience studies and audits of actuarial valuations; however, there is no requirement to do so. We may consider this after researching the cost/benefit of such an expenditure.

3. **Contractor Performance Guarantees** - The Board of Trustees timely obtain and review annual reports and audits of TPA compliance with performance guarantees.

The Board of Trustees concurs with the recommendation and has built into the Insurance Board calendar specific target dates to ensure the Board obtains and reviews annual reports and audits of Third Party Administrator (TPA) compliance with performance guarantees. This review has historically been completed by the Board, but was overlooked in 2020. As the State Auditor noted, the report indicated the TPA did meet each of the performance guarantees.

4. **Board Composition** - The Board of Trustees work with the Conservation Commission to ensure the Board consists of a varied and balanced representation of key stakeholders.

The Board of Trustees understands the importance of ensuring the Board consists of a varied and balanced representation of key stakeholders. We believe the Board composition is varied and balanced. Two board positions serving a 3-year term are selected from the medical insurance membership. All Plan Members, both retired and active, are invited to submit their name for consideration for the Board of Trustees. Careful consideration is given to all applicants to ensure adequate representation for our plan members as these positions serve as member advocates. Therefore, the Board of Trustees will continue to consider all applicants, including retirees, but do not feel the requirement to include a retiree is appropriate as this is a voluntary, uncompensated position.

5. **Conflict of Interest Policy** - The Board of Trustees develop a conflict of interest policy.

The Board of Trustees concurs with the recommendation to develop a conflict of interest policy specifically for the CEBP Board of Trustees and will require each Board Member to



Appendix A
Department of Conservation Employees' Benefit Plan
Auditee Responses - Board of Trustees

sign an acknowledgement of such policy to ensure Board members understand the policy and will recuse themselves from decision making actions relevant to their personal financial interests. However, the policy will not require formal disclosure of personal financial interests.

6. **Electronic Communication Policy** - The Board of Trustees work with the MDC to update the records management and retention policy to comply with the Missouri Secretary of State Records Services Division electronic communications guidelines.

The Board of Trustees concurs with the recommendation. MDC is in the process of amending its Cell Phone Policy regarding retention of electronic communications (text messages) to be more closely aligned with the recommendations set forth by the Secretary of State. Further, the Board will adopt MDC's records management and retention policy for the CEBP.

Sincerely,

Brad Farwell
Chairman

Appendix B

Department of Conservation Employees' Benefit Plan Comparative Statement of Income and Expenses

		Year Ended December 31,				
		2019	2018	2017	2016	2015
Income						
Employer contributions	\$	10,088,388	10,104,260	10,472,755	11,129,020	11,318,782
Active employee contributions		4,588,870	4,510,222	4,578,740	4,630,931	4,606,557
Retired employee contributions		3,825,436	3,964,338	3,489,988	3,112,254	3,004,553
Refunds		1,965,557	2,128,458	1,813,718	1,629,243	1,543,494
Reinsurance reimbursement		1,036,797	885,954	229,981	0	285,939
Investment earnings		278,947	203,901	140,813	111,295	139,804
Other		55,615	83,947	114,736	145,772	185,207
Total Income		<u>21,839,610</u>	<u>21,881,080</u>	<u>20,840,731</u>	<u>20,758,515</u>	<u>21,084,336</u>
Expenses						
Medical claims		11,953,156	9,519,315	12,803,086	12,134,584	11,417,442
Prescription claims		6,530,911	5,719,842	5,874,319	5,535,205	4,943,024
Fees		1,362,756	1,386,405	1,085,031	902,518	956,255
Life insurance		1,188,855	1,097,170	869,731	849,291	846,054
Reinsurance		898,103	784,062	849,307	783,720	1,054,242
Health savings accounts		305,450	301,450	274,750	181,925	389,400
Other		42,876	32,218	30,171	27,016	32,796
Total Expenses		<u>22,282,107</u>	<u>18,840,462</u>	<u>21,786,395</u>	<u>20,414,259</u>	<u>19,639,213</u>
Income over (under) Expenses	\$	<u>(442,497)</u>	<u>3,040,618</u>	<u>(945,664)</u>	<u>344,256</u>	<u>1,445,123</u>

Source: CEBP Profit and Loss Statements



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings November 2020

Report No. 2020-121

December 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

November 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended May 31, 2020 Reports Due November 30, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in November 2020.....	5
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in November 2020.....	6
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due October 31, 2020 Filed in November 2020.....	7



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 11 political subdivisions required to file a financial report by November 30, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in November 2020, after their filing deadline. The filing status for these 7 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

November 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 11 political subdivisions, other than cities, towns, and villages, with a fiscal year end of May 31, 2020. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 11 political subdivisions, 10 filed an annual financial report timely.

This report also includes the filing status for 7 political subdivisions, other than cities, towns, and villages, that filed their financial report in November 2020, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due November 30, 2020

Fiscal Year Ended May 31, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Buchanan Drainage District	Yes	August 18, 2020
Barry	Southwest Rural Water Supply District 1	Yes	October 8, 2020
Caldwell	PWSD 3 Caldwell County	No	
Carroll	Mi De Levee District	Yes	July 28, 2020
Cass	PWSD 3 Cass County	Yes	November 12, 2020
Franklin	PWSD 3 Franklin County	Yes	September 30, 2020
Holt	Canon Drainage District	Yes	June 17, 2020
Jefferson	PWSD 7 Jefferson County	Yes	November 23, 2020
	PWSD C-1 Jefferson County	Yes	November 11, 2020
Polk	Citizens Memorial Hospital District	Yes	November 18, 2020
St. Clair	Ellett Memorial Hospital District	Yes	October 30, 2020
Total Filed		10	
Total Not Filed		1	

Acronyms:

PWSD Public Water Supply District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2019
 Filed in November 2020

Fiscal Year Ended June 30, 2019

<u>Primary County</u>	<u>Reporting Entity</u>	<u>Filed Annual Financial Report</u>	<u>Date Filed</u>
Jackson	Streets of West Pryor CID	Yes	November 13, 2020
	Streets of West Pryor TDD	Yes	November 13, 2020
Total Filed		2	

Acronyms:

CID Community Improvement District
 TDD Transportation Development District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in November 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Audrain	PWSD 1 Audrain County	Yes	November 4, 2020
Cedar	Cedar County Ambulance District	Yes	November 11, 2020
Washington	Richwoods FPD	Yes	November 17, 2020
Total Filed		3	

Acronyms:

FPD Fire Protection District
PWSD Public Water Supply District

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due October 31, 2020

Filed in November 2020

Fiscal Year Ended April 30, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Wornall Village CID	Yes	November 30, 2020
Ray	Senior Citizen's NHD	Yes	November 19, 2020
Total Filed		2	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings November 2020

Report No. 2020-120

December 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

November 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended May 31, 2020 Reports Due November 30, 2020	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in November 2020	6
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due February 29, 2020 Filed in November 2020	7
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in November 2020	8
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in November 2020	9
F	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in November 2020	10
G	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2020 Filed in November 2020	11
H	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due October 31, 2020 Filed in November 2020	12



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by November 30, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 3 cities and 3 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in November 2020, after their filing deadline. The filing status for these 27 cities and 4 villages is presented in summary on pages 3 and 4 and by individual entity in Appendixes B to H.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

November 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 3 cities and 3 villages with a fiscal year end of May 31, 2020, whose financial report was due by November 30, 2020. Of the 6 municipalities, 5 filed the financial report timely. Of the 3 municipalities required to file an addendum, 1 filed timely. Of the 2 municipalities required to file a certification, 1 filed the certification timely.



Monthly Report on Municipal Court and Revenue Filings
November 2020
Executive Summary

This report includes the filing status for 27 cities and 4 villages that filed at least one of the items (financial report, addendum, or certification) in November 2020, after their filing deadline. Of these municipalities, 4 filed an annual financial report, 29 filed an addendum, and 8 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due November 30, 2020

Fiscal Year Ended May 31, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cape Girardeau	Village of Gordonville	Yes	October 23, 2020	n/a	n/a
Clay	Village of Oakwood Park	No		n/a	n/a
Cole	Village of Centertown	Yes	November 30, 2020	n/a	n/a
Nodaway	City of Ravenwood	Yes	September 16, 2020	No	n/a
Pettis	City of La Monte	Yes	October 30, 2020	Yes	Yes
Pike	City of Louisiana	Yes	November 30, 2020	No	No
Total Filed		5		1	1
Total Not Filed		1		2	1
Total n/a		0		3	4

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in November 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Adair	City of Novinger	**	December 31, 2019	Yes	n/a
Camden	City of Linn Creek	***	January 29, 2020	Yes	n/a
Dunklin	City of Arbyrd	**	September 27, 2019	Yes	Yes
Iron	City of Viburnum	**	July 12, 2019	Yes	n/a
Jefferson	City of Byrnes Mill	***	January 1, 2020	Yes	***
New Madrid	City of Gideon	***	February 26, 2020	Yes	***
	City of Lilbourn	**	December 26, 2019	Yes	n/a
	City of Parma	**	October 8, 2019	***	Yes
Nodaway	City of Elmo	**	August 12, 2019	Yes	n/a
Oregon	City of Alton	***	January 14, 2020	Yes	n/a
St. Louis	City of Bella Villa	**	December 18, 2019	Yes	**
Total Filed		0		10	2

** Filed by December 31, 2019.

*** Filed after December 31, 2019, but before November 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due February 29, 2020
 Filed in November 2020

Fiscal Year Ended August 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Franklin	Village of Miramiguo Park	No		Yes	n/a
Total Filed		0		1	0

n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2020
Filed in November 2020

Fiscal Year Ended September 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Savannah	***	April 30, 2020	Yes	n/a
Macon	City of Atlanta	***	April 24, 2020	Yes	n/a
Platte	City of Platte Woods	***	April 21, 2020	Yes	Yes
Total Filed		0		3	1

*** Filed after March 31, 2020, but before November 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix E
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due April 30, 2020
 Filed in November 2020

Fiscal Year Ended October 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Holt	City of Oregon	**	April 17, 2020	Yes	n/a
Total Filed		0		1	0

** Filed by April 30, 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in November 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	City of Brashear	**	May 28, 2020	Yes	n/a
Cooper	Village of Windsor Place	***	July 10, 2020	Yes	n/a
Lincoln	City of Hawk Point	**	January 22, 2020	Yes	n/a
Moniteau	City of Jamestown	**	June 5, 2020	Yes	n/a
New Madrid	City of New Madrid	***	August 4, 2020	Yes	n/a
Platte	City of Dearborn	**	June 29, 2020	Yes	n/a
St. Francois	City of Iron Mountain Lake	**	January 28, 2020	Yes	Yes
Saline	City of Emma	**	June 30, 2020	Yes	n/a
Stone	City of Reeds Spring	**	May 19, 2020	Yes	Yes
	Village of Indian Point	**	April 7, 2020	Yes	n/a
Total Filed		0		10	2

** Filed by June 30, 2020.

*** Filed after June 30, 2020, but before November 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix G
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2020
Filed in November 2020

Fiscal Year Ended March 31, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Audrain	Village of Benton City	Yes	November 4, 2020	Yes	n/a
Jefferson	City of Crystal City	**	September 23, 2020	Yes	Yes
Mississippi	City of East Prairie	Yes	November 17, 2020	Yes	Yes
St. Louis	City of Velda Village Hills	Yes	November 13, 2020	No	No
Total Filed		3		3	2

** Filed by September 30, 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix H
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due October 31, 2020
 Filed in November 2020

Fiscal Year Ended April 30, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Phelps	City of St. James	Yes	November 2, 2020	Yes	Yes
Total Filed		1		1	1



Nicole Galloway, CPA

Missouri State Auditor

City of Raytown

Report No. 2020-119

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Raytown

Restricted Monies	The city can improve its monitoring of the use of restricted city sales taxes used to subsidize the Tax Increment Financing (TIF) debt associated with the Raytown Live Redevelopment Area (Raytown Live). The city has not determined and does not monitor the restricted portions of the TIF debt to ensure the non-captured (city) portion of the restricted sales taxes contributed by the city to pay the TIF debt are used only for allowable purposes. The city is not monitoring the outstanding TIF debt related to transportation or stormwater projects and has not determined the outstanding portion of TIF debt related to capital improvements projects. The city provides accounting services for the Highway 350 Transportation Development District (TDD), but since the city is not tracking the balance of the TIF debt, the TDD sales tax could be improperly collected after the transportation portion of the TIF debt is retired. The contributions of the city portion of the Economic Activity Taxes collected within the Raytown Live TIF is not reported transparently in the budgets or financial statements. The city is not properly tracking the expenditures and balance of state motor-vehicle related monies. The city has no documentation to justify the allocation of salaries and fringe benefits of several city employees.
Disbursements	The city did not solicit bids or proposals for some goods and services purchased in accordance with the city's purchasing policy. The city made severance payments totaling \$70,161 to 9 Police department employees during the year ended October 31, 2017, that were not necessary and reasonable. One of these agreements was not formally approved by the Board of Aldermen (Board). The city rehired 4 of these employees by December 1, 2017. The city did not have affidavits from some vendors certifying no conflicts of interest existed with any city officer or employee, appointed or elected, as required by the city purchasing policy.
Budgets and Receipting Procedures	City budgets do not include all statutorily required elements. City personnel do not account for the numerical sequence of receipt slips issued from the financial accounting system.
Sunshine Law	The city did not ensure compliance with the Sunshine Law for closed meetings held by the Board, the Park Board, or the BMX Advisory Board. The Board and Park Board did not maintain meeting minutes for all closed meetings, and discussed some items in closed meeting that were either not allowed by state law or were not cited as the reason for closing the meeting. The Board cited the same reasons for closing many of its meeting, but either did not discuss, or did not adequately document discussion related to some topics cited as the reason for closing the meeting. Park Board minutes did not contain all information required by state law. The BMX Advisory Board does not hold Board meetings consistently.
Police Department Volunteers	The city does not have a contract or formal agreement with a local not-for-profit (NFP) organization that documents the duties and responsibilities of each party. The Police department did not have a method to ensure all expenses eligible for reimbursement from the NFP were requested as applicable. The department did not follow, or did not properly document,

the screening procedures for citizens applying to work in the department's Volunteer Corp as established by department policy.

Parks and Recreation Department Policies and Procedures	Receipt slips are not issued for any payments received or amounts transmitted to the Parks and Recreation department and the composition (cash, check, or credit card) of payments received is not compared to the composition of deposits by an independent person. The Park Board has not adopted specific policies and procedures to provide oversight of the BMX Advisory Board.
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In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Raytown

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Restricted Monies.....4 2. Disbursements8 3. Budgets and Receipting Procedures11 4. Sunshine Law12 5. Police Department Volunteers.....14 6. Parks and Recreation Department Policies and Procedures16
---	--

Organization and Statistical Information	19
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Raytown, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Raytown. We have audited certain operations of the city in fulfillment of our duties. The city engaged Mize Houser Company, P.A., Certified Public Accountants, to audit the city's financial statements for the year ended October 31, 2018. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended October 31, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

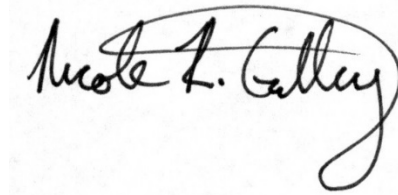
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Raytown.

An additional report, No. 2019-082, *Sixteenth Judicial Circuit, City of Raytown Municipal Division*, was issued in September 2019.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Rex Murdock, M.S.Acct.
	Amanda G. Flanigan, MAcc
	Philip V. Osadchuk, MAcc
	Jacob Thompson

City of Raytown

Management Advisory Report

State Auditor's Findings

1. Restricted Monies

The city can improve its monitoring of the use of restricted city sales taxes used to subsidize the Tax Increment Financing (TIF) debt associated with the Raytown Live Redevelopment Area (Raytown Live) and subsidies provided to the TIF are not accounted for transparently in city budgets or financial statements. In addition, tracking of motor-vehicle related revenue and spending is not adequate and documentation to support allocations of salaries and fringe benefits to the Sewer Utility Fund are not maintained.

1.1 Monitoring restricted sales taxes

The city has not determined and does not monitor the restricted portions of the TIF debt to ensure the non-captured (city) portion of the restricted sales taxes contributed by the city to pay the TIF debt are used only for allowable purposes.

The city is the developer for redevelopment area 1 of the Raytown Live TIF. In June 2007, the city issued approximately \$40 million in tax increment revenue bonds to finance the project, which included transportation and stormwater improvements, along with a variety of capital improvements.

TIF is an economic development tool that redirects local tax revenues to the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800 to 99.865, RSMo, the Real Property Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation, along with a portion (50 percent in this case) of the incremental increases to sales taxes, resulting from the redevelopment. When a TIF plan is adopted, a base valuation of the real estate assessments and amounts collected from economic activity taxes in the redevelopment area is established. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to any increased assessed valuation above the base value and by applying 50 percent of any increases to sales taxes over the base year, a tax "increment" is created. The real estate tax increments are referred to as payments in lieu of taxes (PILOTS) and the sales taxes increases are referred to as economic activity taxes (EATS). The PILOTS and the TIF portion (50 percent) of EATS collected within the redevelopment areas are deposited by the city into a special allocation fund. In addition, the city is also depositing its portion of the EATS as a contribution to the special allocation fund, to ensure sufficient funds are available to pay the TIF debt.

City sales tax

The city collects several sales taxes, including a general sales tax, and restricted sales taxes for capital improvements, transportation, stormwater, and public safety, but is not monitoring the outstanding TIF debt related to transportation or stormwater projects and has not determined the outstanding portion of TIF debt related to capital improvements projects. The city discontinued contributing the city's portion of the public safety sales taxes in November 2017.



City of Raytown
Management Advisory Report - State Auditor's Findings

The city requested a legal opinion in May 2018 from the law firm serving as special counsel related to TIF issues for the city that analyzed the legality of contributing the city portion of the various sales taxes. The opinion determined the contributions being made at that time were allowable (the city had already discontinued contributing the city portion of the public safety sales taxes). Although not requested, the law firm also documented the approximate amount of the remaining portion of the TIF debt allocated to transportation projects.

Based on data provided by the city, the opinion concluded approximately \$4.1 million of transportation related costs were incurred on the \$40 million Raytown Live TIF project. The opinion concluded contributions of the city's transportation sales tax totaled approximately \$1.6 million as of October 31, 2017, leaving approximately \$2.5 million as the unpaid transportation portion of the TIF debt. These calculations did not take into consideration the amounts contributed by the Highway 350 Transportation Development District (TDD), which can only be used for the transportation related portion of the TIF debt, and would have reduced the balance further.

The opinion indicated the stormwater portion of the \$40 million debt was approximately \$600,000 and that contributions were approximately \$400,000 as of October 31, 2017, leaving approximately \$200,000 as the unpaid stormwater portion of the debt. The capital improvements portion was stated to be more than \$20 million, but did not indicate the amount of capital improvement sales tax contributed or the outstanding balance of the capital improvement portion of the debt.

The city needs to determine the current outstanding debt balance allocated to each restricted purpose and develop procedures to track the balances. Once the transportation, capital improvements, or stormwater portion of the overall TIF debt has been repaid, city personnel indicated any shortfall in the Special Allocation Fund necessary to make the debt payment could be taken from the debt service reserve.

To ensure restricted sales taxes are used only for its intended purposes, the city should determine the current balance of each restricted portion of the TIF debt and develop procedures to monitor those balances.

Transportation development
district sales taxes

The city provides accounting services for the Highway 350 TDD, but since the city is not tracking the balance of the transportation portion of the TIF debt, the TDD sales tax could be improperly collected after the transportation portion of the TIF debt is retired.

During the year ended October 31, 2018, the TDD received \$77,994 in sales taxes, of which 50 percent, or \$38,997, was the TIF portion of the EATS and was paid to the Special Allocation Fund and used to repay the overall TIF



City of Raytown
Management Advisory Report - State Auditor's Findings

debt. The TDD's portion of the EATS was also \$38,997 and \$34,107 was used to help pay the transportation portion of the debt, and the remainder was used for TDD administrative expenses. Tracking the balance of the transportation portion of the TIF debt will allow the TDD Board to know when to rescind the sales tax and abolish it. Any payments made by the TDD would reduce the transportation portion of the debt previously discussed.

Section 238.235.1(6), RSMo, requires all transportation development districts sales tax revenues designated for transportation development be used solely for the purposes established pursuant to the Missouri Transportation Development District Act (Sections 238.200 to 238.275, RSMo).

1.2 Transparency

The contribution of the city's portion of the EATS collected within the Raytown Live TIF is not reported transparently in the budgets or financial statements. The city accounts for the city and non-city portion of the EATS in the same manner, although the city is not required to contribute its portion of the EATS to the Special Allocation Fund for repayment of the TIF debt. The contribution of the city's portion of the EATS for each fund is not budgeted or shown in the financial statements as a transfer from the applicable fund. Failing to account for the city portion of the EATS within the various city funds gives the appearance that contribution of EATS to the Special Allocation Fund is required.

To ensure transparency and accountability, the city's portion of the EATS collected for the general sales tax, transportation sales tax, stormwater sales tax, and capital improvement sales tax should be accounted for in the applicable city fund established to account for those tax collections and all contributions of these funds to the TIF development should be budgeted in the applicable fund.

1.3 Motor vehicle-related revenues

The city is not properly tracking the expenditures and balance of state motor-vehicle related monies. These revenues totaled approximately \$1.1 million and \$1.2 million during the years ended October 31, 2018, and 2019, respectively and can only be used for street related purposes. Although these revenue transactions are separately identified within the General Fund, the expenditure transactions for street related purposes and the remaining balance are not tracked. As a result, the city cannot determine at a point in time what portion of the General Fund balance represents restricted street related monies or if these revenues were spent on allowable purposes. At our request, the city prepared a listing of street related expenditures for the year ended October 31, 2019, which totaled approximately \$1.3 million, but this total included \$576,190 (60 percent) of public works salaries and fringe benefits, and a transfer of \$150,000 to the Stormwater Fund. The percentage of salaries was an estimate and tracking of expenditures from the Stormwater Fund was not performed to determine if the amount transferred was spent on street related purposes.



City of Raytown Management Advisory Report - State Auditor's Findings

Article IV, Sections 30(a) and 30(b), of the Missouri Constitution require motor-vehicle related receipts apportioned by the state of Missouri be disbursed for street related purposes only. A separate accounting, with a current balance, is necessary to ensure street related revenues are accounted for and expended properly in compliance with the Missouri Constitution.

1.4 Allocations

Several city employees perform tasks related to multiple city functions, but the city has no documentation to justify the allocation of salaries and fringe benefits to the General Fund or Sewer Utility Fund. Public works employees perform various tasks such as street repairs, building maintenance, sewer line maintenance, and engineering of street and sewer improvements. For example, the Public Works Superintendent and City Engineer each have 50 percent of their salary and fringe benefits allocated to each fund. The Public Works department has 2 Senior Maintenance Workers whose salary and fringe benefits are paid entirely from the General Fund, while the salaries and fringe benefits for the Fleet Maintenance Supervisor is allocated 80 percent to the General Fund and 20 percent to the Sewer Utility Fund. Finance department employees perform all accounting functions for city funds and several of these employees' salaries and fringe benefits are allocated between the General Fund and the Sewer Utility Fund. For example, a Treasury Clerk and Treasury Analyst each have 50 percent of their salary and fringe benefits allocated to each fund, while the Controller has 85 percent of her salary and fringe benefits allocated to the General Fund and 15 percent to the Sewer Utility Fund. None of these allocations are based on actual time spent or some other documented basis. Instead, the allocations are based on estimates.

The proper allocation of expenses is necessary to accurately determine the results of operations of specific activities, thus enabling the Board to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenditures to city funds should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs for employees.

Recommendations

The Board of Aldermen:

- 1.1 Determine the remaining portion of the overall TIF debt being paid with restricted sales tax collections and develop procedures to monitor the amount of outstanding TIF debt associated with each restricted activity, for both the city and the TDD, to ensure compliance with state law.
- 1.2 Ensure the city portion of the EATS collected on TIF projects are recorded in the appropriate fund and any contributions of these funds are budgeted transfers from the applicable funds.



City of Raytown
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 1.3 Determine the balance of motor-vehicle related revenues in the General Fund and establish a separate fund or a separate accounting for these monies.
- 1.4 Ensure salaries are properly allocated to the applicable city funds and allocations are supported by adequate documentation.
- 1.1 *(In Progress) The city will - through city staff, legal counsel, and other appropriate professionals – determine more fully the principal and interest portions of the remaining TIF debt associated with transportation, stormwater, and capital-related expenses and develop additional, suitable accounting procedures to ensure that the city continues to use restricted sales tax revenues in compliance with state law.*
- 1.2 *(In Progress) The city will record all EATS generated by TIF Projects in the appropriate fund and show the transfer of said EATS to the Special Allocation Fund in the city budget.*
- 1.3 *(Completed) After being made aware of this common recommendation, city staff concurred and have developed a schedule of expenses compared to motor-vehicle related revenues so that the balance of those revenues is clearly used for their intention. This schedule is a part of our annual financial audit items prepared by the city and verified by external auditors annually.*
- 1.4 *(In Progress) City staff will expand on current employee tracking practices to implement a system of documentation verifying that allocations of personnel time are supported by adequate documentation.*

2. Disbursements

2.1 Bidding

Controls and procedures over disbursements need improvement.

The city did not solicit bids or proposals for some goods and services purchased in accordance with the city's purchasing policy. During our review of selected disbursements, we noted proposals were not solicited for accounting services (\$55,933), written bids were not obtained for the purchase of asphalt (\$10,269), and competitive bids were not sought for sewer repairs (\$61,708) and sewer root control services (\$27,629).

City personnel used existing contracts between the sewer repair contractor and the sewer root control vendor and another governmental entity to obtain those services, rather than competitively bidding or seeking competitive proposals. While one of the exceptions to the formal competitive bid procedures is use of an existing contract between a vendor and another governmental entity, if seeking a fixed priced contract where the quoted



City of Raytown
Management Advisory Report - State Auditor's Findings

prices are more advantageous to the city than local market prices, and if in excess of \$15,000, the department director seeking the exception must explain the reason for not seeking competitive bids to the Board. Neither the sewer repairs or the sewer root control services contracts qualified for the policy exception. City staff indicated they used a section of the purchasing policy that encouraged use of existing government contracts, but that section did not provide an exception to the bidding requirements and did not exempt the requirements of the exception.

The city purchasing policy requires department heads solicit 3 written bids, use an existing governmental contract, or submit in writing a sole-source justification for purchases between \$10,000 and \$15,000. Any purchase in excess of \$15,000 is required to be competitively bid. The city purchasing policy also contains a section regarding contracting for professional services that specifies the types of activities considered professional services, including accounting services, and what should be included in requests for proposals (RFP). While it does not indicate the specific dollar threshold when RFPs are required, for contracts in excess of \$15,000, RFPs should be issued.

Bidding procedures for major purchases provide a framework for economical management of city resources and help ensure the city receives fair value by contracting with the lowest and best bidder. In addition, competitive bidding ensure all interested parties are given an equal opportunity to participate in city business.

2.2 Severance agreements

The city made severance payments totaling \$70,161 to 9 Police department employees during the year ended October 31, 2017, that were not necessary and reasonable. One of those employees also received 26 weeks health insurance coverage as part of his/her severance package. None of these employees had employment contracts requiring severance payments. In addition, there is no evidence the Board approved one of the severance agreements.

The former Police Chief approved a severance agreement with a former Captain in February 2017. The former Captain was paid a lump sum payment of \$44,806, which was equivalent to 26 weeks of salary, and was also paid for 26 weeks of health care, totaling \$9,964. While city personnel indicated this agreement was discussed with legal counsel and the former City Administrator, there is no evidence in any open or closed Board meeting minutes that the Board discussed and approved this agreement. One Board member indicated he was not aware of this agreement.

The former Police Chief was notified by email on August 29, 2017, of pending budgets cuts to the Police department's 2018 budget. The email message requested he determine ways to reduce the budget without reducing the number of police officers serving in a patrol capacity. The former Police



City of Raytown
Management Advisory Report - State Auditor's Findings

Chief discussed the pending budget cuts with officers, detention personnel, and administrative staff in September 2017. In mid-October 2017, 8 employees, consisting of one officer, 6 detention employees, and one administrative assistant, were offered severance packages by the city equal to 4 weeks of salary, effective October 31, 2017. These agreements were approved by the Board and were accepted, resulting in a total of \$25,355 in severance payments to these employees.

Between October 16, 2017, and December 17, 2017, 17 police officers resigned, with 11 resigning in October 2017. Police department personnel indicated the reductions in detention personnel occurred with the expectation that officers would take on additional responsibilities of booking detainees. Due to the number of officers resigning unexpectedly, the former Police Chief hired back 4 detention employees who had received severance packages totaling \$12,120 in October 2017 by December 1, 2017.

None of these individuals had an employment contract and it is questionable whether these severance payments were a necessary use of city funds. To ensure city funds are spent appropriately, all contracts should be approved by the Board and be in the best interest of the city. In addition, Section 432.070, RSMo, states any contract with the city shall be subscribed by the parties thereto, or their agents authorized by law and duly appointed and authorized in writing. If authorization is granted for an agent to act on behalf of the Board, the authorization should be written and entered into the Board meeting minutes.

2.3 Vendor affidavits

The city did not have affidavits from some vendors certifying no conflicts of interest existed with any city officer or employee, appointed or elected, as required by the city purchasing policy. During our review of selected disbursements, 8 of 17 vendors did not have an affidavit on file with the city.

Section 1.8 of the city purchasing policy states "no contract shall be let to any person, firm, or corporation unless it has submitted an affidavit to the City stating no officer or employee of the City, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of any contract, job, work, or service for the City."

Recommendations

The Board of Aldermen:

- 2.1 Solicit competitive bids and proposals for all applicable purchases in accordance with the city purchasing policy.
- 2.2 Consider the necessity of severance packages in the future and if granted, ensure they are reasonable and authorized by the Board.



City of Raytown
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 2.3 Ensure an affidavit is received from all vendors confirming no conflicts of interest exists with any officer or employee.
- 2.1 *(In Progress) City staff felt they followed the Board approved purchasing policy as it was written by utilizing "intergovernmental purchasing," but will continue to review the purchasing policy to ensure a clear and understandable policy is maintained. A revision was made to the purchasing policy in 2019 to improve clarity of the policy as well as better definition of approval authority. It is the intention of the Finance department to review the policy for clarity and proper control over the city's purchases.*
- 2.2 *(Completed) The Board will consider the necessity of severance packages and continue to work with legal counsel regarding recommendations for future Board approval regarding severance agreements. It is our understanding that prior city staff had been advised that Section 26-21 in the city code gave the elected Police Chief the authority to negotiate and enter into a severance agreement on behalf of the city. With the April 2019 election, the Police Chief position changed from an elected position to an appointed position, therefore all future severance agreements will be approved by the Board.*
- 2.3 *(Completed) After being made aware of some inconsistencies with the collection of the affidavits, city staff took the recommendation and revised the purchasing policy in 2019 to clarify the language of the policy regarding vendor conflict of interest.*

3. Budgets and Receipting Procedures

Budgets and receipting procedures need improvement.

3.1 Budgets

City budgets do not include all statutorily required elements. The city budgets for the years ended October 31, 2018, and October 31, 2019, did not include actual or estimated disbursements for the 2 preceding years for each department, activity, or line item within each fund's budget, although 2 prior years actual or estimated disbursements were included in total for each fund. The budget for the year ended October 31, 2020, included 2 prior years actual or estimated disbursements for each department and activity within each fund, but still did not include the required information for each line item.

Section 67.010, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year, outlines the various information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by



City of Raytown Management Advisory Report - State Auditor's Findings

establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and informing the public about city operations and current finances.

3.2 Receipt slips

City personnel do not account for the numerical sequence of receipt slips issued from the financial accounting system. The city's financial accounting system assigns one numerical receipt slip sequence, even though receipt slips are issued by various personnel for different functions, such as utility payments, court payments, and Police department reports.

To ensure all payments received are accounted for properly, personnel should account for the numerical sequence of receipt slips issued through the accounting system.

Recommendations

The Board of Aldermen:

3.1 Prepare annual budgets that contain all information required by state law.

3.2 Account for the numerical sequence of receipt slips issued.

Auditee's Response

3.1 *(In Progress) The city began its revisions to the budget based on this common recommendation provided to us in 2019. We will include historical data on individual expense accounts in our next published budget. As shown by our receipt of the distinguished budget award recently from Government Finance Officers Association, we have made a continued effort of providing a transparent and clear budget document.*

3.2 *(In Progress) The Board agrees with this recommendation. We currently track and reconcile all funds received by the city but will further enhance our procedures and controls to account for and reconcile the receipts by receipt number.*

4. Sunshine Law

The city did not ensure compliance with the Sunshine Law for closed meetings held by the Board, the Park Board, or the BMX Advisory Board. In addition, minutes were not maintained for work sessions held by the Board.

- The Board and the Park Board did not maintain meeting minutes for all closed meetings held during the 2 years ended October 31, 2019. Meeting minutes were only maintained for 16 of the 30 closed meetings held by the Board and for 9 of the 12 closed meetings held by the Park Board.
- The Board and the Park Board discussed some items in closed meetings that were either not allowed by state law or were not cited as the reason for closing the meeting. For example, the Board discussed a



City of Raytown
Management Advisory Report - State Auditor's Findings

memorandum of understanding (MOU) with a national charitable organization in closed session after the MOU was approved by the Board in open session, and discussed refinancing TIF debt in closed session. The Park Board discussed procedures for hiring a director in closed session.

- The Board cited the same reasons for closing many of its meeting, but either did not discuss, or did not adequately document discussion related to some topics cited as the reason for closing the meeting. From May to November 2018, the Board held 16 closed sessions and each one cited the same 4 reasons for closing the meeting; legal, real estate, personnel, or individually identifiable personnel information/applicants for employment. But for meetings where minutes were kept, the Board did not discuss all those topics. For example, in one closed meeting the Board discussed a potential lawsuit and voted to authorize a suit be filed, but no discussion of real estate transactions, personnel, or applications for employment were discussed.
- Park Board minutes for several meetings, both open and closed, did not contain all information required by state law. Open and closed minutes did not always contain the time or place of the meeting or the members present or absent, and for several closed meetings, the vote to close the meeting was not documented and the reason for closing the meeting was not documented in open session.
- The BMX Advisory Board does not hold Board meetings consistently. BMX Board members indicated if issues arise they discuss those issues while working at the BMX track since all Board members are also volunteers at the track. The Board did not hold formal public meetings during the year ended October 31, 2018, and only held 3 public meetings during the year ended October 31, 2019. It is unclear how many informal Board meetings occurred during the 2 years ended October 31, 2019.

Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. Meeting minutes shall include the date, time, place, members present, members absent, and a record of any votes taken. Section 610.021, RSMo, lists the topics that may be discussed in closed meetings and requires discussion in closed meetings be restricted to the allowable topics listed. Section 610.022, RSMo, requires a closed meeting, record, or vote be held only after the vote of each member on the question of closing the meeting and the specific reason for closing the meeting or vote by making specific reference to the specific section of law is to be announced publicly at an open session and entered into the minutes. This section also provides that public governmental bodies shall not discuss any other business during the meeting that differs from the specific reasons used to justify closing such meeting, record, or vote.



City of Raytown
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Aldermen work with the Park Board and the BMX Advisory Board to ensure complete and accurate minutes are kept for all closed meetings and only allowable topics are discussed in closed meetings. In addition, ensure the specific section of law allowing the closure is announced publicly and recorded in the minutes, and ensure discussions in closed meetings are limited to only those specific reasons cited for closing the meeting. Also, ensure minutes are maintained for any work sessions.

Auditee's Response

(Completed) Board of Aldermen Response: We agree with this recommendation. Since legal counsel for the city changed in January 2019, the City Clerk has attended all closed sessions and appropriate minutes are taken and approved by the Board.

(In Progress) Park Board Response: We agree with this recommendation. The Park Board has implemented a process to include a liaison from the Park Board to attend BMX Advisory Board meetings. The BMX Advisory Board will have regularly scheduled meetings quarterly, at a minimum, and will submit those meeting minutes to the Parks office in a timely manner for record keeping. In addition, the city's legal counsel will provide the Park Board and BMX Advisory Board with Sunshine Law training. Lastly, the new Park Board and BMX Advisory Board member informational packets will be updated with Sunshine Law requirements for open and closed meetings.

5. Police Department Volunteers

Police department policies and procedures regarding volunteer groups assisting the department need improvement.

5.1 Community events

The city does not have a contract or formal agreement with a local not-for-profit (NFP) organization which documents the duties and responsibilities of each party. In addition, the police department did not have a method to ensure all expenses eligible for reimbursement from the NFP were requested as applicable.

This NFP was formed in October 2017 with the purpose to communicate and interact with the Police department to promote public interaction and public safety. The NFP indicated publicly its formation was necessitated by department budget cuts, which caused the cancellation of all community events funded by the department, and the department not being allowed to accept cash donations. The events canceled included the Citizen's Police Academy, Safety Fairs, Coffee-With-A-Cop, community forums, and community requests for public speaking events by members of the department. However, a review of the department's website indicates the Community Services Division coordinates these events and activities. With the majority of the leadership of this NFP being city personnel, many of the organization's meetings conducted at city hall, and the city hall's address



City of Raytown
Management Advisory Report - State Auditor's Findings

listed as the NFP's address in the articles of incorporation, it is difficult to differentiate department activities from the NFP's activities.

In August and December 2018, the Board approved the Police department to accept grants from the NFP, totaling \$7,000 and \$12,320, respectively, to reimburse the city for costs incurred by the Police department for overtime, supplies, materials, equipment, or contracting for printing or other services necessary to operate the community events. Grant applications or written grant agreements were not provided for our review for either grant, and Police department personnel did not maintain detailed records of city expenses associated with these events. The city only received \$2,269 in reimbursements from those grants during the year ended October 31, 2018, and no reimbursements were received during the year ended October 31, 2019.

Email messages between Police department personnel regarding volunteer activities indicate some activities performed related to the NFP occurred when personnel were working for the city, such as preparing for meetings, preparing meeting agendas, or finding speakers for community events. The time spent by these personnel performing these functions was not tracked and were not part of the reimbursement requests submitted.

If the Board chooses to continue the relationship with the NFP to conduct community events, a method for tracking costs related to NFP activities and events should be developed to ensure all eligible costs are reimbursed. The lack of grant agreements and other supporting documentation increases the chances that city resources are used inappropriately. In addition, allowable activities by police personnel related to NFP activities could be set forth in a formal agreement to ensure the city and NFP are aware of their duties and responsibilities and to provide protection to both parties.

5.2 Police service volunteers

The Police department did not follow, or did not properly document, the screening procedures for citizens applying to work in the department's Volunteer Corp as established by department policy. The department operates a program that uses qualified volunteers for specified tasks and duties that can create efficiencies for the department and improve services to the community. We reviewed personnel files maintained for each of the 19 former and current members serving in the Volunteer Corp since it was established in 2011. Our review of the files identified the following concerns:

- 5 volunteers had no application on file.
- 14 volunteers did not complete a face to face interview with department personnel.
- 3 volunteers did not have complete background checks documented.
- 12 volunteers did not have evidence of an employment check.
- 2 volunteers did not have signed confidentiality agreements on file.



City of Raytown
Management Advisory Report - State Auditor's Findings

Police department policy 4.320 states the application and screening requirements for all members of the Volunteer Corp and states volunteers may have access to confidential department files. Without ensuring all application and screening requirements are met sensitive data or resources may not be adequately protected from unauthorized access and improper disclosure.

Recommendations

The Board of Aldermen:

- 5.1 Work with Police department personnel to establish a formal agreement with the NFP that documents the duties and responsibilities of both parties. In addition, ensure applications for any future funding are maintained and grant agreements exist to specify requirements for reimbursement of costs.
- 5.2 Ensure screening procedures for applicants for the Volunteer Corp are performed and documented in accordance with existing policies.

Auditee's Response

- 5.1 *(In Progress) We agree with this recommendation: The Police department is working on the creation of a memorandum of understanding with the not-for-profit that will outline the duties and responsibilities of both parties. Additionally, the memorandum of understanding will have language that ensures that compliance is maintained with regard to all grant agreements including, but not limited to, requirements for reimbursement as well as any other aspects associated with grant processes, acceptance and assessment of compliance with said grants.*
- 5.2 *(Completed) We agree with this recommendation: The Police department has implemented quality assurance and quality control protocols to ensure that all members of the Volunteer Corps are appropriately vetted; this includes, but is not limited to applications, interviews, background checks, employment checks, confidentiality agreements, and any other applicable existing or future policies associated with that program.*

6. Parks and Recreation Department Policies and Procedures

Improvements are needed in the operations of the Parks and Recreation department.

The Parks and Recreation department is governed by a 9-member Park Board appointed by the Mayor with the consent of the Board. As authorized by state law, the Park Board has exclusive control over expenditures of parks funding and supervision of the department, city parks activities, and improvements to parks facilities. The Park Board oversees a variety of city parks and facilities and provides both youth and adult recreational sports programs. The department received approximately \$1 million during the year ended October



City of Raytown
Management Advisory Report - State Auditor's Findings

31, 2018, consisting of approximately \$580,000 in property taxes; \$280,000 in sales taxes; and approximately \$140,000 from activity fees, rentals, and donations.

6.1 Receipting and depositing

Receipt slips are not issued for any payments received or amounts transmitted to the Parks and Recreation department and the composition (cash, check, or credit card) of payments received is not compared to the composition of deposits by an independent person.

While receipts slips are not issued, payments received by the Parks and Recreation department are posted to a daily receipt report that lists the composition of the payment, the payee, and the date. Cash and checks received are posted and deposited by the Administrative Service Coordinator. We reviewed amounts received in September 2018, which included transmittals of funds collected by the BMX Advisory Board operating the BMX track for the Park Board. While the city's daily receipts report for September 27, 2018, indicated cash receipts of \$11,366, the deposit slip indicated \$8,286 in cash and 2 checks totaling \$3,080. From a review of the bank records, the Parks and Recreation department staff did not enter the correct method of payment for the checks. No one identified this error because an independent comparison of the composition of amounts received to the composition of amounts deposited is not performed.

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk that loss, theft, or misuse of money received will occur and go undetected.

6.2 BMX Accounting Controls and Procedures

The Park Board has not adopted specific policies and procedures to provide oversight of the BMX Advisory Board, which is responsible for operating and maintaining the city's bicycle motocross track. The Park Board appoints members to the BMX Advisory Board, although during the year ended October 31, 2018, none were Raytown residents. The BMX Advisory Board does not give notice of or always hold public meetings in compliance with state law and members of that Board indicated decisions are typically made when enough of them are at the BMX track to have a meeting.

Accounting records

The BMX Advisory Board, with assistance from volunteers, collects registration fees for events and operates concessions at the track. Most funds collected are transmitted to the Parks and Recreation department for deposit to a city bank account. The BMX Advisory Board retains some money to operate and replenish concession items, but the amount kept is not set at a certain amount. Records are not maintained of all registration fees collected or to support amounts collected or profits earned from concessions. The amounts transmitted by the BMX Advisory Board to the city are tracked separately within the Parks Fund, but expenditures for the track are not tracked separately. The City Finance Director provided us a summary of total



City of Raytown
Management Advisory Report - State Auditor's Findings

expenditures from the Parks Fund related to the track. During the year ended October 31, 2018, expenditures related to the track were \$61,236, while revenues generated by the track were \$37,764.

Due to the lack of accounting records maintained by the BMX Advisory Board we could not determine if all money received was properly transmitted to the Park Board for deposit. Accurate accounting transactions and financial information are necessary for the Park Board to make informed decisions and to provide the Parks and Recreation department with reliable information of the track's finances. The lack of financial records makes it more difficult to detect loss, theft, or misuse of funds.

Recommendations

The Board of Aldermen work with the Park Board to:

- 6.1 Ensure prenumbered receipt slips are issued for all monies received and account for the numerical sequence of receipt slips issued. In addition, the composition of receipts should be reconciled to the composition of transmittals by an independent person.
- 6.2 Establish policies and procedures for accounting records to be maintained by the BMX Advisory Board and provide adequate oversight to ensure all money received is transmitted to the Parks and Recreation department.

Auditee's Response

- 6.1 *(In Progress) We agree with this recommendation: Receipts will be written for cash received on sales or rentals at the Parks and Recreation department office and kept on file for the year which they pertain to. These receipts will be able to be reconciled with the registrations and rentals entered in the Parks and Recreation department's finance software and additional reconciliation by the Finance department.*
- 6.2 *(In Progress) We agree with this recommendation. We shared this recommendation with the Parks and Recreation department and BMX Advisory Board, along with recommendations from the Finance department, and they have instituted multiple measures of reconciliation to provide adequate oversight. Those changes include continual annual review of the established policies and procedures for accounting records.*

City of Raytown

Organization and Statistical Information

The City of Raytown is located in Jackson County. The city was incorporated in 1950 and is currently a fourth-class city. The city employed 111 full-time employees and 32 part-time employees on October 31, 2018.

City operations include law enforcement, sewer system, stormwater system, and recreational facilities.

Mayor and Board of Aldermen

The city government consists of a mayor and 10-member board of aldermen. These members are elected for 4-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at October 31, 2018, are identified below. The Mayor is paid \$1,000 per month with a \$200 monthly car allowance and members of the Board of Aldermen are paid \$400 per month with a \$50 monthly car allowance. The compensation of these officials is established by ordinance.

Mike McDonough, Mayor
Frank Hunt, Alderman - Ward 1
Karen Black, Alderwoman - Ward 1 (1)
Jim Aziere, Alderman - Ward 2
Jason Greene, Alderman - Ward 2
Ryan Myers, Alderman - Ward 3
Mark Moore, Alderman - Ward 3 (2)
Bill Van Buskirk, Alderman - Ward 4
Steve Meyers, Alderman - Ward 4 (3)
Derek Ward, Alderman - Ward 5
Bonnaye Mims, Alderwoman - Ward 5

- (1) Replaced by Greg Walters, who was elected in April 2019.
(2) Replaced by Janet Emerson, who was elected in April 2019.
(3) Replaced by Mary Jane Van Buskirk, who was elected in April 2019.

Other Elected Officials

Name and Title	Compensation Paid for the Year Ended October 31, 2018
James B. Lynch, Police Chief (1)	\$99,832
Traci Fann, Municipal Judge	31,372
Kathie Schutte, City Collector	1,200

- (1) James B. Lynch resigned in February 2019 and Randy Hudspeth was appointed Interim Police Chief. On April 2, 2019, voters approved making the Police Chief an appointed position and on April 1, 2020, the Board appointed Robert Kuehl as Police Chief.

Financial Activity

A summary of the city's financial activity for the year ended October 31, 2018, obtained from the city's audited financial statement follows:



City of Raytown
Organization and Statistical Information

CITY OF RAYTOWN, MISSOURI
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended October 31, 2018

	General	TIF	Transportation Sales Tax	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 7,702,356	\$ 1,412,050	\$ 1,171,590	\$ 3,461,790	\$ 13,747,786
Intergovernmental activity taxes	-	1,303,364	-	-	1,303,364
Licenses and permits	413,067	-	-	-	413,067
Intergovernmental	1,216,094	-	452,377	-	1,668,471
Fines, forfeitures and penalties	364,763	-	-	-	364,763
Charges for services	1,317,364	-	-	99,164	1,416,528
Use of money and property	68,413	253,836	8,892	144,608	475,749
Miscellaneous	70,964	-	1,656	145,322	217,942
Total revenues	11,153,021	2,969,250	1,634,515	3,850,884	19,607,670
EXPENDITURES:					
Current:					
General government	1,858,021	-	-	39,824	1,897,845
Parks and recreation	-	-	-	887,187	887,187
Community development	737,318	241,283	-	-	978,601
Public safety	5,434,955	-	-	1,327,180	6,762,135
Public works	1,819,243	-	-	191,785	2,011,028
Capital outlay	-	-	2,453,207	700,296	3,153,503
Debt service					
Principal	-	1,355,000	-	-	1,355,000
Interest and other charges	-	1,675,650	-	-	1,675,650
Total expenditures	9,849,537	3,271,933	2,453,207	3,146,272	18,720,949
Excess [deficiency] of revenues over [under] expenditures	<u>1,303,484</u>	<u>[302,683]</u>	<u>[818,692]</u>	<u>704,612</u>	<u>886,721</u>
OTHER FINANCING SOURCES [USES]					
Transfers in	-	-	-	150,000	150,000
Transfers [out]	<u>[150,000]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[150,000]</u>
Total other financing sources [uses]	[150,000]	-	-	150,000	-
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>1,153,484</u>	<u>[302,683]</u>	<u>[818,692]</u>	<u>854,612</u>	<u>886,721</u>
Fund balance - Beginning of year	<u>5,096,224</u>	<u>7,085,008</u>	<u>1,156,136</u>	<u>4,343,893</u>	<u>17,681,261</u>
Fund balance - End of year	<u>\$ 6,249,708</u>	<u>\$ 6,782,325</u>	<u>\$ 337,444</u>	<u>\$ 5,198,505</u>	<u>\$ 18,567,982</u>

The notes to the financial statements are an integral part of this statement



City of Raytown
Organization and Statistical Information

CITY OF RAYTOWN, MISSOURI
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended October 31, 2018

	Sewer Utility
Operating revenues:	
Charges for services	\$ 6,875,494
Other	69,673
Total operating revenues	<u>6,945,167</u>
Operating expenses:	
Personal services	866,814
Contractual	4,377,632
Commodities	94,193
Capital outlay	204,498
Depreciation	538,121
Total operating expenses	<u>6,081,258</u>
Operating income [loss]	<u>863,909</u>
Nonoperating revenues [expenses]:	
Interest on long term debt	[439,747]
Interest income	309,901
Total nonoperating revenues [expenses]	<u>[129,846]</u>
Change in net position	<u>734,063</u>
Net position, November 1	8,461,774
Prior period adjustment	<u>[7,493]</u>
Net position, November 1, restated	<u>8,454,281</u>
Net position, October 31	<u>\$ 9,188,344</u>

The notes to the financial statements are an integral part of this statement



Nicole Galloway, CPA

Missouri State Auditor

**Thirty-Second Judicial Circuit
Cape Girardeau County**

Report No. 2020-118

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Thirty-Second Judicial Circuit Court in Cape Girardeau County

Accounting Controls and Procedures	The Circuit Clerk's office did not complete bank reconciliations for the Criminal Division bank account from July 2017 through August 2020, or for the Civil Division bank account from October 2017 to May 2020, as required by Missouri Supreme Court operating rules (State COR). The Circuit Clerk has not adequately segregated accounting duties, does not perform a satisfactory independent supervisory review of all accounting and bank records, and does not document the limited review performed.
Accounts Receivable	The court does not assess the \$25 time-payment fee on juvenile cases as required by State COR and authorized by state law. The Circuit Clerk does not periodically review outstanding court costs owed to the circuit court.
Court Procedures	The court clerks process fee adjustments without an independent or supervisory review. Periodic reviews of user access to data and other information in the new Show Me Courts System and the JIS are not performed by the Circuit Clerk to ensure access rights are commensurate with job responsibilities and remain appropriate. Budgets are not prepared for the Interest Fund, Garnishment Fee Fund, Time Payment Fund, and Law Library Fund.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Thirty-Second Judicial Circuit

Cape Girardeau County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Accounting Controls and Procedures4
Findings	2. Accounts Receivable5
	3. Court Procedures5

Organization and Statistical	9
Information	

Appendix	
	Thirty-Second Judicial Circuit Clerk's and Presiding Judge's
	Response11



NICOLE GALLOWAY, CPA

Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Thirty-Second Judicial Circuit
Cape Girardeau County, Missouri

We have audited certain operations of the Thirty-Second Judicial Circuit, Cape Girardeau County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

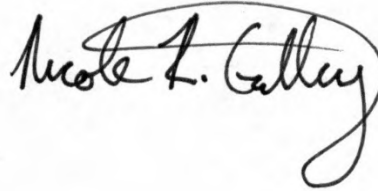
1. Evaluate the court's internal controls over significant management financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Cape Girardeau County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Thirty-Second Judicial Circuit, Cape Girardeau County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Ryan Tierney, MAcc, CPA
	Dacia Rush, M.Acct., CIA, CFE, CGAP

Thirty-Second Judicial Circuit

Cape Girardeau County

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Significant weaknesses exist in the controls and procedures over bank reconciliations and fiscal personnel job duties are not properly segregated.

1.1 Bank reconciliations

The Circuit Clerk's office did not complete bank reconciliations for the Criminal Division bank account from July 2017 through August 2020, or for the Civil Division bank account from October 2017 to May 2020, as required by Missouri Supreme Court operating rules (State COR). Over these time periods, unreconciled differences occurred in varying amounts and court personnel could not determine the cause for the fluctuations. They indicated the reconciliations were not completed due to limitations in the staff's understanding of the reconciliation process, limited staff availability, and the inability to determine the cause of reconciling differences between the bank account and the accounting records.

The Criminal Division's December 2018 incomplete bank reconciliation documented a discrepancy of \$10,398 between the general ledger balance and the adjusted bank balance and a discrepancy of \$7,372 between the general ledger balance and open items balance. The October 2019 incomplete bank reconciliation documented a discrepancy of \$22,505 between the general ledger balance and the adjusted bank balance and a discrepancy of \$19,489 between the general ledger balance and open items balance. The Senior Court Clerk indicated the discrepancies could have originated due to changing banks in July 2017, the inability to reconcile all credit card transactions timely, and not being able to resolve the issues after falling behind.

A similar situation occurred when the Civil Court Clerk could not reconcile the Civil Division bank account beginning in October 2017. The Office of State Courts Administrator (OSCA) resolved the discrepancies and reconciled the account to court records in May 2020. The Civil Division's bank account was combined with the Criminal Account on May 29, 2020. In addition, the prior Civil bank account remains open to allow outstanding checks to clear.

The Circuit Clerk indicated she was aware of the situation and the court had contacted the OSCA and had been placed on a waiting list for the OSCA to complete the reconciliations for the court.¹ According to court personnel, OSCA personnel instructed the court to perform daily reconciliations, which consists of reviewing the deposit and payments that cleared, and not to perform the monthly reconciliations. They also indicated, OSCA personnel later stated this instruction was in error and court personnel should have

¹ As of the end of fieldwork OSCA's assistance on this reconciliation was still pending.



Thirty-Second Judicial Circuit
Cape Girardeau County
Management Advisory Report - State Auditor's Findings

performed the monthly reconciliations to ensure the unreconciled difference did not change from month to month.

State COR 4.59 requires reconciling all bank balances and open items records at least monthly. Timely bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and corrected timely. Thorough independent and/or supervisory reviews help ensure all assets are adequately safeguarded.

1.2 Segregation of duties

The Circuit Clerk has not adequately segregated accounting duties, does not perform a satisfactory independent supervisory review of all accounting and bank records, and does not document the limited review performed. The Senior Court Clerk's duties for the Criminal Court and the Civil Court include preparing disbursements, printing checks, and reconciling the bank account. In addition, prior to June 2020, the Criminal Court Clerk also signed the Criminal Court checks and the Civil Court Clerk would occasionally sign Civil Court checks. Although the court consolidated the Criminal and Civil bank accounts into one account in June 2020, lack of segregation of duties continued with the same court clerk prepares and prints the checks and reconciles the bank account. The Circuit Clerk performs undocumented reviews that include checking the unreconciled bank balance, deposits in transit, and visually scanning the disbursements and deposits in the month-end report. The reviews do not include comparing the balance of the bank accounts to the open items listing nor accounting for the uncleared checks.

Thorough independent and/or supervisory reviews help ensure all assets are accounted for and are adequately safeguarded. If proper segregation of duties are not implemented, documented independent and/or supervisory reviews of accounting and bank records are necessary.

Recommendations

The Circuit Clerk:

- 1.1 Perform monthly bank reconciliations of all bank accounts timely.
- 1.2 Segregate accounting duties to the extent possible and ensure independent and/or supervisory reviews of detailed accounting and bank records are performed and documented.

Auditee's Response

The Circuit Clerk's written response is included at the Appendix.

2. Accounts Receivable

Controls and procedures over accounts receivable need improvement. Time-payment fees are not assessed on juvenile cases, and accounts receivable are not periodically reviewed.

2.1 Time payment fee

The court does not assess the \$25 time-payment fee on juvenile cases as required by State COR and authorized by state law. The court did not assess the time-payment fee for approximately 1,000 juvenile cases outstanding as



Thirty-Second Judicial Circuit
Cape Girardeau County
Management Advisory Report - State Auditor's Findings

of December 31, 2019. The Circuit Clerk indicated she was unaware time-payment fees should have been assessed on juvenile cases not paid in full within 30 days. As a result, the court is not in compliance with legal provisions and has lost revenue.

Section 488.5025, RSMo, states "In addition to any other assessment authorized by law, a court may assess a fee of twenty five dollars on each person who pays a court-ordered judgement, penalty, fine, sanction, or court costs on a time-payment basis, including restitution and juvenile monetary assessments."

Also, State COR 21.13 requires all divisions of the circuit courts, except municipal divisions, to assess a \$25 time-payment fee on all cases not paid in full within 30 days of disposition.

2.2 Accounts receivable review

The Circuit Clerk does not periodically review outstanding court costs owed to the circuit court. The court's information system tracks cases and can produce a report of balances due; however, the Circuit Clerk does not print and review this report to (1) ensure amounts owed agree to the case file or (2) identify possible errors or cases with potentially uncollectible balances. According to a report we obtained from the OSCA, as of June 11, 2020, the circuit court had outstanding costs owed to the court totaling \$3.2 million for 14,301 cases of which some cases date back to 1998.

Local COR 67.12.9 states "the court shall review accounts receivable reports developed by OSCA and the debt collection vendor and those debts deemed to be uncollectible shall be written off by court order." Proper and timely monitoring of receivables is necessary to help ensure unpaid amounts are collected and proper follow-up action is taken for non-payment and to provide information to the Presiding Judge to determine appropriate handling when amounts are deemed uncollectible.

Recommendations

The Circuit Clerk:

- 2.1 Ensure time-payment fees are assessed in accordance with State COR as authorized by state law.
- 2.2 Establish procedures to review accounts receivable in accordance with Local COR.

Auditee's Response

The Circuit Clerk's written response is included at the Appendix.

3. Court Procedures

We identified significant weaknesses with court procedures. Fee adjustments are not reviewed, users access rights are not periodically reviewed for accuracy, and budgets were not prepared for several court funds.

3.1 Fee adjustments

The court clerks process fee adjustments without an independent or supervisory review. Fee adjustments include the reduction or non-assessment of fines and court costs due to the correction of errors in the assessment of



Thirty-Second Judicial Circuit
Cape Girardeau County
Management Advisory Report - State Auditor's Findings

court costs, reallocation of costs for state reimbursement, and removal of court costs when cases are dismissed.

Fee adjustments processed totaled approximately \$324,000 during the year ended December 31, 2019. That total included approximately \$247,000 of adjustments for jail board fees processed from April 1, 2019, through August 12, 2019. A court order to write these costs off was subsequently issued by the Presiding Judge on August 13, 2019.

An independent and/or supervisory review and approval of fee adjustments and court authorization is necessary to help ensure such transactions are appropriate and reduce the risk of loss, theft, or misuse of funds.

3.2 Periodic review of user system access

Periodic reviews of user access to data and other information in the new Show Me Courts System and the JIS are not performed by the Circuit Clerk to ensure access rights are commensurate with job responsibilities and remain appropriate. As a result, some court personnel have inappropriate access to initiate and modify transactions within the JIS/Show-Me Courts System.

We obtained reports from the OSCA of user accounts having access to the JIS/Show-Me Courts System as of June 2020. Upon review of the report, the Circuit Clerk indicated some of the users had more access than required to perform their job responsibilities. For example, one employee had transferred to another job within the court in December 2018, but still had access rights to JIS/Show-Me Courts System.

Local COR 69.01.C.7 states "Ensure user access is periodically reviewed and unnecessary access, including that of terminated users is timely removed. Review user access to data and other information resources to ensure access rights are commensurate with current user job responsibilities." Periodic reviews of user accounts ensure the right type and level of access, corresponding to each user's job responsibilities, has been provided.

3.3 Budgets

Budgets are not prepared for the Interest Fund, Garnishment Fee Fund, Time Payment Fund, and Law Library Fund. Preparing budgets allows management the ability to monitor revenues, disbursements, and available fund balance.

Preparing a budget for public funds aids in overall fiscal management; provides a means to effectively monitor actual costs, revenues, and cash balances; and helps inform both the county and the public of the court's financial picture.

Recommendations

The Circuit Clerk:

- 3.1 Require an independent and/or supervisory review and approval of all fee adjustments made in the JIS/Show-Me Courts System.



Thirty-Second Judicial Circuit
Cape Girardeau County
Management Advisory Report - State Auditor's Findings

- 3.2 Periodically review user access to data and other information resources within the JIS/Show-Me Courts System to ensure access rights are commensurate with job duties and responsibilities.
- 3.3 Prepare annual budgets for the Interest Fund and Garnishment Fee Fund; and provide copies of these budgets to the county budget officer.

The Presiding Judge:

- 3.3 Prepare annual budgets for the Time Payment Fund, and Law Library Fund; and provide copies of these budgets to the county budget officer.

Auditee's Response

The Circuit Clerk's and Presiding Judge's written response is included at the Appendix.

Auditor's Comment

The Circuit Clerk's response to MAR finding number 3.2 indicates periodic reviews of user access are performed when staff responsibilities are changed. However, this information differs from the information obtained during audit fieldwork. The Circuit Clerk also responded that user access in the JIS system can be very broad, which allows many tasks to be completed and that these access rights do not always coincide with the employees' regularly assigned duties. Local COR requires a periodic review to ensure access rights are commensurate with current user job responsibilities.

Thirty-Second Judicial Circuit

Cape Girardeau County

Organization and Statistical Information

The Thirty-Second Judicial Circuit consists of Cape Girardeau County, Bollinger County, and Perry County.

The Thirty-Second Judicial Circuit consists of two circuit judges and four Associate Circuit Judges. The Circuit Judges hear circuit level cases throughout the 32nd Judicial Circuit (Divisions I and II). One of these judges also serves as Presiding Judge on a rotating basis and is responsible for the administration of the circuit. Of the four Associate Circuit Judges, two are located in Cape Girardeau County. One presides over Associate Circuit Criminal Court (Division III) and the other presides over Associate Circuit Civil Court (Division IV), which includes probate. The other two Associate Circuit Judges are located in Bollinger County (Division V) and Perry County (Division VI).

The juvenile office's home base is Cape Girardeau County; however, this office also serves residents of Bollinger County and Perry County.

Circuit personnel located in Bollinger County and Perry County are not included in the scope of this audit.

Personnel

At December 31, 2019, the Judges, Circuit Clerk, Chief Juvenile Officer, and Treatment Court Administrator of the Thirty-Second Judicial Circuit, Cape Girardeau County, were as follows:

Title	Name
Presiding Circuit Judge	Benjamin F. Lewis
Circuit Judge (1)	Michael Gardner
Associate Circuit Judge	Frank E. Miller
Associate Circuit Judge (2)	Scott A. Lipke
Circuit Clerk	Charleen C. Biester
Chief Juvenile Officer	Randall Rhodes
Treatment Court Administrator	Sheila Sauer

(1) Scott A. Lipke was appointed in May 2020 replacing Michael Gardner.

(2) Julia Meiners Koester was appointed in July 2020 replacing the vacancy created when Scott A. Lipke was appointed to Circuit Judge.

In addition, the Thirty-Second Judicial Circuit, Cape Girardeau County, employed 20 full-time employees and 6 part-time employees on December 31, 2019.



Thirty-Second Judicial Circuit
Cape Girardeau County
Organization and Statistical Information

Financial Information

Receipts of the Thirty-Second Judicial Circuit, Cape Girardeau County, were as follows:

	Year Ended December 31, 2019
Court deposits, fees, bonds, and other	\$1,984,407
Probate and Juvenile deposits, fees, and other	57,127
Total	\$2,041,534

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Thirty-Second Judicial Circuit, Cape Girardeau County, were as follows:

	Year Ended December 31, 2019
Civil	4,371
Criminal	3,814
Juvenile	256
Probate	529
Total	8,970



Appendix
Thirty-Second Judicial Circuit - Cape Girardeau County
Thirty-Second Judicial Circuit Clerk's and Presiding Judge's Response

STATE OF MISSOURI
32ND JUDICIAL CIRCUIT
CAPE GIRARDEAU COUNTY

CHARLEEN C. BIESTER
CLERK OF THE CIRCUIT COURT



CAPE GIRARDEAU COUNTY COURTHOUSE
203 N. HIGH STREET, STE. 129
JACKSON, MISSOURI 63755
TELEPHONE (573) 243-1755
FAX: (573) 204-2405

AUDIT RESPONSES

1.1 Bank reconciliations: The State budget does not provide individual courts with the funds necessary to hire their own accountants so when court staff are unable to resolve discrepancies, it is appropriate to submit that task to the accountants on staff at the Office of States Courts Administrator (OSCA). In 2017, when clerks in Cape Girardeau County were unable to determine the cause of reconciling differences, they promptly sought assistance from OSCA's accounting department. Because OSCA's resources are limited and they serve courts throughout the State, Cape County was placed on what became a multi-year waiting list for assistance. The accountants on staff at OSCA have now resolved all discrepancies and the account is fully reconciled.

1.2 Segregation of duties: Maintaining offices in two courthouses has always presented the Cape Girardeau County Circuit Clerk with unique challenges. With the civil divisions in Cape Girardeau and the criminal divisions in Jackson, court staff was effectively reduced by half as was supervisory time by the Circuit Clerk, who traveled back and forth between the two locations. The consolidation of all court staff in a single courthouse in 2020 has resolved those issues and has allowed for further segregation of duties and a higher degree of supervisory reviews.

Recommendations: I agree with the auditor's findings in accounting controls and procedures and the recommended changes have been implemented. Accounting duties have been reassigned and are segregated to the fullest extent possible. Documented supervisory reviews of accounting processes and bank records are performed by the Circuit Clerk and by senior court staff, and procedural changes have been established to ensure that monthly reconciliations are completed in a timely manner.

2.1 Time Payment Fee: The Cape Girardeau County Circuit Court has been assessing time payment fees in certain case types dating back to October 2003 when first allowed by Missouri Statute. Court Operating Rule 21.13, which mandates that courts assess the fee in all case types, went into effect January 2012. Nothing has been discovered in the records left behind for me in this office referencing the rule or explaining why it wasn't implemented in juvenile court cases at the time it went into effect. It remains, however, that this court has an obligation to assess a time payment fee on any juvenile monetary assessments not paid in full within 30 days, and the necessary steps have been taken to ensure that the fee is being appropriately assessed.

2.2 Accounts receivable review: In 2019, the Circuit Clerk requested judicial review of outstanding court debt and the Presiding Judge issued an order allowing the clerk to write off over \$9,000,000 in uncollectible debt. Work on that order continues and court clerks have written off all but approximately \$700,000. Another review of accounts receivable is currently underway, but because the court continues to collect on outstanding debt through the efforts of the State's debt collection vendor and through state tax offset reimbursements, most is collectible. Prior to 2019, records were not retained when proposed debt submitted for judicial review was not followed by an order to write off uncollectible debt.

The Circuit Clerk and court staff regularly review disposition and exception reports in an effort to identify and correct errors. Cases disposed without costs are reviewed for accuracy. Fee sheets are generated at case disposition and reviewed for accuracy.



Appendix
Thirty-Second Judicial Circuit - Cape Girardeau County
Thirty-Second Judicial Circuit Clerk's and Presiding Judge's Response

Recommendations: I agree with the Auditor's findings in the area of accounts receivable and have implemented the recommended changes to ensure time payment fees are assessed in accordance with Court Operating Rules. Procedures have been established to ensure that accounts receivable records continue to be regularly reviewed in compliance with local court rules and regardless of outcome, documentation of outstanding court debt submitted for judicial review will be retained.

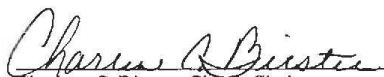
3.1 Fee Adjustments: In most instances, adjustments are made as a result of judicial order. Judges will order that costs be waived, that fines be suspended, or that costs be certified to state or the county. Occasionally court clerks will need to make minor corrections when entering data due to clerical error. Regardless of circumstance, adjustments are made when necessary to ensure that fees assessed are in accordance with the judgment on record.

3.2 Periodic review of user system access: I disagree with the Auditor's findings on this point. Periodic reviews of user access are conducted each time a change in court personnel occurs and permissions are reviewed when job duties change. As explained to the field auditor when interviewed, certain JIS permissions in the system are very broad and allow many tasks to be completed, whether assigned as regular duties or not. Further, when clerks are assigned a new workload, previously assigned permissions are often intentionally left in place to allow that clerk to back up duties in their previously assigned area.

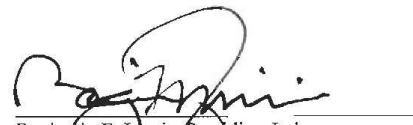
The Circuit Clerk is Cape Girardeau County's Security Point of Contact and as such, judicial employees working outside of the Circuit Clerk's office appear on the Clerk's security roster. The court employee who transferred to another job within the court system is the Presiding Judge's secretary, who is afforded a high degree of access. The JIS/SMC permissions granted are commensurate with her currently assigned job responsibilities.

3.3 Budgets: Revenue, expenditures, and available fund balances for the interest and garnishment fee funds are tracked and managed in JIS and SMC. In addition to the court's operating system tracking, the Circuit Clerk maintains a ledger together with detailed record of expenditures for each fund. Because the law library fee fund and time payment fee fund are not tracked through JIS and SMC, detailed ledgers of revenue and expenditures for these two funds are kept and maintained by court-assigned bookkeepers. Expenditures for all funds are carefully tracked and reviewed for compliance with Missouri Statute.

Recommendations: I agree with the Auditor's findings as to adjustments and budgets and the recommended changes have been implemented. There is no State process or funding to bring in private accountants to conduct independent reviews, however the Circuit Clerk together with senior court staff perform documented supervisory reviews and approvals of fee adjustments. In addition to the management protocols already in place, annual budgets for all court funds have been prepared and submitted to the County Auditor.


Charleen C. Biester, Circuit Clerk
Cape Girardeau County

November 17, 2020
Date


Benjamin F. Lewis, Presiding Judge
32nd Judicial Circuit

11/17/2020
Date



Nicole Galloway, CPA

Missouri State Auditor

Jackson County

Payroll and Personnel Issues

Report No. 2020-117

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Jackson County Payroll and Personnel Issues

Payroll Allocations	The county does not maintain documentation to support how county officials determined the allocation of salaries to various county funds, for the offices or departments allocating salaries.
Vehicle Allowances	The county does not have a written policy providing guidance on the administration of vehicle allowances, nor does the county maintain documentation to show vehicle allowance amounts are reasonable and necessary compared to actual expenses incurred.
Chief Operating Officer's Employment Contract	The former County Executive approved a multi-year employment contract with the former Chief Operating Officer that automatically renewed and included a severance payment.
Physical Building Access and Remote Work Policy	Record of physical access to all county buildings was not maintained for all entry and exit points, and the county has not adopted a policy regarding employees working from home.
Sexual Harassment Training	The county personnel rules, including its sexual harassment policy (Rule 19), do not require all county employees receive sexual harassment training. Sexual harassment training is also not periodically provided to employees, and documentation of attendance at the training provided is not always retained.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Jackson County

Payroll and Personnel Issues

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology	5

Management Advisory	
Report - State Auditor's	
Findings	
1. Payroll Allocations	6
2. Vehicle Allowances	7
3. Chief Operating Officer's Employment Contract	9
4. Physical Building Access and Remote Work Policy	10
5. Sexual Harassment Training	11

Appendixes	
A Auditee Response - County Legislature	13
B Auditee Response - County Executive	14



NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Chairman of the Jackson County Legislature
and
Members of the Jackson County Legislature
and
Frank White, Jr., County Executive
Jackson County, Missouri

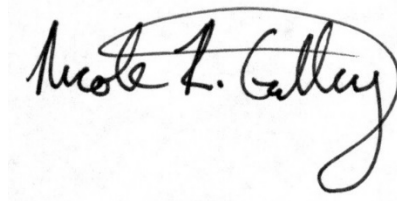
We have audited certain operations of Jackson County - Payroll and Personnel Issues in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of Jackson County in response to a formal request from the Jackson County Legislature. The county engaged BKD LLP, Certified Public Accountants (CPAs), to audit the county's financial statements for the years ended December 31, 2018, and 2017. To minimize duplication of effort, we reviewed the CPA firm's reports. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over certain management operations and financial functions related to payroll and personnel issues.
2. Evaluate the county's compliance with certain legal provisions related to payroll and personnel issues.
3. Evaluate the economy and efficiency of certain management practices and procedures related to payroll and personnel issues, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Jackson County - Payroll and Personnel Issues.

Additional audits of various officials and departments of Jackson County are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	Robert McArthur II, CFE
Audit Staff:	Rex Murdock, M.S.Acct.
	John-Henry T. Jarwood, MBA, CFE
	Amanda G. Flanigan, MAcc

Jackson County

Payroll and Personnel Issues

Introduction

Background

The State Auditor was requested on February 26, 2018, by the Jackson County Legislature under Section 29.200.3, RSMo, to conduct a performance audit of Jackson County.

During 2017 and 2018, the county employed approximately 2,300 employees and paid salaries of approximately \$77 million in 2017 and \$79 million in 2018. Our review of the county's payroll and personnel issues identified significant concerns, including concerns expressed by the County Executive regarding a self-renewing employment agreement.

In March 2019, the county awarded a consulting contract to perform a classification and compensation study covering all county employees. The study, published February 6, 2020, was primarily designed to focus on internal and external equity of both the structure by which employees are compensated as well as the way positions relate and compare across the county. The study made recommendations to "improve the equity and competitiveness of the County's pay structure and the placement of classifications within that structure."

On February 10, 2020, the County Executive announced that the County Legislature authorized the implementation of the compensation study recommendations. According to county officials, they implemented 5 of the 10 recommendations in March 2020, are currently in the process of implementing another recommendation, and plan to implement another one by the end of 2021. They indicated the 3 other recommendations will be implemented as needed or when budgetary resources were available.

The following provisions of federal law, constitutional home rule charter, and county personnel rules are significant to our review and are discussed further in the findings reported in the accompanying Management Advisory Report section.

Federal Law

The Fair Labor Standards Act (FLSA) and 29 Code of Federal Regulations, Section 516.2 establishes recordkeeping standards affecting employees in local governments. The FLSA requires employers maintain accurate records of actual time worked by employees.

Constitutional Home Rule Charter

Article III, Section 5, states, "The county executive shall be responsible for the administration of all affairs of the county placed in his or her charge by this charter, by law or by county ordinance. The county executive may appoint a staff as may be authorized by county ordinance, . . . all of whom shall serve at his or her pleasure."

County Personnel Rules

Rule 8, Other Compensation Practices, Section 8.4B, states "When it is in the best interest of the County, a monthly automobile allowance may be paid to an employee to compensate the employee for the use of their personal



Jackson County
Payroll and Personnel Issues
Introduction

automobile for official County business upon request of the Appointing Authority and approval of the Manager of the Division of Finance. The car allowance amount will be governed by a Car Allowance Policy."

Rule 10, Part-Time and Temporary Employees, Section 10.1, states "Part-time and temporary employees shall be compensated on an hourly basis."

Rule 11, Applications, Examinations of Applicants and Conditions of Employment, Section 11.21, states "All employees shall be required to attend a new employee orientation program coordinated by Human Resources within the first thirty (30) days of employment."

Rule 19.1, Sexual Harassment Policy, "This policy sets forth the general requirements and procedures for County employees in reference to sexual harassment."

Audit Request

On January 3, 2018, the County Executive made a recommendation to the County Legislature to request a comprehensive audit of the county's fiscal and procurement process by the State Auditor's Office (SAO). The County Legislature agreed with this recommendation and passed Resolution 19745 on February 26, 2018, requesting the State Auditor perform an audit of the county. This request was accepted by the SAO and audit fieldwork started in December 2018. This is the fourth of several audit reports that will be issued as part of the audit of Jackson County.

Scope and Methodology

The scope of this audit included evaluating (1) internal controls, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the 2 years ended December 31, 2018.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; gathering information regarding payroll and personnel policies and procedures through discussions with various current and past county personnel, and reviewing the information obtained; and testing selected transactions. To gain an understanding of legal requirements governing payroll and personnel issues, we reviewed applicable federal and state laws, the county charter, county code, and written policies and procedures; and interviewed various individuals.

We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to these provisions.

Jackson County

Payroll and Personnel Issues

Management Advisory Report - State Auditor's Findings

1. Payroll Allocations

The county does not maintain documentation to support how county officials determined the allocation of salaries to various county funds, for the offices or departments allocating salaries.

Salaries allocated to various county funds totaled approximately \$14.4 million for 295 employees in 2017 and \$15.5 million for 298 employees in 2018.

Fund	2017	2018
	Amount Allocated	Amount Allocated
General	\$ 7,569,550	6,672,018
Special Road and Bridge	1,683,573	2,911,816
Community Backed Anti-Crime Tax (COMBAT)	1,593,673	2,122,455
Health	1,340,657	1,383,890
Assessment	808,713	812,115
Grant	340,635	629,453
Park	597,429	559,377
Park Enterprise	156,966	159,583
Collector's Maintenance Fee	130,968	101,795
Workers Compensation	75,798	58,060
Prosecuting Attorney Delinquent Sales Tax	24,030	42,132
Recorder's Fee	38,176	38,178
Prosecuting Attorney Bad Check Collection	28,799	19,780
Recorder's Technology	14,190	14,687
Homeless Assistance	12,576	12,820
Sheriff Revolving	7,320	8,950
Sewer	6,452	0
Total	\$ 14,429,505	15,547,109

County personnel said they do not have any documentation for the payroll allocations, but indicated employees generally provide services to more than one county fund. For example, the following employee's salaries were allocated to the listed funds during the year ended December 31, 2018.

Employee	Fund					Total Salary
	General	Special Road and Bridge	Health	Assessment	Park	
Director of Public Works	\$ 26,612	97,809	975	0	0	125,396
Director of Information Technology	5,973	47,784	0	41,811	23,892	119,460
Former Director of Human Resources	81,141	19,976	0	0	16,949	118,066
Clerk of the County Legislature	101,332	4,659	5,823	0	4,659	116,473
Budget Officer	61,398	9,079	0	0	9,158	79,635
Director of Finance and Purchasing	31,353	15,332	1,035	639	14,347	62,706
Payroll Supervisor	45,006	6,654	0	0	6,713	58,373



Jackson County
Payroll and Personnel Issues
Management Advisory Report - State Auditor's Findings

The proper allocation of expenses is necessary for the county to accurately determine the results of operations of specific activities, thus enabling county officials to establish the level of taxation and/or user charges necessary to meet all operating costs. In addition, Section 137.555, RSMo, restricts the use of the Special Road and Bridge Fund to disbursements for road and bridge purposes only. To ensure restricted funds are used for their intended purposes, the allocation of salaries should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs. Allocating salaries to restricted funds that are not directly related to the administration of a fund is not an appropriate use of that funding.

Recommendation

The County Legislature and County Executive allocate salary expenses to county funds based on specific criteria and retain documentation to support the allocations made. In addition, ensure all salaries allocated to restricted funds comply with restrictions on use of that funding.

Auditee's Response

The County Legislature provided a written response. See Appendix A.

The County Executive provided a written response. See Appendix B.

2. Vehicle Allowances

The county does not have a written policy providing guidance on the administration of vehicle allowances, nor does the county maintain documentation to show vehicle allowance amounts are reasonable and necessary compared to actual expenses incurred. The county paid approximately \$569,000 in vehicle allowances to 149 employees in 2017, and approximately \$529,000 to 137 employees in 2018, ranging from \$75 to \$12,000 annually, for use of their personal vehicles.

County personnel policy 8.4B states "When it is in the best interest of the County, a monthly automobile allowance may be paid to an employee to compensate the employee for the use of their personal automobile for official County business upon request of the Appointing Authority and approval of the Manager of the Division of Finance. The car allowance amount will be governed by a Car Allowance Policy." Although a car allowance policy is referenced in the county's official personnel rules, county officials have not established a county-wide car allowance policy. The Director of Human Resources and Deputy Director of Human Resources indicated each department establishes the need of car allowances for the department's positions.

Vehicle allowances are typically negotiated as an added benefit prior to employment instead of being based on actual miles driven. For example, when the County Administrator was hired in December 2019, he was provided an \$800 per month (\$9,600 annual) vehicle allowance because "It is identical to the amount provided by his previous employer."



Jackson County
Payroll and Personnel Issues
Management Advisory Report - State Auditor's Findings

In addition, it is questionable whether some of these employees should be paid vehicle allowance amounts based upon their job duties and travel requirements. During our review of 22 vehicle allowances, we could not establish a pattern in the specific amounts granted in comparison to job duties and travel. The following table lists the 22 annual vehicle allowance amounts reviewed, and the average miles that would need to be driven per month to justify the vehicle allowances based on the county's 2018 mileage reimbursement rate of \$0.545.

Employee	Annual Allowance Amount	Average Miles per Year	Monthly Allowance Amount	Average Miles per Month
Former Sheriff	\$ 12,000	22,018	1,000	1,835
Director of Parks and Recreation	12,000	22,018	1,000	1,835
Director of Public Works	12,000	22,018	1,000	1,835
Former Director of Human Resources	11,340	20,807	945	1,734
Former Budget and Financial Analyst	9,600	17,615	800	1,468
Clerk of the County Legislature	9,600	17,615	800	1,468
Former Chief Administrative Officer	9,600	17,615	800	1,468
Former Chief Operating Officer	9,600	17,615	800	1,468
County Legislative Auditor	9,600	17,615	800	1,468
Director of Information Technology	9,600	17,615	800	1,468
Former Chief Economic Development Officer	9,000	16,514	750	1,376
Compliance Review Officer	7,200	13,211	600	1,101
Director of Finance and Purchasing	7,200	13,211	600	1,101
Legislative Aide - First District (1)	6,000	11,009	500	917
Legislative Aide - Sixth District (1)	6,000	11,009	500	917
Director - Recorder of Deeds	5,590	10,257	466	855
Former County Legislator - Third District (1)	4,800	8,807	400	734
Former Lead Care Manager	4,550	8,349	379	696
Care Manager Supervisor	4,290	7,872	358	656
Budget Officer	4,000	7,339	333	612
Part-time Board of Election Clerk	1,200	2,202	100	183
Payroll Supervisor	1,200	2,202	100	183

(1) Legislative Aides and County Legislators in other districts also received similar vehicle allowances.

This added benefit represented the equivalent of a salary increase of approximately 2 to 15 percent. For 11 of the 22 (50 percent) employees, the vehicle allowance caused their total compensation to exceed the maximum pay range for their position. While vehicle allowances and salary amounts are provided for in employment contracts and county policies, the lack of records to support how the vehicle allowance amounts were determined gives the appearance that the vehicle allowance may be a means to compensate employees beyond the established maximum pay range. For example:



Jackson County
Payroll and Personnel Issues
Management Advisory Report - State Auditor's Findings

Year Ended December 31, 2018				
Employee	Salary	Vehicle Allowance	Total Compensation	Established Maximum Pay Range (1)
Director of Parks and Recreation	\$ 110,531	12,000	122,531	110,520
Director of Public Works	110,531	12,000	122,531	110,520
Director of Information Technology	108,582	9,600	118,182	110,520
Director - Recorder of Deeds	110,531	5,590	116,121	110,520

(1) Per Ordinance No. 4714, effective January 26, 2015.

Due to the lack of adequate records supporting how the amounts were determined, it is unclear if the vehicle allowances received by these employees are reasonable. The county should review the necessity and reasonableness of the allowances paid and set them to reasonably reflect the actual expenses incurred by the employees.

Recommendation

The County Legislature and County Executive develop a vehicle allowance policy, review the necessity of vehicle allowances, and set the allowances to reasonably reflect the actual expenses incurred by the applicable employees.

Auditee's Response

The County Legislature provided a written response. See Appendix A.

The County Executive provided a written response. See Appendix B.

3. Chief Operating Officer's Employment Contract

The former County Executive approved a multi-year employment contract with the former Chief Operating Officer (COO) that automatically renewed and included a severance payment.

The former COO's contract provided for his term of employment to begin on December 8, 2014, and terminate on December 31, 2018. His employment would then automatically renew for one year every year. The former COO's contract also provided for a severance payment equal to his salary for 9 months, if terminated without cause and payable in a lump sum no later than December 31 of the expiring year. This automatically renewing contract essentially guarantees the COO will receive a severance payment if terminated without cause because the contract never expires. Based on the former COO's December 2018 salary, the severance payment would have totaled \$115,921.

Article III, Section 5, of the County Charter, states, "the county executive may appoint a staff . . . whom shall serve at his or her pleasure." In the public sector, such language would generally indicate employment at will and the county would not be liable or bound to pay that official any substantial compensation or severance benefits after employment is terminated. However, the former County Executive entered into a multi-year



Jackson County
Payroll and Personnel Issues
Management Advisory Report - State Auditor's Findings

automatically renewing employment agreement with the former COO, which included a substantial severance benefit, if his employment was involuntarily terminated without cause. No other county officials or employees have a multi-year automatically renewing employment agreement.

The county should ensure employment contracts are in the best interest of the county. The county has a fiduciary responsibility to ensure that public funds are used effectively.

Recommendation

The County Legislature and County Executive refrain from entering into automatically renewing multi-year employment contracts, and consider the necessity of including severance payments.

Auditee's Response

The County Legislature provided a written response. See Appendix A.

The County Executive provided a written response. See Appendix B.

4. Physical Building Access and Remote Work Policy

Record of physical access to all county buildings was not maintained for all entry and exit points. In addition, the county has not adopted a policy concerning employees working from home.

Physical access to county buildings is controlled by the Human Resources (HR) department. According to HR department officials, one of two entry/exit readers to the downtown courthouse south entrance and the freight elevator inside the courthouse have previously been masked.¹ As a result, when an employee or other authorized personnel scan their ID badge, the HR department cannot determine who accessed the building and at what time the building was accessed from those entry/exit points. Additionally, the lack of records of physical access to county buildings limit the ability to investigate concerns related to employee's attendance. Also, according to HR department officials, the other south entrance entry/exit reader was unmasked sometime in 2016. These restricted entries provide employees and others authorized access to the courthouse and the freight elevators can only be accessed by employees or others authorized.

Physical access to restricted entries of all county buildings and use of freight elevators should be adequately logged and monitored for security, control, and accountability purposes.

In addition, county employees have been permitted to work from home. Proper guidelines are needed to manage remote employees in the form of a

¹ According to county personnel, staff could still use the readers to access restricted entries/areas, but masking the readers prevents the county from knowing who accessed the restricted entry/area.



Jackson County
Payroll and Personnel Issues
Management Advisory Report - State Auditor's Findings

work-from-home policy that defines employee eligibility, expectations for work hours and attendance, equipment and cybersecurity, communication methods, and policy abuse.

Recommendation

The County Legislature and County Executive ensure physical access to all county buildings and freight elevators is properly logged and periodically reviewed for security, control, and accountability concerns. In addition, a work-from-home policy should be adopted to ensure authorization to work remotely is documented and employees' work is properly monitored.

Auditee's Response

The County Legislature provided a written response. See Appendix A.

The County Executive provided a written response. See Appendix B.

5. Sexual Harassment Training

The county personnel rules, including its sexual harassment policy (Rule 19), do not require all county employees receive sexual harassment training. In addition, sexual harassment training is not periodically provided to employees, and documentation of attendance at the training provided is not always retained.

Section 11.21 of the county personnel rules requires all new employees attend an orientation program coordinated by the HR department within the first 30 days of employment. According to a former Director of Human Resources,² new employees are provided sexual harassment training during employee orientation. Attendance at this training is documented by the employee signing a form stating they received training and understand and agree with county policies, including sexual harassment. The former director also indicated most employees only receive sexual harassment training once (during their new employee orientation) unless specifically requested by a department head or mandated as a form of discipline following an incident.

Three of the 25 (12 percent) employee personnel files reviewed did not have a signed sexual harassment training attendance form. In addition, several county employees have filed sexual harassment lawsuits against the county in recent years.

To ensure employees are aware of requirements regarding sexual harassment and remain aware, the county should revise the sexual harassment policy to specifically address training to be provided and its frequency. In addition, sexual harassment training forms should be retained to document compliance with county policy.

² The former Director of Human Resources was employed during the course of the audit and subsequently resigned.



Jackson County
Payroll and Personnel Issues
Management Advisory Report - State Auditor's Findings

Recommendation

The County Legislature and County Executive update the sexual harassment policy to require periodic sexual harassment training for all employees, and ensure sexual harassment training attendance forms are maintained to support sexual harassment training provided.

Auditee's Response

The County Legislature provided a written response. See Appendix A.

The County Executive provided a written response. See Appendix B.



Appendix A
Jackson County - Payroll and Personnel Issues
Auditee Response - County Legislature



COUNTY LEGISLATURE
JACKSON COUNTY, MISSOURI

THERESA CASS GALVIN
LEGISLATIVE CHAIRMAN
JACKSON COUNTY LEGISLATOR, 6TH DISTRICT

JACKSON COUNTY COURTHOUSE
415 E. 12th Street, 2nd Floor
Kansas City, Missouri 64106

Office: 816-881-3132
Fax: 816-881-3340
www.jacksongov.org

November 23, 2020

Nicole Galloway
Missouri State Auditor
Truman State Office Building
301 West High Street, Rm 880, P.O. Box 869
Jefferson City, MO 65102

Honorable Auditor Galloway,

In February 2018 the Jackson County Legislature formally requested an independent audit by the Missouri State Auditor to provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws.

Once again, the County Legislature greatly appreciates the State Auditor's time and efforts in conducting an audit and issuing a report of the Jackson County Payroll and Personnel Issues as the fourth report of multiple areas of review.

The County Legislature fully supports the recommendations and in conjunction with the County Executive has already worked to implement changes to provide increased transparency and public accountability.

Harry S. Truman, Presiding Judge, 1927-1934





Appendix B
Jackson County - Payroll and Personnel Issues
Auditee Response - County Executive



FRANK WHITE, JR.
Jackson County Executive

December 4, 2020

Honorable Nicole Galloway
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

via email: robert.mcarthur@auditor.mo.gov,
pamela.allison@auditor.mo.gov

Dear Madam:

In response to your request for a response from my office, please see the information below:

1.

Jackson County's budgetary processes have changed significantly since the time period evaluated by this report. Changes include the significant reduction, if not elimination, of using multiple funds to support any single county department. The Administration will continue to review all recommendations made, and in collaboration with the County Legislature will make any additional changes necessary.

2.

In 2020, Jackson County instituted a new vehicle allowance policy. The Administration will continue to review all recommendations made, and in collaboration with the County Legislature will make any additional changes necessary.

3.

As noted in the report, the contract at issue was entered into by the prior Administration. Since that time, no employment contracts have been executed that include the provisions highlighted by this report. The Administration will continue to review all recommendations made, and in collaboration with the County Legislature will make any additional changes necessary.

4.

Upon learning that records were not being maintained, the Administration immediately ordered that the records be kept for these points of entry to county facilities. The Administration will continue to review all recommendations made, and in collaboration with the County Legislature will make any additional changes necessary.



Jackson County Courthouse 415 East 12th Street Kansas City, Missouri 64106
Office: 816-881-3333 / Fax: 816-881-3133





Appendix B
Jackson County - Payroll and Personnel Issues
Auditee Response - County Executive

Page 2

5.

Jackson County has clearly defined and well-communicated policies that prohibit all forms of harassment and discrimination, sexual or otherwise. The County's Human Relations Department and County Counselor's Office have worked hard to improve our Associate training programs, including those focused on sexual-harassment. The Administration is committed to ensuring that the workplace culture where all Jackson County Associates feel safe and valued and can be who they are. The Administration will continue to review all recommendations made, and in collaboration with the County Legislature will make any additional changes necessary.

Regards,

Frank White, Jr.
Jackson County Executive

cc: Robert McArthur II, Senior Auditor III
Pamela Allison, Supervising Manager of the Public Corruption and Fraud Division



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Office of Public Administrator

Report No. 2020-116

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of St. Louis Office of Public Administrator

Controls and Procedures	Office personnel do not prepare adequate monthly bank reconciliations for all wards and estates and a monthly list of liabilities for the escrow account. The Public Administrator does not have adequate procedures to ensure the money of each ward or estate held in the escrow account is disbursed timely upon the discharge of her financial responsibility and does not provide adequate supporting documentation to the court for the escrow account ward/estate annual settlements.
Personnel Policies and Procedures	The Public Administrator has not established a written personnel policy manual that address compensatory time or vacation and medical leave and does not update records of employee vacation leave, medical leave, and compensatory time earned, taken, or accumulated each pay period.
Procurement Procedures and Contracts	The Public Administrator has not established policies and procedures for the selection of vendors providing professional services and does not always solicit bids for the sale of ward personal property.
Electronic Communication Policy	The Public Administrator has not developed records management and retention policies in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Office of Public Administrator

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Controls and Procedures.....4 2. Personnel Policies and Procedures7 3. Procurement Procedures and Contracts.....8 4. Electronic Communication Policy.....9
---	--

Organization and Statistical Information	11
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Jill Hanley, Public Administrator
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Office of Public Administrator in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2020. To minimize duplication of effort, we reviewed the report and the CPA firm's report for the June 30, 2019, audit, since the June 30, 2020, audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2020. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

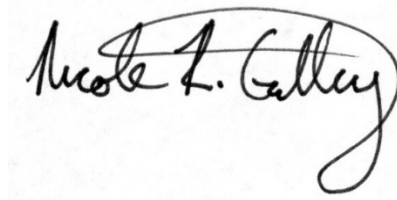
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design, implementation, and operating effectiveness of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Office of Public Administrator.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Tina Disney, M.Acct., CFE, CGAP
Audit Staff:	Emma Hoglebe
	Bridget Tierney



1. Controls and Procedures

Controls and procedures in the Office of Public Administrator need improvement.

1.1 Bank reconciliations

Office personnel do not prepare adequate monthly bank reconciliations for all wards and estates. Separate bank accounts are maintained for most of the 148 individuals (wards) or decedent estates overseen by the Public Administrator. Bank accounts, stocks, bonds, and annuities held in trust by the Public Administrator totaled approximately \$8.7 million as of June 30, 2020.

The Deputy Public Administrator reconciles ward and estate bank accounts periodically using the computerized accounting system and marks individual checks and deposits that have cleared the bank in the accounting system at that time. However, reports of outstanding checks, deposits in transit, and other reconciling items are not prepared or reviewed during this process and this reconciliation is not reviewed by the Public Administrator. Office personnel only prepare complete bank reconciliations annually for the bank accounts when preparing the annual/final settlement for each ward or estate.

Performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded and increases the likelihood errors will be identified and corrected timely. Supervisory review of bank reconciliations helps ensure all assets are adequately safeguarded.

1.2 Escrow bank account

Office personnel do not prepare a monthly list of liabilities for the escrow account. As a result, liabilities are not agreed to the reconciled bank balance monthly and discrepancies are not investigated. The account is used for cases with limited account activity or financial assets. As of June 30, 2020, the account held \$193,696.

At our request, the Public Administrator provided individual register reports for each ward and/or estate in which she was currently holding funds in the escrow account as of May 11, 2020 and additional register activity through June 30, 2020. We prepared a list of liabilities as of June 30, 2020 based on the information provided. The reconciled bank balance for the escrow account as of June 30, 2020, was \$193,696 and the list of liabilities associated with 55 wards and/or estates totaled \$193,738 resulting in a shortage of \$42.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance and monies are available to satisfy all liabilities. Differences should be adequately investigated and explained.



City of St. Louis - Office of Public Administrator
Management Advisory Report - State Auditor's Findings

1.3 Closed cases

The Public Administrator does not have adequate procedures to ensure the money of each ward or estate held in the escrow account is disbursed timely upon the discharge of her financial responsibility (case closed). As of June 30, 2020, the Public Administrator held \$12,977 in the escrow account for 26 wards/estates' cases closed on or before June 30, 2018. This total includes 14 cases closed during the former Public Administrator's tenure that should have been distributed but were turned over to the current Public Administrator when she took office in 2017. The current Public Administrator indicated she has not had time to work on the closed cases transferred to her or disburse any additional refunds or interest payments she has received on closed cases she had previously distributed.

1.4 Escrow account annual settlements

The Public Administrator does not provide adequate supporting documentation to the court for the annual settlements of wards/estates who have monies held in the escrow account. For wards/estates with separate bank accounts, the Public Administrator submits the last bank statement of the settlement period and a list of outstanding items to support the account balance on the annual settlement. However, for wards/estates with money held in the escrow account, the Public Administrator does not provide the bank statement for the escrow account or any other documentation indicating how the account balance included on the annual settlement reconciles to the bank balance. Instead, the Public Administrator only includes a copy of each cleared check issued from the escrow account associated with the ward/estate annual settlement.

Without submitting adequate documentation of the financial activity of the escrow bank account to the court for review, the court has no assurance financial activity of the escrow account is proper.

Recommendations

The Public Administrator:

- 1.1 Ensure adequate monthly bank reconciliations are prepared for all bank accounts including reviewing outstanding checks, deposits in transit, and other reconciling items. In addition, ensure supervisory reviews of bank reconciliations are performed and documented.
- 1.2 Prepare a monthly list of liabilities and reconcile the listing to the reconciled bank balance and promptly investigate any differences identified.
- 1.3 Distribute funds held in the escrow account timely. If the payee cannot be located, the amount should be disbursed in accordance with state law.
- 1.4 Submit adequate supporting documentation with annual settlements filed for wards/estates with money held in the escrow bank account,



City of St. Louis - Office of Public Administrator
Management Advisory Report - State Auditor's Findings

including a reconciliation between the bank statement balance and the account balance reported on the annual settlement.

Auditee's Response

1.1 *Reconciliations of all bank accounts are now being performed monthly. Once each bank account is reconciled in the computerized accounting system, a reconciliation report will be printed and compared to the prior month's reconciliation report to ensure all outstanding items from the prior month's reconciliation have cleared on the current reconciliation. Office personnel will follow up on any items that remain outstanding. The Public Administrator will document her review of these bank reconciliations at least every 60 days.*

1.2 *The escrow account shortage of \$41.93 has been identified and funds have been transferred to the escrow account to resolve this discrepancy. The escrow account reconciliation report and corresponding register reports are now being printed monthly and reviewed for outstanding checks from the prior month's reconciliation. In addition, a listing of wards/estates register balances as of the date of the reconciliation will be prepared, totaled, and compared to the reconciled bank balance.*

1.3 *The Public Administrator is updating her procedures to ensure money held in the escrow account is distributed timely. These procedures include putting a reminder in the case management system to distribute the money once the deposit has cleared.*

The Public Administrator plans to petition the court for discharge of the surety bond at the time the final settlement is filed with the court. This should allow enough time for the surety bond to be cancelled and any bond premium refund to be received in time to be included in distribution to the heirs. If the refund it is not received in time, a reminder will be added to the case management system to distribute the bond refund within a week of depositing the refund into the escrow account.

Once the court has approved the final settlement, the Public Administrator will close and transfer the balance of all bank accounts associated with the case to the escrow account for distribution. This will ensure any interest earned on the account is distributed with the final settlement and avoid the small amounts of interest that may accrue in the time frame between final settlement distributions clearing bank account and the bank account(s) being closed.



City of St. Louis - Office of Public Administrator
Management Advisory Report - State Auditor's Findings

The Public Administrator is also going to open individual accounts for each ward or estate unless the funds will be transferred out in a short amount of time for the care of the ward or into a trust.

1.4 The Public Administrator is going to file an annual settlement of the escrow account activity with the court on a calendar year basis.

2. Personnel Policies and Procedures

Personnel policies and procedures over payroll and related matters need improvement. Public Administrator's office payroll expenditures totaled approximately \$422,000 for the year ended June 30, 2020.

2.1 Personnel policies

The Public Administrator has not established a written personnel policy manual that addresses compensatory time or vacation and medical leave.

The Public Administrator indicated her office follows civil service rules for the accrual and use of vacation and medical leave and circuit court rules for the accrual and use of compensatory time. However, the Public Administrator has not formally documented which rules she has adopted and our review of Public Administrator compensatory time accruals noted the process differed from the documented circuit court rules she indicated she followed.

A comprehensive personnel manual that details policies and procedures can benefit both the office and employees by providing a basic understanding between the parties regarding rights and responsibilities, provides guidance should questions or disputes arise, helps ensure policies are fairly and consistently applied to all employees, and ensures employees are properly compensated.

2.2 Leave records

The Public Administrator does not update records of employee vacation leave, medical leave, and compensatory time earned, taken, or accumulated each pay period. In addition, the Public Administrator does not submit employee leave records to the Comptroller's office to maintain and reconcile with the city's centralized leave records.

Prior to our August 20, 2020, request for employee leave balances as of June 30, 2020, the Public Administrator had not updated these leave records since the April 11, 2020, pay period. If the Public Administrator reported employee leave accruals and usage to the Comptroller's office each pay period, employee leave records would also be updated timely.

Without adequate, updated leave records, the Public Administrator cannot ensure leave earned and taken by employees is properly documented. Leave records also aid in determining final compensation for employees leaving city employment. In addition, by not submitting complete leave records to the Comptroller's office, the city cannot ensure total city employees' compensatory time and leave usage and balances are accurate and properly



City of St. Louis - Office of Public Administrator
Management Advisory Report - State Auditor's Findings

accounted for. Centralized records also aid in ensuring equitable treatment of employees, and help demonstrate compliance with the Fair Labor Standards Act.

Recommendations

The Public Administrator:

- 2.1 Establish a written personnel policy manual and ensure compliance with all policies.
- 2.2 Ensure records of vacation leave, medical leave, and compensatory time are updated timely and submitted to the Comptroller's office.

Auditee's Response

- 2.1 *The Public Administrator is going to update the former Public Administrator's policy manual for current policies and procedures.*
- 2.2 *The Public Administrator will ensure employee vacation, medical, and compensatory time leave balances are updated timely and will provide these records to the Comptroller's office.*

3. Procurement Procedures and Contracts

The Public Administrator needs to improve procedures used for procuring services, contracting with vendors, and selling ward assets.

3.1 Professional services and contracts

The Public Administrator has not established policies and procedures for the selection of vendors providing professional services. In addition, the Public Administrator has not solicited requests for proposals for various professional services, has not periodically conducted a competitive selection process for various professional services, and did not always enter into written contracts with providers selected. Since the Public Administrator took office in 2017, she has continued to use the same accounting firm and real estate agency used by the former Public Administrator without soliciting proposals for these services periodically. In addition, the Public Administrator does not have a written contract with the accounting firm or property manager.

While professional services may not be subject to standard bidding procedures, soliciting proposals for these services is a good business practice, helps provide a range of possible choices, and allows the Public Administrator to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. Written contracts are necessary to (1) ensure all parties are aware of their duties and responsibilities, (2) identify potential duplication of related services, and (3) prevent misunderstandings. Section 432.070, RSMo, requires government contracts to be in writing.



City of St. Louis - Office of Public Administrator
Management Advisory Report - State Auditor's Findings

3.2 Ward personal property

The Public Administrator does not always solicit bids for the sale of ward personal property. The Public Administrator indicated she usually contacts the same individual to purchase the personal property without publicizing the sale or soliciting bids. She said if office personnel believe specific items, such as antiques, are being sold, they will contact other individuals to determine interest. However, she indicated this process is not always documented and office personnel could not easily identify the cases where this occurred. In one instance we noted the Public Administrator obtained bids for the sale of personal property from the regular buyer as well as an antique buyer. The regular buyer bid \$1,800 and the antique dealer bid \$5,200 for the same property indicating soliciting more than one bid could be beneficial to the wards.

The Public Administrator has a fiduciary responsibility to make decisions that benefit her wards. In addition, good business practices require the sale or purchase of property be formally publicized and bids obtained to ensure a reasonable price is received.

Recommendations

The Public Administrator:

- 3.1 Solicit proposals for professional services on a periodic basis and enter into written contracts for professional services.
- 3.2 Solicit bids for the sale of ward personal property.

Auditee's Response

- 3.1 *The Public Administrator will begin soliciting proposals for professional services on a periodic basis and will enter into written contracts for these professional services.*
- 3.2 *The Public Administrator will solicit bids on the sale of all personal property so as to get the best price available.*

4. Electronic Communication Policy

The Public Administrator has not developed records management and retention policies in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.¹ This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

While the Public Administrator indicated all emails sent or received through the city's hosted email system are archived, the Public Administrator has not

¹ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <https://www.sos.mo.gov/CMSImages/RecordsManagement/CommunicationsGuidelines.pdf>, accessed October 6, 2020.



City of St. Louis - Office of Public Administrator
Management Advisory Report - State Auditor's Findings

adopted a policy to address the other issues set forth in the guidance, including the retention of messages sent by text and other third party platforms, such as personal email accounts and personal devices, when they represent official business of the city.

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Development of written policies to address the retention of electronic communications is necessary to ensure all documentation of official business of the city is retained as required by state law.

Recommendation

The Public Administrator develop written records management and retention policies that address electronic communications management and retention to comply with the Missouri Secretary of State Records Services Division Electronic Communications Guidelines.

Auditee's Response

The Public Administrator will prepare a written records management and retention policy that includes electronic communications management and retention so as to comply with the Missouri Secretary of State Records Services Division. In addition, the Public Administrator has already informed her staff of this new policy.

City of St. Louis - Office of Public Administrator

Organization and Statistical Information

The Public Administrator serves as the court appointed personal representative for decedents' estates and as guardian and/or conservator for individuals who are unable to care for themselves or their property when there is no one else to serve. The Public Administrator is the guardian for approximately 530 wards and is responsible for the financial activity of approximately 148 wards or estates with assets including bank accounts, stocks, bonds, and annuities held in trust totaling approximately \$8.7 million as of June 30, 2020. The Public Administrator is required to file annual settlements with the Circuit Court, Probate Division for each appointed ward or estate reflecting the financial activity for the year.

Jill Hanley was appointed Public Administrator on March 28, 2017, by the Twenty-Second Judicial Circuit Court, en banc. Section 473.730.5, RSMo, states once appointed, the Public Administrator has an indefinite term. During the year ended June 30, 2020, the Public Administrator received salary compensation of \$111,670. The Public Administrator supervises the daily operations of the Office of Public Administrator. The office had 6 full-time employees as of June 30, 2020. One full-time employee is paid by a not-for-profit entity through a grant.



Nicole Galloway, CPA

Missouri State Auditor

New Madrid County

Report No. 2020-115

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of New Madrid County

Payroll Controls and Procedures	Monthly reports and payroll tax withholdings totaling \$382,047 were not received by the Department of Revenue for 62 months, starting in April 2013, resulting in the county paying \$51,333 in interest costs. The County Clerk has not adequately segregated payroll duties and no one performs an independent or supervisory review of detailed payroll records. County officials did not always follow established written personnel policies regarding vacation and sick leave, and have not established personnel policies addressing the use of compensatory time used in excess of available balances. The County Clerk's office does not ensure timesheet calculations prepared by other officials are accurate and did not compensate some employees for overtime in compliance with its overtime policy.
County Controls and Procedures	The County Commission's review and approval process for disbursements is not documented. The signature stamp containing the signatures of both the County Clerk and the County Treasurer is not adequately controlled. The County Treasurer has not established procedures to routinely follow up on outstanding checks in the County Treasurer's bank account. As of April 30, 2019, 4 Automated Clearing House (ACH) transactions and 56 checks totaling \$218,744 had been outstanding for over one year, with the oldest check dating back to 2013. Of this amount, 31 checks totaling \$209,945 were related to state payroll tax withholdings. Neither the County Clerk nor the County Commission adequately review the financial activities of the County Treasurer.
Sheriff's Controls and Procedures	The Sheriff has not adequately segregated accounting duties or performed adequate supervisory reviews of detailed accounting and bank records. The Office Manager does not prepare bank reconciliations or maintain a running book balance for the Sheriff's bank account. In addition, monthly lists of liabilities are not prepared to reconcile to the available cash balances. Procedures for receipting, recording, and depositing need improvement. The Sheriff does not have controls and procedures in place to ensure collection of amounts billed for inmate transportation reimbursement or transmittal of amounts received.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting records and transmittals. Additionally, both the Office Manager and Child Support Clerk have the ability to issue receipt slips and also record adjustments to defendant accounts in the computerized accounting system with obtaining independent approval. The Office Manager does not transmit fees monthly to the County Treasurer as required by state law.
Tax Maintenance Fund	A \$40,000 transfer made from the Tax Maintenance Fund in 2019 was not in compliance with uses allowed by state law.
County Clerk's Controls and Procedures	Controls and procedures over receipts and transmittals in the County Clerk's office need improvement. At least \$99 was not transmitted to the County Treasurer during 2019 and is missing.

Electronic Data Security	The County Clerk has not fully established controls for maintaining user accounts for accessing system resources. The County Assessor, County Clerk, Sheriff, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data.
Sunshine Law	The county's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement.
Electronic Communication Policies	The county has not developed records management and retention policies in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.
Senate Bill 40 Board Cash Reserves	The Senate Bill 40 Board has accumulated a significant cash reserve without any specific plans for its use.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

New Madrid County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Payroll Controls and Procedures4 2. County Controls and Procedures9 3. Sheriff's Controls and Procedures12 4. Prosecuting Attorney's Controls and Procedures15 5. Tax Maintenance Fund16 6. County Clerk's Controls and Procedures17 7. Electronic Data Security18 8. Sunshine Law19 9. Electronic Communication Policies20 10. Senate Bill 40 Board Cash Reserves21
---	--

Organization and Statistical Information	23
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of New Madrid County

We have audited certain operations of New Madrid County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

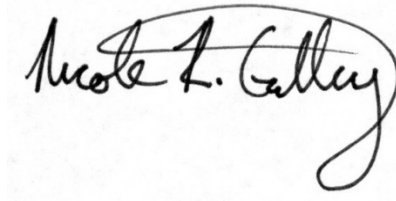
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of New Madrid County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Michelle Pummill, CFE
Audit Staff:	Misty Bowen, MSED, CFE
	Logan J. Vogel

New Madrid County Management Advisory Report State Auditor's Findings

1. Payroll Controls and Procedures

Controls and procedures were not adequate to ensure state payroll tax withholdings and related reports dating back to 2013 were properly remitted to the Department of Revenue (DOR). As a result, the county incurred interest costs totaling \$51,333. In addition, other payroll controls and procedures need improvement. The county paid personnel salaries and wages totaling approximately \$2.2 million during the year ended December 31, 2019.

1.1 Payroll taxes

Monthly reports and state payroll tax withholdings totaling \$382,047 were not received by the DOR for 62 months, starting in April 2013, resulting in the county paying \$51,333 in interest costs. Penalties totaling \$29,397 were waived by the DOR after the taxes and interest were paid.

Soon after the former Deputy County Clerk resigned in October 2018, the County Clerk and current Deputy County Clerk/Payroll Clerk became aware of unpaid state payroll tax withholdings when the county received notices dated October 17 and 18, 2018, from the DOR. The County Clerk and Deputy County Clerk/Payroll Clerk began working with the DOR to determine the extent of the delinquent tax withholdings and outstanding reports. In January 2019, the DOR notified the County Clerk that tax withholdings for most months from April 2013 through August 2018 had not been paid. Although tax withholdings for 2016 were paid electronically, they were not paid timely and reports were not filed timely for 9 months in 2016. As a result, interest and penalties were owed for those 9 months. The total owed to the DOR was \$457,039 and consisted of delinquent tax withholdings totaling \$382,047, interest totaling \$45,595, and penalties totaling \$29,397, if paid by February 7, 2019.

After negotiations with the DOR, the County Clerk was notified the DOR would abate the penalties once the tax withholdings were paid, but the interest would not be waived. In May 2019, the county paid the \$382,047 in tax withholdings, but did not pay the interest. Total interest owed increased to \$51,333 because an additional \$5,738 in interest accrued from January through June 2019. The county paid the \$51,333 in interest on June 25, 2019.

Thirty-one checks payable to the DOR totaling \$209,945 for tax withholdings from April 2013 through October 2013 and January 2014 through December 2015 were listed on the County Treasurer's outstanding check list on April 30, 2019. The County Treasurer did not follow up on these outstanding checks to ensure the DOR received the money timely (see Management Advisory Report (MAR) finding number 2.2). In addition, unpaid state tax withholdings totaling \$157,682 for 20 months from January 2017 through August 2018 were listed on the accounts payable open items report identifying liabilities for monies withheld but not paid to the DOR. It is unclear why the County Clerk's office did not attempt to disburse these monies to the DOR at the time they were due and continued to show them on the accounts payable report. The remaining unpaid taxes totaling \$14,420, primarily related to November



New Madrid County Management Advisory Report - State Auditor's Findings

and December 2013, were not on the outstanding check list or the accounts payable open items report. The county implemented a new accounting system in January 2014, and amounts prior to 2014 were not included on the accounts payable open items report in the new system. County officials do not know why checks were not issued for November and December 2013 tax withholdings.

The County Clerk indicated checks and related reports were prepared monthly and mailed to the DOR, but his office mailed them to an incorrect DOR address. However, the County Clerk could only provide us copies of 7 of the checks issued during 2013 (totaling \$51,661) and electronic payment confirmations for 2016 (9 of 12 months paid late), but could not provide us copies of any reports, other checks issued, or electronic payment confirmations to demonstrate these were prepared and sent to the DOR.

The County Clerk did not perform any oversight procedures as indicated in section 1.2 to review payroll records and open items reports to ensure all payroll withholdings were properly and timely remitted. As a result of these control weaknesses, the county had to pay \$51,333 interest on amounts not paid timely.

Section 143.221.2, RSMo, requires the county to file a monthly return along with the monthly payment. Withholdings are due for the first 2 months of each quarter by the 15th of the following month and for the last month of each quarter by the last day of the following month.

The lack of segregation of duties and independent or supervisory reviews by the County Clerk, inadequate controls over outstanding checks by the County Treasurer, and inadequate reviews of financial activities, as discussed in the remainder of this report, allowed for the delinquent state payroll tax withholdings and outstanding monthly reports to go undetected for almost 6 years.

1.2 Segregation of duties

The County Clerk has not adequately segregated payroll duties and no one performs an independent or supervisory review of detailed payroll records. The Deputy County Clerk/Payroll Clerk is responsible for entering approved pay rates, establishing/maintaining county employee personnel records, preparing payroll disbursements, automatically withdrawing payroll expenses from the County Treasurer's bank account, and printing disbursement checks. There is no independent review of payroll transactions and related reports to ensure the transactions are accurate, appropriate, and processed timely. In addition, as discussed in section 1.1, the lack of adequate controls and independent or supervisory reviews allowed the delinquent state payroll tax withholdings and related reports issue to occur and not be detected and resolved timely.



New Madrid County Management Advisory Report - State Auditor's Findings

Proper segregation of duties is necessary to ensure payroll transactions are appropriate and accounted for properly. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed payroll records are essential.

1.3 Personnel policies and leave balances

County officials did not always follow established written personnel policies regarding vacation and sick leave, and have not established personnel policies addressing the use of compensatory time used in excess of available balances.

Some county employees used vacation and sick leave or compensatory time in excess of their available balances, resulting in negative leave balances. The county's personnel policy indicates that only accrued (earned) vacation and sick leave may be taken, and employees may not receive advance (not yet earned) vacation pay without written prior authorization. According to the leave summary report maintained by the County Clerk's office, 11 of the 63 employees had negative leave balances at December 31, 2019. Negative balances totaled 256 hours for compensatory time, 21 hours for vacation leave, and 291 hours for sick leave. Five employees had negative compensatory time balances, 3 employees had negative sick leave balances, 2 employees had negative sick leave and compensatory time balances, and 1 employee had negative vacation and sick leave balances. One employee's negative sick leave balance was 250 hours and one employee's negative compensatory time balance was 104 hours. No prior authorizations were provided for any of these employees.

Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated. In addition, the county's policy should be updated to not allow employees to carry negative leave and compensatory time balances.

1.4 Timesheet calculations and overtime

The County Clerk's office does not ensure timesheet calculations prepared by other officials are accurate and did not compensate some employees for overtime in compliance with its overtime policy. We reviewed payroll records for the monthly pay period ended June 15, 2019, (May 16 to June 15) for 15 employees, including 10 employees that were paid overtime. We noted the following concerns:

- Timesheet calculations prepared by the Sheriff's Office Manager for the Sheriff's office employees are not reviewed by the Deputy County Clerk/Payroll Clerk to ensure hours computed are accurate. Our review of timesheets for 3 Sheriff's office employees identified errors in the calculations of regular hours, overtime hours, and total hours worked for the pay period. One employee reported hours worked totaling 133.5 regular hours and 31.5 overtime hours; however, the Office Manager improperly calculated 153 regular hours and 22 overtime hours. As a



New Madrid County
Management Advisory Report - State Auditor's Findings

result, total regular hours were overstated by 19.5 hours and total overtime was understated by 9.5 hours, resulting in the employee being overpaid for 10 hours in total. A second employee reported hours worked totaling 166 regular hours and 50 overtime hours; however, the Office Manager improperly calculated 200 regular hours and 40 overtime hours. As a result, total regular hours were overstated by 34 hours and total overtime was understated by 10 hours, resulting in the employee being overpaid for 24 hours in total. The third employee reported hours worked totaling 174.5 regular hours; however, the Office Manager improperly calculated 185 regular hours resulting in the employee being overpaid for 10.5 hours.

- Six employees were paid overtime or earned compensatory time when reported hours worked were less than 40 hours for the week. Timesheet calculations prepared by the applicable county official for these employees included nonworking time (vacation, sick leave, compensatory time taken, and holidays) in total hours worked when determining the amount of overtime or compensatory time earned, which is not allowed by county policy and not required by the Fair Labor Standards Act (FLSA). As a result, the county sometimes paid for more overtime or provided more compensatory time than required.

Accurate time records are necessary to ensure employees receive proper compensation, provide support for payroll transactions, and ensure all employees are treated equitably. By not following county policies, the county may be paying more overtime and compensatory time than required, resulting in a greater financial burden to the county and inequitable treatment of employees.

Recommendations

The County Clerk:

- 1.1 Ensure state payroll tax withholdings are remitted and monthly reports are filed timely with the DOR as required by state law.
- 1.2 Segregate payroll duties or ensure documented supervisory reviews of detailed payroll records are performed.
- 1.3 And the County Commission ensure compliance with personnel policies, review and update personnel policies as necessary, and discontinue allowing employees to carry negative leave balances.
- 1.4 Ensure the accuracy of timesheet calculations. The County Clerk and County Commission should ensure compliance with personnel policies and FLSA requirements.



New Madrid County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Clerk and County Commission provided the following responses:

1.1 The finding fails to include the following information:

**The County Clerk did indeed complete and submit payroll reports and remit payroll tax withholdings during the 62 month period, by mail, to the Department of Revenue address that had been in use for many, many years. At some point it appears that the remittance address to the Department of Revenue changed and notification was never received by the county. The county was unaware that the reports and payments were not being received.*

**The County Treasurer became aware that the checks mailed to the Department of Revenue for payroll tax withholdings were not clearing the bank and made attempts to contact the Department of Revenue to determine why the checks were not being processed.*

**The County Clerk ultimately discovered that delinquent notices from the Department of Revenue were being mailed to the wrong address and were never received by the county.*

**The County Clerk made contact with the Department of Revenue in 2018 when the extent of the delinquent payroll tax payments was discovered and began working with the Department of Revenue to rectify the problem. The County Clerk assisted the County Treasurer in determining the checks that had never cleared the bank. The County Treasurer then stopped payment on those checks and issued payment to the Department of Revenue for the delinquent payroll tax payments.*

Obviously, there were errors made by both the Department of Revenue and the county that kept this situation from being resolved in a more timely manner. But as was noted by the County Commission in discussions with the state auditors: 1) the county had been remitting payroll tax payments to the Department of Revenue for decades, 2) when the Department of Revenue suddenly stopped receiving payroll tax payments from a county government and there was no response to the delinquent notices mailed to the county, why didn't the Department of Revenue directly contact the county either by phone, email, or certified mail?

The county now processes and submits all reports and payroll tax withholding payments to the Department of Revenue electronically and receives confirmation that reports and payments have been received. The County Clerk will ensure that payroll tax withholding reports and payments are submitted on a timely basis.



New Madrid County
Management Advisory Report - State Auditor's Findings

- 1.2 *Upon completion of payroll reports and remittance of payroll tax withholding payments to the Department of Revenue, confirmation documents are printed and submitted to the County Clerk for review. The County Clerk's review of the records will be documented in each month's payroll file.*
- 1.3 *Officeholders will be informed to follow personnel policy guidelines and discontinue allowing negative leave balances on employee timesheets. The county personnel policies will be reviewed and updated as necessary.*
- 1.4 *Timesheet calculations are each officeholder's responsibility to ensure that they are correct before approving and submitting them to the County Clerk's office. The County Clerk's office always attempts to identify errors on timesheets submitted by each officeholder, but the time required for preparation of the direct deposit payroll does not allow for the County Clerk's office to review every timesheet calculation for accuracy. That is each officeholder's responsibility. A secondary review of payroll transactions will be conducted to ensure that payroll amounts are accurate before they are electronically submitted to the bank for direct deposit.*

The Sheriff provided the following response:

- 1.4 *The spreadsheet used to prepare timesheet calculations, including overtime, has been corrected. After each employee's timesheet calculation has been completed, it will be reviewed by the Deputy Sheriff and Sheriff. Within the next couple weeks, a new program to calculate payroll for my employees will be implemented.*

Auditor's Comment

- 1.1 While the County Clerk indicated attempts were made to address the issue, these attempts were not made timely and the issue continued for several years. If proper controls and procedures had been in place, the county could have discovered in a timely manner that state payroll tax withholdings and reports were not being received by the Department of Revenue, and could have resolved the issue and avoided paying some or all of the \$51,333 in interest.

2. County Controls and Procedures

Controls and procedures over county disbursements, outstanding checks, and the County Treasurer's financial activity need improvement. According to the County Treasurer's year-to-date report, the county disbursed approximately \$12.6 million during the year ended December 31, 2019.

2.1 Disbursements

Improvement is needed in the controls and procedures over county disbursements.



New Madrid County
Management Advisory Report - State Auditor's Findings

Review and approval

The County Commission's review and approval process for disbursements is not documented. The County Commissioners indicated they typically look at invoices during their meetings, but they do not vote to approve or sign invoices presented for review. Meeting minutes typically have the same generic statement indicating disbursements were reviewed and approved for payment, but there is no documentation to support which disbursements were approved. The County Clerk applies a dated approval stamp "APPROVED NEW MADRID CO. COMMISSION" on invoices and invoices are given to the Deputy County Clerk/Accounts Payable Clerk to process the disbursements. None of the County Commissioners were aware this stamp existed and was used to indicate their approval of the invoices.

Signature stamp

The signature stamp containing the signatures of both the County Clerk and County Treasurer is not adequately controlled. Checks require 2 signatures and the authorized check signers are the County Clerk and the County Treasurer. The County Clerk and the Deputy County Clerk/Payroll Clerk responsible for printing checks have access to the County Treasurer's office where this stamp is stored. Neither the County Clerk, nor the County Treasurer, nor the Deputy County Clerk/Payroll Clerk initials checks to indicate use of the signature stamp. In addition, the use of the signature stamp diminishes the controls intended by the second check signer and approval signature.

Conclusion

Section 50.160(2), RSMo, allows the county commission to order the payment out of the county treasury of any money found to be due by the county. Section 50.166, RSMo, allows the county clerk to prepare a check for the amount due as approved by the county commission and transmit such to the county treasurer.

To safeguard against possible loss, theft, or misuse of monies and to ensure disbursements are properly handled, the County Commission's review and approval of disbursements should be documented, and the County Commission should establish controls over the use of and access to its approval stamp. In addition, the County Clerk and County Treasurer should establish controls over the use of and access to the signature stamp.

2.2 Outstanding checks

The County Treasurer has not established procedures to routinely follow up on outstanding checks in the County Treasurer's bank account. As of April 30, 2019, 4 Automated Clearing House (ACH) transactions and 56 checks totaling \$218,744 had been outstanding for over one year, with the oldest check dating back to 2013. Of this amount, 31 checks totaling \$209,945 were related to the state payroll tax withholdings discussed in MAR finding number 1.1. In addition, the County Treasurer's outstanding check list does not contain the name of the payee, it only contains the date and amount of each ACH transaction and check.



New Madrid County Management Advisory Report - State Auditor's Findings

The \$209,945 in outstanding checks related to state payroll tax withholdings were voided and reissued in May 2019. In November 2019, the County Treasurer followed up on and resolved some of the remaining outstanding checks. As of March 31, 2020, the 4 ACH transactions from 2014 and 1 check from 2015, totaling \$4,972, were still outstanding. Two of these ACH transactions were payable to the U.S. Treasury for federal, Social Security, and Medicare taxes, and 2 ACH transactions were payable to Missouri Local Government Employees Retirement System for employees' retirement contributions. The County Treasurer had not followed up on these ACH transactions, although these government entities could have been contacted to resolve these ACH transactions.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

2.3 Review of activity

Neither the County Clerk nor the County Commission adequately review the financial activities of the County Treasurer. The County Treasurer prepares monthly bank reconciliations and monthly settlements and provides them to the County Clerk and County Commission. No documentation was provided to indicate procedures are performed by the County Clerk or the County Commission to verify the County Treasurer's monthly bank reconciliations and settlements. As a result, there is less assurance the monthly settlements are complete and accurate, and an increased risk of loss, theft, and misuse of monies going undetected.

Section 51.150.1(1), RSMo, requires the County Clerk to keep regular accounts between the County Treasurer and the county. Section 51.150.1(4), RSMo, requires the County Clerk to balance and display the accounts kept by him as often as required by the County Commission. Section 49.260, RSMo, requires the County Commission, or some commissioner thereof, to examine and verify the monies on hand up to the day on which the settlement is made. Such procedures are intended to establish checks and balances related to the collection and disbursement of county monies.

Recommendations

- 2.1 The County Commission document review and approval of all disbursements and establish controls over the use of and access to its approval stamp. In addition, the County Clerk and County Treasurer should establish controls over the use of and access to the signature stamp.
- 2.2 The County Treasurer establish procedures to routinely investigate outstanding checks and ACH transactions. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.



New Madrid County
Management Advisory Report - State Auditor's Findings

- 2.3 The County Clerk and County Commission perform documented reviews of bank reconciliations and monthly settlements prepared by the County Treasurer.

Auditee's Response

The County Treasurer provided the following responses:

- 2.1 *I will keep the signature stamp in the safe outside of my office. If checks are written and I am out of town, the County Clerk will have access to the stamp.*
- 2.2 *The outstanding checks and ACH transactions totaling \$4,972 will be resolved within the next 2 to 3 weeks. The outstanding check list will be followed up on monthly.*

The County Clerk and County Commission provided the following responses:

- 2.1 *The County Commission is now approving and signing each invoice submitted for payment and the approval stamp is no longer used. The County Clerk and County Treasurer now have individual signature stamps that are used to sign checks. When it is necessary for either officeholder to use the other's signature stamp to process checks due to the absence of either officeholder, the signature will be initialed by the person using the stamps.*
- 2.3 *The County Clerk and County Commission will review monthly bank reconciliations and settlements prepared by the County Treasurer and initial the documents after their review.*

3. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected approximately \$138,000 for civil and criminal paper service, bonds, inmate transportation reimbursements, and other miscellaneous receipts during the year ended December 31, 2019.

3.1 Segregations of duties

The Sheriff has not adequately segregated accounting duties or performed adequate supervisory reviews of detailed accounting and bank records. The Office Manager is primarily responsible for receipting, recording, and depositing monies; preparing disbursements, bank reconciliations, and monthly fee reports; and billing, receiving, and transmitting monies for inmate transportation reimbursement claims. The Sheriff's reviews do not include a review of detailed receipt and disbursement records.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing receipts; making disbursements; and reconciling bank accounts. If proper segregation of duties cannot be achieved, documented independent or



New Madrid County Management Advisory Report - State Auditor's Findings

supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

3.2 Bank reconciliations and liabilities

The Office Manager does not prepare bank reconciliations or maintain a running book balance for the Sheriff's bank account. In addition, monthly lists of liabilities are not prepared to reconcile to the available cash balances. We determined the reconciled bank balance as of December 31, 2019, was \$30,022. We determined total liabilities to be \$30,669, consisting of undistributed December collections, federal forfeiture funds received in June 2019, and undistributed interest earned in 2019, resulting in an apparent shortage of \$647 in the account.

The federal forfeiture funds of \$27,469 direct-deposited into the bank account were not disbursed to the County Treasurer until May 13, 2020, when a Sheriff's deputy instructed the Office Manager to prepare the disbursement check and informed her of the source of these funds. Preparing monthly bank reconciliations and comparing such to a list of liabilities would have detected these monies in the account and allowed for more timely disbursement.

Performing monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Regular identification and comparison of liabilities to the available cash balance is necessary to ensure records are in balance and monies are available to satisfy all liabilities.

3.3 Receipting, recording, and depositing

Procedures for receipting, recording, and depositing need improvement.

- The Office Manager did not issue receipt slips for inmate transportation reimbursements totaling \$31,991 received during the year ended December 31, 2019 (based on County Treasurer's records). These monies were transmitted to the County Treasurer without being receipted or recorded by the Sheriff's office.
- The method of payment is not always indicated on receipt slips issued. As a result, the composition of receipts cannot be reconciled to the composition of deposits.
- Receipts are not always deposited timely and prior to the related disbursements being made. For example, the Sheriff issued 4 checks totaling \$685 in December 2019 before the related deposit cleared the bank on January 6, 2020. This deposit included receipts from December 6, 2019, through January 2, 2020. The Office Manager typically prepares checks to disburse bond monies on the day of receipt and mails them when signed by the Sheriff. She does not hold these checks until the related receipts are deposited. The undistributed federal forfeiture funds



New Madrid County
Management Advisory Report - State Auditor's Findings

in the bank account (see section 3.2) prevented the account from being overdrawn.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected. In addition, monies should be deposited timely and before the related disbursements are made to ensure bank accounts are not overdrawn.

3.4 Inmate transportation reimbursement

The Sheriff does not have controls and procedures in place to ensure collection of amounts billed for inmate transportation reimbursement or transmittal of amounts received.

The Office Manager submits inmate transportation claims to the Department of Corrections for reimbursement. As noted in section 3.3, the Office Manager does not record receipt of these payments, but immediately transmits them to the County Treasurer. The Office Manager does not obtain documentation from the County Treasurer for these transmittals even though the County Treasurer prepares receipt slips, and records are not maintained to determine the status of submitted claims. As a result, the Sheriff or persons independent of the billing and receipting process are unable to determine the amounts collected or otherwise monitor the billed amounts to ensure payments are received and transmitted to the County Treasurer.

Procedures such as independent reconciliations of billing records and payments should be established to ensure inmate transportation reimbursements are properly billed, collected, and transmitted to the County Treasurer. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of monies going undetected.

Similar conditions previously reported

Similar conditions to sections 3.1 and 3.3 were noted in our 2 prior audit reports. In addition, similar conditions to sections 3.2 and 3.4 were noted in our prior audit report.

Recommendations

The Sheriff:

- 3.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 3.2 Ensure monthly bank reconciliations are performed, a running book balance is maintained, and lists of liabilities are prepared and reconciled to the available cash balance monthly. Any differences should be promptly investigated and resolved.



New Madrid County
Management Advisory Report - State Auditor's Findings

- 3.3 Issue receipts slips for all monies received, indicate the method of payment on all receipt slips, and reconcile the composition of receipts to the composition of deposits. In addition, ensure all monies are deposited timely and prior to the related disbursements.
- 3.4 Establish procedures to ensure collection of inmate transportation reimbursements and transmittal of payments received.

Auditee's Response

We have reviewed the findings and recommendations in this report. We are currently in the process of addressing the problems and will set forth procedures to implement the recommendations from your audit.

- 3.1 *Segregation of duties and documented independent reviews of detailed accounting and bank records have been implemented.*
- 3.2 *Procedures to perform monthly bank reconciliations and maintain a running book balance have been implemented. A list of liabilities will be prepared and reconciled to the available cash balance monthly. Any differences will be resolved.*
- 3.3 *Procedures for receipting, recording, and depositing will be implemented as recommended.*
- 3.4 *Procedures recommended for collection and transmittal of inmate transportation reimbursements will be established.*

4. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$91,000 in bad check and court-ordered restitution and fees during the year ended December 31, 2019.

4.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties or performed supervisory reviews of accounting records and transmittals. The Office Manager is primarily responsible for receipting, recording, and transmitting monies to victims and the County Treasurer. Additionally, both the Office Manager and Child Support Clerk have the ability to issue receipt slips and also record adjustments to defendant accounts in the computerized accounting system without obtaining independent approval. During the year ended December 31, 2019, office personnel made 18 adjustments totaling \$96,985. Adjustments made were more than total receipts during the year ended December 31, 2019. One adjustment totaled \$94,177 and was not independently reviewed. Neither the Prosecuting Attorney nor other clerks perform supervisory or independent reviews of accounting records to ensure all monies received are properly recorded and transmitted or disbursed to the appropriate party.



New Madrid County Management Advisory Report - State Auditor's Findings

Proper segregation of duties is necessary to ensure transactions are accounted for properly, adjustments are valid, and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting records are essential and should include comparing daily receipt activity to transmittals and reviewing adjustments made to the accounting system.

A similar condition was noted in our 2 prior audit reports.

4.2 Transmitting

The Office Manager does not transmit fees monthly to the County Treasurer as required by state law. During the year ended December 31, 2019, the Office Manager only made 6 transmittals totaling \$5,786 to the County Treasurer. Transmittals to the County Treasurer are made when a deposit slip obtained from the County Treasurer is full.

Failure to implement adequate transmitting procedures increase the risk that loss, theft, or misuse of monies received will occur and go undetected. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer.

Recommendations

The Prosecuting Attorney:

- 4.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of accounting records are performed and documented. In addition, the Prosecuting Attorney should require a supervisory review and approval for all accounting adjustments.
- 4.2 Transmit all fees monthly to the County Treasurer.

Auditee's Response

- 4.1 *Due to the limited size of this office, a segregation of duties is not possible. Therefore, the Prosecuting Attorney will perform, and document, supervisory reviews of the accounting records, including, but not limited to, all accounting adjustments.*
- 4.2 *In January 2020, we began transmitting all fees to the County Treasurer on a monthly basis, and will continue to do so moving forward.*

5. Tax Maintenance Fund

A \$40,000 transfer made from the Tax Maintenance Fund (TMF) in 2019 was not in compliance with uses allowed by state law. The County Collector collects a penalty of 9 percent of the total charged on delinquent taxes. Two-ninths of this penalty is required to be paid into the TMF to be used for



New Madrid County
Management Advisory Report - State Auditor's Findings

additional administrative or operational costs related to the office of the County Collector.

The County Collector transferred \$40,000 from the TMF to the General Revenue Fund (GRF) on December 31, 2019. The County Collector indicated this amount was used to purchase a security system for the courthouse. The County Clerk provided invoices totaling \$10,703 for the security system. The cost of the security system was not allocated among all county offices benefiting from the system. As a result, at least a portion of the \$10,703 transfer for the total cost of the security system was not related to the administration or operation of the County Collector's office. No documentation was provided supporting the remainder of the amount transferred.

Section 52.315, RSMo, requires disbursements from the TMF be for additional administration and operation costs of the County Collector's office. There was either no documentation supporting the transferred amount or the documentation was unclear as to how the transferred amount related to the administration or operation of the office of the County Collector. Therefore, this transfer was not an appropriate use of the TMF monies.

Recommendation

The County Collector ensure disbursements from the Tax Maintenance Fund are in compliance with statutory provisions, and the County Commission reimburse the Tax Maintenance Fund for the improper transfer. In addition, the County Collector should maintain documentation to support all transfers made from the Tax Maintenance Fund.

Auditee's Response

The County Collector provided the following response:

I agree to implement the recommendation from the State Auditor's Office going forward.

The County Commission provided the following response:

The County Commission will reimburse the \$40,000 transfer from the Tax Maintenance Fund.

6. County Clerk's Controls and Procedures

Controls and procedures in the County Clerk's office need improvement. The office collected plat book fees, notary fees, and other miscellaneous receipts totaling approximately \$3,000 during the year ended December 31, 2019.

- The County Clerk does not account for the numerical sequence of receipt slip numbers to ensure monies received have been properly recorded and transmitted.



New Madrid County
Management Advisory Report - State Auditor's Findings

- A total of \$99 related to 6 receipt slips issued during 2019 was not transmitted to the County Treasurer and is missing. Additionally, 2 receipt slips were missing. Both copies of these receipt slips were removed from the manual receipt slip book and could not be explained.
- Checks are not restrictively endorsed when received. The County Treasurer applies the restrictive endorsement following transmittal.

As a result of these poor receipting and transmitting procedures, it is not possible to determine if all receipts were properly handled. As indicated, at least \$99 is missing.

Failure to implement adequate receipting and transmitting procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected.

Recommendation

The County Clerk account for the numerical sequence of receipt slip numbers, and restrictively endorse checks at the time of receipt.

Auditee's Response

Numerical receipt slips have always been used for monies collected for plat book fees, notary fees, etc. Going forward, the numerical sequence of receipt slip numbers will be accounted for, each monthly report will include the receipt slip number for each transaction, and all checks received will be immediately endorsed and submitted to the County Treasurer on a daily basis. The new procedures will ensure that all monies have been transmitted to the County Treasurer.

7. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

7.1 User accounts

The County Clerk has not fully established controls for maintaining user accounts for accessing system resources. As a result, accounts assigned to former employees are not always removed timely.

Without effective procedures to remove access, terminated employees could continue to have access to critical or sensitive resources or have opportunities to sabotage or otherwise impair county operations or assets. The failure to remove access for all terminated employees on a timely basis increases the risk of unauthorized access and may compromise the confidentiality and integrity of county data.

7.2 Passwords and user identification

The County Assessor, County Clerk, Sheriff, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically to help ensure they remain known only to the



New Madrid County
Management Advisory Report - State Auditor's Findings

assigned user. Officials and employees in the offices of the Recorder of Deeds, Sheriff, and Public Administrator are not required to have a minimum number of characters in the passwords. In addition, the County Assessor and his employees share the user identification and password for certain computers in his office.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords do not have to be periodically changed or contain a minimum number of characters in certain offices and are shared by employees in one office, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be unique and confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

Recommendations

The County Commission work with other county officials to:

- 7.1 Ensure user access is promptly deleted following termination of employment.
- 7.2 Require confidential passwords for each employee that contain a minimum number of characters, and are periodically changed to prevent unauthorized access to county computers and data.

Auditee's Response

The County Clerk and County Commission provided the following responses:

- 7.1 *Procedures will be implemented to delete user access following termination of any employee.*
- 7.2 *Procedures will be implemented to require confidential passwords that contain a minimum number of characters and are changed on a quarterly basis at a minimum.*

The Sheriff provided the following response:

- 7.2 *In October 2020, we implemented procedures to ensure passwords are periodically changed by the user and contain a minimum number of characters.*

8. Sunshine Law

The county's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement. The County Commission generally met 2 times a week during the year ended December 31, 2019.



New Madrid County
Management Advisory Report - State Auditor's Findings

Minutes of County Commission meetings do not contain sufficient detail of actions taken and are not signed by the County Commissioners to indicate their approval. Agendas usually state "APPROVAL OF MINUTES" and "APPROVAL OF EXPENDITURES." Meeting minutes typically contain the generic statements: "Minutes of the previous meeting were approved by the Commission" and "Now comes Clement Cravens, Clerk of the County Commission, and presents to this Commission the accounts payable of this County, and the Commission having examined said accounts, hereby approves same and orders payment of said accounts against the several funds of New Madrid County, Missouri." As discussed in MAR finding number 2.1, there is no documentation to support which disbursements were approved at each meeting.

Minutes reviewed from January 2019 through May 2020 included 17 instances in which the County Commission signed contracts, made bid decisions, appointed members to various county boards, authorized purchases, and authorized the hiring of a part-time employee, but the minutes did not indicate any votes taken on these actions. In addition, the minutes provided from January 3, 2019, through September 19, 2019, were not signed by the County Commission. The County Commission began signing minutes in September 2019 when we brought this to the Commission's attention.

Section 610.020.7, RSMo, requires minutes of meetings be maintained as a record of business conducted and to provide an official record of actions and decisions, including the date, time, place, members present, members absent, and a record of any votes taken. The minutes should provide sufficient details of discussions to demonstrate compliance with statutory provisions and support important decisions made. The meeting minutes should be signed by the preparer and subsequently approved by the County Commission to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

Recommendation

The County Commission ensure meeting minutes include all necessary information and are signed by the preparer and the County Commission.

Auditee's Response

Minutes of the previous County Commission meeting are now reviewed and signed at the next meeting by the County Commission and changes or addendums are made as needed.

9. Electronic Communication Policies

The county has not developed records management and retention policies in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.



New Madrid County Management Advisory Report - State Auditor's Findings

Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.¹

Development of written policies to address the use of electronic communications is necessary to ensure all documentation of official business of the county is retained as required by state law.

Recommendation

The County Commission work with other county officials to develop written records management and retention policies to address electronic communications management and retention to comply with Missouri Secretary of State Records Services Division electronic communications guidelines.

Auditee's Response

We will review the Secretary of State Records Services Division electronic communications guidelines and develop written policies to address the use of electronic communications in county offices.

10. Senate Bill 40 Board Cash Reserves

The Senate Bill 40 Board has accumulated a significant cash reserve without any specific plans for its use.

The Board's cash balance at December 31, 2019, totaled approximately \$356,000. This balance, based on previous spending, represents approximately 6 years of payments to nonprofit organizations and other disbursements. Despite the significant cash balance, the Board continues to propose a property tax rate at or slightly less than the maximum rate allowed.

Accumulating an excessive cash balance with no specific long-term plans for use of these monies puts an unnecessary burden on taxpayers. The Board should determine future needs, and consider reducing future tax levies if a specific use for the cash reserves is not determined. Pursuant to Section 205.971, RSMo, the County Commission is given the taxing authority to levy a property tax rate to provide services for the developmentally disabled. Thus, the County Commission should review the necessity of the tax levy rate proposed by the Board.

Recommendation

The Senate Bill 40 Board work with the County Commission to evaluate funding needs and consider reducing the property tax levy. If plans have been

¹ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed August 27, 2020.



New Madrid County
Management Advisory Report - State Auditor's Findings

made for expending the accumulated cash balance, such plans should be set forth publicly in the budget document.

Auditee's Response

We agree with this finding and would like to take this opportunity to explain the source of some of our increase, as well as address steps we plan to take immediately to offer additional client funding and services to the agencies we currently assist. The Senate Bill 40 Board beginning balance for January 1, 2020, was \$356,268. The beginning balance for January 1, 2018, was \$180,009. The Board has received \$187,500 in New Madrid County client service revenue since 2018, which has significantly increased our cash balance.

In order to expend some of the excess cash balance, the Board will earnestly look for ways to develop new services for New Madrid County residents and to improve existing services for our residents. Due to the state putting a hold on funding some services for clients, we have found that some residents are on an indefinite waiting list for funding for needed services. The Board will look into funding more client services for these individuals to fill the gap in service funding. In addition, the Board will reach out to service provider agencies to determine if there is a need that could be filled to either start new services in our area or to improve existing services. We intend to give financial support to these agencies to help them provide the needed services to our county residents.

In light of this audit finding, the Board will evaluate the funding needs of the citizens of this community and provide appropriate assistance where possible.

New Madrid County

Organization and Statistical Information

New Madrid County is a county-organized, third-class county. The county seat is New Madrid.

New Madrid County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 63 full-time employees and 2 part-time employees on December 31, 2019.

In addition, county operations include the Senate Bill 40 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Mark Baker, Presiding Commissioner	\$	43,226
Bobby H. Aycock Jr., Associate Commissioner		41,226
Don Day, Associate Commissioner		41,226
Kim St. Mary Hall, Recorder of Deeds		62,464
Clement Cravens, County Clerk		62,464
Andrew Lawson, Prosecuting Attorney		140,666
Terry M. Stevens, Sheriff		69,405
Steve Riley, County Treasurer		62,464
George DeLisle, County Coroner		22,210
Paula Scobey, Public Administrator		62,464
Dewayne Nowlin, County Collector (1), year ended February 29,	87,328	
Jacob Johnson, County Assessor, year ended August 31,		62,464

(1) Includes \$24,864 of commissions earned for collecting city and drainage district property taxes.



Nicole Galloway, CPA

Missouri State Auditor

Clay County

County Collector

Report No. 2020-114

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Clay County - County Collector

Tax Sale Services	The County Collector's office did not properly procure tax sale services, always ensure amounts paid for those services were in accordance with the contract rates, or maintain adequate supporting documentation for disbursements to the vendor.
Tax Billing and Collection Services	Written contracts could not be located for one city and one village for tax billing and collection services.
Tax Maintenance Fund Disbursements	The County Collector authorized disbursements from the Tax Maintenance Fund to the National Tax Lien Association for event sponsorships, general advertisements in event programs, and donations totaling \$5,000 that do not appear to be necessary and beneficial to the administration and operation of the County Collector's office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Clay County County Collector Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Finding	1. Tax Sale Services4 2. Tax Billing and Collection Services.....7 3. Tax Maintenance Fund Disbursements7
--	---

Organization and Statistical Information	9
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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Collector
Clay County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit Clay County. We have audited certain operations of the Clay County Collector in fulfillment of our duties. The county engaged RSM US LLP to audit the county's financial statements for the year ended December 31, 2018. To minimize duplication of effort, we reviewed the firm's audit report for the year ended December 31, 2017, since the report for the year ended December 31, 2018, had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the County Collector's internal controls over certain management and financial functions.
2. Evaluate the County Collector's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

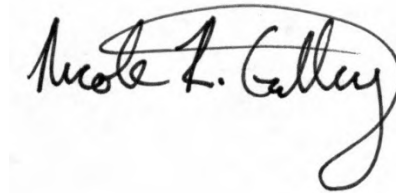
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract or legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and was not subjected to the procedures applied in our audit of the County Collector.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Clay County Collector.

Additional audit reports of various elected officials and Clay County as a whole are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Managers:	Pamela Allison, CPA, CFE
	John Lieser, CPA
In-Charge Auditor:	Robert McArthur II, CFE
Senior Auditors:	Joy Stevens, MAcc, CFE, CGAP
	Rachel Cline, M.S. Acct., CPA, CFE
Audit Staff:	Rex Murdock, M.S.Acct

Clay County County Collector Management Advisory Report - State Auditor's Finding

1. Tax Sale Services

The County Collector's office did not properly procure tax sale services, always ensure amounts paid for those services were in accordance with the contract rates, or maintain adequate supporting documentation for disbursements to the vendor.

The County Collector executed a contract in 2017 with a State of Louisiana vendor to provide tax sale services. The Collector authorized payments to the vendor totaling \$116,882 and \$83,895 during 2018 and 2019, respectively, from the General Fund, Tax Maintenance Fund, and Collector's Tax Sale account. The County Collector included the vendor's fees with the purchase price of the property and other fees at the County Collector's annual sale of properties with delinquent property taxes.

Vendor procurement

The County Collector did not solicit proposals for tax sale services as required by county code and state law. The County Collector indicated she discussed the services with several potential vendors and chose the vendor who offered the ability to incrementally include additional services for parcels. While the County Collector prepared a summary comparison of the prices and services from her discussion with 3 vendors, the County Collector did not advertise for bids or prepare a request for proposal. The County Collector also indicated that proposals were not needed because the contract terms were part of a cooperative agreement. However, the contract only contained a general certification from the vendor that the payment terms provided to Clay County were the same as those offered other government entities using competitively negotiated pricing and did not indicate the other government entities, and the contract did not reference a cooperative agreement.

Section 50.660, RSMo, requires contracts be let to the lowest and best bidder after due opportunity for bidding, including advertising, for bids, except that advertising is not required for expenditures less than \$6,000. Additionally, County Code Section 37.39 requires a formal request for proposal process for soliciting professional services, and Sections 37.36 and 37.37 outline required procedures and documentation for the use of cooperative agreements procured by other public entities and sole source purchases, respectively. Routine use of a competitive procurement process for major purchases ensures the county has made every effort to obtain the best and lowest price and all interested parties are given an equal opportunity to participate in county business. Documentation of the various proposals received, the selection process, and the criteria used should be retained to demonstrate compliance with applicable laws or regulations and support decisions made.

Invoices

The County Collector did not always ensure invoiced amounts were appropriate prior to payment. For example, a December 2017 invoice for \$33,000 indicated only that the costs were for "Administrative Tax Sale Costs." The County Collector generally uses tax sale fee records to ensure amounts invoiced are accurate, but did not maintain those records for this



Clay County
County Collector
Management Advisory Report - State Auditor's Findings

sale, and therefore, could not verify the invoiced amount. The invoice was paid January 2018 from the county General Fund. After we requested additional supporting documentation for this transaction, the County Collector contacted the vendor who determined the amount paid was a prepayment that had not been applied to billings for subsequent services as intended, and consequently a \$33,000 credit is now due the county.

The County Collector also did not always ensure invoiced rates agreed to contract terms. For example, an August 2018 invoice paid from the Tax Maintenance Fund (TMF) included charges for skip tracing¹ for 631 units at \$50 per unit (\$31,550) when the contract fee schedule priced skip tracing at \$40 per unit. An October 2019 invoice, also paid from the TMF, included charges for public records research on 519 properties at \$95 per property (\$49,305) when the contract fee schedule priced those services at \$75 per property. According to the County Collector, some of the vendor rates were modified to account for differences between the vendor's various services, the special needs of her office, and the unique requirements of Missouri law for tax sales; however, the contract was not amended to reflect these changes.

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing, and County Code Section 37.78 requires quantities and price billed to be verified before invoices are authorized for payment. Without adequate detail supporting summarized invoice amounts, the County Collector cannot ensure services are provided in accordance with the contract terms and at the proper rates, and that the costs are properly reimbursed by tax sale purchasers. Also, to ensure compliance with contract terms, disbursements to the vendor should be made at the rates contained in the contract and any modifications to contract rates should be documented in a contract amendment.

Recommendation

The County Collector ensure professional services are procured in accordance with state law and county code. In addition, the County Collector should ensure adequate supporting documentation is maintained for all disbursements to ensure invoiced amounts are appropriate prior to payment and/or rates charged are in accordance with the tax sale services contract, and contracts should be amended when terms change.

Auditee's Response

The due diligence compliance provided by CivicSource is statutory in nature and is not a purchase or a traditional "professional service" subject to purchasing guidelines. Due diligence compliance cannot be arranged based on any factor other than the ability of the provider to strictly follow Chapter 140, RSMo, and ensure due process to Clay County taxpayers and investors. Furthermore, the County cannot enter into a traditional contract on behalf of

¹ Skip tracing is the process of locating a property owner's whereabouts to provide notice about the sale of his or her property.



Clay County
County Collector
Management Advisory Report - State Auditor's Findings

the Collector when seeking these services, as statutory compliance cannot be negotiated.

All payments to CivicSource were reimbursements for actual costs incurred in the process of complying with the pre- and post-sale due diligence requirements of Chapter 140, RSMo. A listing of the available services and applicable costs were provided to the Collector in writing every year, and all services were billed and paid according to that schedule. Any reference to alternate fee structures come from the contract CivicSource offered to Benton County, Louisiana. Although Clay County was given the same competitive tier of pricing as given to Benton County, Missouri law requires different services than Louisiana law, thus pricing, while similar in nature, is not identical in dollar amount.

The fees referenced by the auditor above all comported precisely with the written fee schedule, as adjusted each year according to need. All costs were originally attached to a tax bill before they were reimbursed to CivicSource, and every invoice was tied directly back to each individual charge before payment. CivicSource was not paid any money other than reimbursement for statutorily-required compliance.

Despite the fact that no traditional purchasing principles or laws apply to such an arrangement, the Collector did interview and compare multiple candidates with qualifications to complete the necessary statutory requirements on behalf of the Collector. Documentation of this research, together with a detailed analysis, has been provided to the auditor. The Collector also obtained a written guarantee from CivicSource that Clay County was receiving the same industry standard pricing and terms as all other public entities.

The payment of \$33,000 at the end of 2017 was supposed to be held in escrow in anticipation of amounts to be billed in connection with the 2018 sale. It appeared to the office of Collector that appropriate credit had been given for that escrowed amount, but our record keeping was in error. That deficiency has now been corrected with CivicSource. Proper credit has and will be given as additional due diligence is completed.

Despite the inapplicability of purchasing law, the office of Collector will provide all documentation of its arrangement with CivicSource to the county purchasing department or Commission for review.

Auditor's Comment

The County Collector's response states that purchasing guidelines do not apply because the services provided by the vendor are statutory (i.e., meet the statutory requirements for a Missouri tax sale). However, state law and county code do not provide exceptions for procurements related to statutorily-required operations, such as tax sales. Therefore, such services should be



Clay County
County Collector
Management Advisory Report - State Auditor's Findings

procured in accordance with state law and county code. Additionally, the County Collector's response states the vendor adjusted fees annually, and all services were paid in accordance with the adjusted fee schedule. However, as noted in the finding, the contract was not amended for the adjusted rates.

2. Tax Billing and Collection Services

Written contracts could not be located for one city and one village for tax billing and collection services. City and village officials also were unable to locate copies of the contracts. Collections for these two political subdivisions totaled approximately \$48,000 during the year ended February 28, 2019. Additionally, a contract for another city had not been updated to reflect a reduction in the payment terms made in 2012. The County Collector's office collected approximately \$420 million in property taxes and other monies during the year ended February 28, 2019, including about \$56 million for 21 cities and villages located within the county.

Section 50.332, RSMo, allows county officials, subject to the approval of the county commission, to perform tax collection services for cities they normally provide to the county. Section 432.070, RSMo, requires all such contracts to be in writing. Clear, detailed, and timely written contracts are necessary to ensure all parties are aware of the services to be performed and the compensation to be paid for the services.

Recommendation

The County Collector work with the County Commission to obtain current written contracts with the cities and villages for property tax collections.

Auditee's Response

Resolution 2012-188 of the Clay County Commission authorized the Collector to offer every city in Clay County a form contract, which form and content were attached to the resolution and approved. The written contracts on file in the Clerk's office pre-date this authorization by the Commission, and did not yet apply to every city in Clay County. After the date of that resolution, the Collector, working together with County Counsel, did offer the same terms and conditions as authorized by the Commission to every city in Clay County and has continuously performed such services with the approval of the Commission. All contracts perpetually renew at the request of both parties.

Despite the validity of the current contractual arrangements with every city, the office of Collector will seek to obtain new contracts with every city beginning in 2021.

3. Tax Maintenance Fund Disbursements

The County Collector authorized disbursements from the Tax Maintenance Fund (TMF) to the National Tax Lien Association (NTLA) for event sponsorships, general advertisements in event programs, and donations totaling \$5,000 that do not appear to be necessary and beneficial to the administration and operation of the County Collector's office. According to the County Collector, the disbursements supported the legislative lobbying efforts of the NTLA and helped attract potential investors to Clay County tax



Clay County
County Collector
Management Advisory Report - State Auditor's Findings

sales. Disbursements from the TMF totaled about \$703,000 and \$507,000 during 2018 and 2019, respectively.

Section 52.315, RSMo, indicates the TMF is to be used for costs related to training, information technology, equipment, and other essential administrative expenses necessary to carry out the duties and responsibilities of the office of the County Collector. Since the payments to the NTLA do not appear to fit into any of these categories, the disbursements may not be an appropriate use of TMF monies. Public funds should be spent only on items necessary and beneficial to the county. Citizens have placed a fiduciary trust in their public officials to spend county monies in a prudent and necessary manner.

Recommendation

The County Collector ensure all disbursements from the TMF are necessary and beneficial for the County Collector's office and are a prudent use of taxpayer funds.

Auditee's Response

The National Tax Lien Association provides many invaluable services to tax collectors throughout the United States. Specifically, it offers training in antitrust law, monitoring of legislative and judicial trends that might affect all tax sales, professional association for collectors to obtain additional perspective on particular issues in their jurisdictions, a certification program for tax lien professionals, and a standardized code of ethics to present to investors. These and so many other benefits provided to the office of Collector are and continue to be invaluable, and to fit well and fully into the statutory authority of the Collector to use the Tax Maintenance Fund for training and essential expenses. The Clay County tax sale is extraordinarily complex—more complex than the sale of any other statutory county in Missouri. The training, guidance, legislative and judicial awareness, and professional resources provided by this organization represent one of the best possible uses of the Tax Maintenance Fund. The homeowners and investors that participate in the Clay County tax sale have benefitted tremendously from the commitment to ethics, expertise, and education provided to the Office of Collector by the National Tax Lien Association.

The references to total expenditures from the Tax Maintenance Fund in 2017 and 2018 have nothing to do with the recommendation regarding the National Tax Lien Association. Payments to the National Tax Lien Association were only \$6,100 total for those two years. The rest of the payments from the Tax Maintenance Fund were for salaries, software maintenance, technology purchases, phone and web services, and other essential needs in the Office of Collector, as authorized by statute.

Auditor's Comment

The audit finding is not questioning the services provided by the NTLA. The finding takes exception with TMF disbursements to the NTLA for event sponsorships, general advertisements, and donations because they are not related to necessary services for the County Collector's office, and therefore, may not be allowable or beneficial disbursements from the TMF.

Clay County

County Collector

Organization and Statistical Information

The County Collector bills and collects property taxes for the county and some local governments and conducts annual tax sales in accordance with Chapter 140, RSMo. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29). Property taxes and other monies collected by the Clay County Collector's office totaled approximately \$420 million during the year ended February 28, 2019.

Lydia McEvoy, County Collector, began serving her third 4-year term effective March 1, 2018. She received a salary of \$77,106 for the year ended December 31, 2018. The County Collector's office employed 2 deputy collectors, 1 bookkeeper, 1 assistant bookkeeper, 1 office manager, and 6 cashiers on December 31, 2018. In addition, the County Collector's office employed 3 temporary workers to help during the busy season.



Nicole Galloway, CPA

Missouri State Auditor

2020 Property Tax Rates

Report No. 2020-113

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the review of 2020 Property Tax Rates

Background	Property taxes largely fund public schools and are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the supporting data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.
Rate Calculations	Rate ceilings set the limit for the amount of taxes that can be levied. Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis. The 2020 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Missouri Constitution, Article X, Section 22, commonly referred to as the Hancock Amendment, which limits taxation by the state and local governments.
Results	In 2020, the State Auditor received supporting data and reviewed 4,840 property tax rates for 2,802 taxing authorities. Of the rates reviewed, 503 are debt service tax rates, 110 are new property tax rates approved by voters, and 42 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,185 tax rates for revenue neutrality. This is the sixth year since the review of property tax rates started in 1985 that no taxing authorities levied a tax rate that exceeded the tax rate certified.
Additional Comments	The State Auditor's Office has no authority to determine or review individual tax assessments. All individual tax assessment matters are the responsibility of the county assessor and board of equalization. Appeals to the state on tax assessment matters are handled by the Missouri State Tax Commission.

Because of the nature of this review, no overall rating is provided.

The complete 2020 Property Tax Rates Report is available on our Web site: auditor.mo.gov.

2020 Property Tax Rates

Table of Contents

State Auditor's Report	2
------------------------	---

Results

Summary	3
Methodology	3

Appendixes

Appendix

I. Summary of Changes in Assessed Valuation for Local Governments Levying a Single Tax Rate on All Property	6
II. Summary of Changes in Assessed Valuation for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	7
III. Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Single Tax Rate on All Property	8
IV. Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	9
V. 2019 - 2020 Percentage Change in Total Assessed Valuations by County, Overall County Valuation Changes Prior to Adjustments	10
VI. 2019 - 2020 Percentage Change in Adjusted Assessed Valuations by County	11
VII. Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property	12
VIII. Listing of 2020 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property	110



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The State Auditor's Office is required by Section 137.073, RSMo, to annually review local property tax rates of all taxing authorities in the state. The primary objectives of this review were to determine whether:

1. Local governing boards levied taxes in accordance with the Missouri Constitution and state law.
2. Local property tax rates were adjusted to ensure property reassessments were revenue neutral.

Reassessments of existing property are not intended to increase property tax revenue but to equitably reallocate the existing tax burden based on the relative value of property owned by taxpayers.

For 2020, we received supporting data on 4,840 property tax rates of 2,802 taxing authorities. This is the sixth year since the State Auditor's Office started reviewing property tax rates that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Property taxes are the main source of revenue for many of Missouri's special purpose political subdivisions and county boards. The bulk of property taxes, however, fund public schools. General acceptance of these taxes is dependent on fair and equitable assessment practices and public understanding and input regarding the setting of rates. If the tax burden is increased without voter approval, confidence in the fairness and assessment practices can be eroded.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Kelly Davis, M.Acct., CPA, CFE
Senior Analyst: Jill Wilson, MBA

2020 Property Tax Rates Results

Summary

The State Auditor received supporting data and reviewed 4,840 property tax rates for 2,802 taxing authorities.¹ Of the rates reviewed, 503 are debt service tax rates, 110 are new property tax rates approved by voters, and 42 are existing property tax rates that were increased by voter approval. We reviewed the remaining 4,185 tax rates for revenue neutrality. This is the sixth year since the review of property tax rates started in 1985 that no taxing authorities levied a tax rate that exceeded the tax rate certified.

Methodology

The State Auditor's Office and county officials assist local government officials in determining the data necessary to complete the tax rate computations. Taxing authorities are required to file final proposed tax rates and data supporting the proposed property tax rates with the county, using forms prescribed by the State Auditor. The counties submit the supporting data received to the State Auditor for review. The data is reviewed and a finding is returned to both the county and the taxing authority advising whether the proposed rates comply with Missouri law.

The 2020 tax rate ceilings were determined based on the requirements of Section 137.073, RSMo, and Missouri Constitution, Article X, Section 22 (commonly referred to as the Hancock Amendment). Each tax rate ceiling is determined annually and is adjusted to ensure revenue neutrality. The review of each tax rate ceiling is based on the assessed valuation for the entire political subdivision and is not calculated on an individual taxpayer basis.

To ensure taxing authorities do not receive a windfall from reassessment, the review of property tax rates begins with the prior year allowed revenue. Current year tax rate ceilings must be set to yield the same gross revenue as allowed in the prior year. In addition, an adjustment is made for additional revenue permitted for assessment growth. That adjustment is the lower of (1) the actual growth rate, (2) the inflation rate as determined by the consumer price index, or (3) 5 percent. Factors such as new construction and improvements, newly added territory, newly separated territory, and changes from locally assessed to state assessed property also affect the tax rate ceiling calculation. Counties and the City of St. Louis use the tax rates set by each taxing authority to levy taxes on all property including new construction and improvements.

Voters may authorize increases beyond the annual revenue neutral tax rate ceiling. Voter-approved increases are reviewed for compliance with applicable laws and stated ballot restrictions. In addition to reviewing new and existing property tax levies for revenue neutrality, the State Auditor's

¹ Two taxing authorities, Kingsway Center Special Business District and Village of Hartsburg, did not complete the certification process timely. As a result, the City of St. Louis and Boone County, respectively, elected not to process the tax rates. Therefore, these tax rates and taxing authorities are not included in this report.



2020 Property Tax Rates Results

Office also reviews debt service tax rates. A tax levied to meet the annual debt service requirement is compliant if the revenue to be generated plus the existing fund balance does not exceed the current payment requirements plus a reserve for the following year's payments.

Sections 137.073.5(3) and 137.073.5(4), RSMo, provide that a voluntary reduction taken in a non-reassessment year (even numbered year) results in a reduced tax rate ceiling during the following reassessment year (odd numbered year). These provisions also allow taxing authorities that voluntarily reduce a tax rate in a previous even numbered year to reverse the impact of the voluntary reduction to reinstate a higher tax rate ceiling in the following even numbered year. To increase the tax rate in the following even numbered year, the taxing authority must conduct a public hearing, and adopt an ordinance, a resolution, or a policy statement justifying its action before setting and certifying its tax rate.

Section 137.073.6(3), RSMo, allows a taxing authority to submit amended tax rate forms to the State Auditor's Office in the event the taxing authority incorrectly completed the forms or made clerical errors. These changes are factored into the current year's tax rate ceiling calculation.

A taxing authority's total assessed valuation submitted by the county clerk or a representative of the taxing authority is used in the State Auditor's Office review of property taxes. The State Auditor's Office does not review the assessed valuation of individual pieces of property. Chapter 138, RSMo, governs the appeals process for assessed valuations. Citizens may appeal their individual assessed valuations calculated by the county assessor to the local Board of Equalization. Citizens not satisfied with the resolution by the Board of Equalization may appeal the decision to the Missouri State Tax Commission. Any decision of the Missouri State Tax Commission may be reviewed by a court of law.

As assessed valuations increase, tax rate ceilings generally decrease, depending on the amount of the increase, to produce substantially the same amount of revenue as allowed in the prior year. As assessed valuations decrease, tax rate ceilings may increase to produce substantially the same revenue as allowed in the prior year from existing property, limited by voter authorization. See Appendixes I and II for a summary of the changes in assessed valuation by type of taxing authority, and Appendixes III and IV for a summary of changes in tax rate ceilings by type of taxing authority. In addition, Appendix V is a map that provides a statewide geographical perspective of total county valuation changes prior to adjustments for new construction and reassessment. The total assessed valuation is the value used to bill the property tax rates. Appendix VI is a map of the adjusted assessed valuation by county. The adjusted assessed valuation is the value of last year's property in the current year. This map reflects the inflationary change in each county's valuation from the previous year. A significant inflationary change



2020 Property Tax Rates Results

generally indicates a major reassessment occurred. However, 2020 assessed valuations indicate the majority of county adjusted assessed valuation changes were less than the consumer price index, which does not indicate a major reassessment increase. The comparison of assessed valuations and tax rate ceilings from 2019 to 2020 for Appendixes I through VI give consideration to revisions submitted by taxing authorities to the State Auditor's Office for changes to assessments occurring after setting the 2019 property tax rate.

Taxing authorities are listed by primary county (as designated by the taxing authority when established) in Appendixes VII and VIII and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). A taxing authority located in more than one county is listed under the primary county only. The assessed valuations presented for taxing authorities in Appendixes VII and VIII, except school districts, include all taxable locally assessed and state assessed property. The assessed valuations presented for school districts include only taxable locally assessed property. The abated portions of property valuations that are not taxable under various economic development programs are omitted from the taxable assessed valuations used to compute the annual tax rate ceiling. Prior years' tax rate reports are available on the State Auditor's website at auditor.mo.gov.

We do not review sales tax rollbacks required by law for some county levies as part of this report. Any concerns in that area would be addressed in audit reports we issue for individual counties. Sales tax (Proposition C) rollbacks for school levies were subjected to a limited review to ensure the district did not waive all or part of the rollback without voter approval in order to generate additional local revenues. A majority of the 516 school districts have obtained voter approved waivers of the required sales tax rollback of their property tax, including 466 with a full waiver and 25 with a partial waiver. Appendixes VII and VIII indicate the 491 school districts that have either full or partial waivers of Proposition C reductions.

Appendix I
2020 Property Tax Rates
Summary of Changes in Assessed Valuation for Local Governments Levying a Single Tax Rate on All Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates			
			With Increases In Assessed Valuation	With Decreases In Assessed Valuation	With No Change In Assessed Valuation	Other (1)
Ambulance Districts	106	113	94	16	0	3
Hospitals	11	11	11	0	0	0
Nursing Home Districts	30	31	26	4	0	1
Public Water Supply District	1	1	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	20	4	3	0
Drainage and Levee Districts	2	2	0	1	1	0
Special Road Districts	207	276	190	58	1	27
Municipalities	756	1,292	826	380	0	86
Tax Supported Public Libraries	79	85	67	15	0	3
Townships	283	774	546	164	0	64
Fire Protection Districts	388	492	375	71	0	46
Sewer Districts	7	8	7	0	0	1
Special Business Districts	17	17	8	7	2	0
Regional Recreational District	1	1	0	1	0	0
Community Improvement Districts	11	12	2	4	5	1
Health Centers	90	90	80	10	0	0
Special Road District Subdistrict	1	1	0	1	0	0
Extension District	1	1	0	1	0	0
Transportation Development District	1	1	0	1	0	0
Junior Colleges	12	16	11	2	0	3
Museum District	1	5	5	0	0	0
School Districts	495	838	428	104	0	306
Special School Districts	2	3	2	0	0	1
Counties	114	426	377	43	0	6
Totals	2,643	4,523	3,076	887	12	548

(1) This column includes debt service levies, new voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations.

Appendix II
2020 Property Tax Rates
Summary of Changes in Assessed Valuation for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates by Subclass												Other (1)
			With Increases In Assessed Valuation				With Decreases In Assessed Valuation				With No Change In Assessed Valuation				
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	
Municipalities	79	127	60	6	77	77	37	7	28	25	8	92	0	3	22
Tax Supported Public Libraries	5	6	4	2	5	3	1	0	0	2	0	3	0	0	1
Fire Protection Districts	22	104	54	16	62	69	30	14	22	15	0	54	0	0	20
Sewer Districts	15	15	10	2	10	14	5	2	5	1	0	11	0	0	0
Street Light Maintenance Districts	4	4	0	0	3	2	3	0	1	2	1	4	0	0	0
Special Business Districts	9	9	2	0	3	0	2	0	6	0	5	9	0	9	0
Community Improvement Districts	3	3	1	0	1	0	0	0	1	0	1	2	0	2	1
School Districts	21	43	16	2	14	20	7	2	9	3	0	19	0	0	20
County	1	6	5	5	5	5	0	0	0	0	0	0	0	0	1
Totals	159	317	152	33	180	190	85	25	72	48	15	194	0	14	65

(1) This column includes debt service levies, new voter approved levies, levies voted to replace expired levies, and dissolving levies. Debt service levies are included in this column because they are not subject to Hancock Amendment limitations. Debt service levies are not subject to the multi-rate system; the same rate applies to each subclass of property.

Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

Appendix III
2020 Property Tax Rates
Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Single Tax Rate on All Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates Authorized	Number of Tax Rates					Debt Service Levies
			Ceilings Same as Prior Year	Ceilings Revised Upward	Ceilings Revised Downward	Revised Due to An Election (1)	Other (2)	
Ambulance Districts	106	113	74	28	7	1	0	3
Hospitals	11	11	6	5	0	0	0	0
Nursing Home Districts	30	31	18	8	4	0	0	1
Public Water Supply District	1	1	0	0	1	0	0	0
Soil and Water Conservation Subdistricts	27	27	19	8	0	0	0	0
Drainage and Levee Districts	2	2	1	1	0	0	0	0
Special Road Districts	207	276	153	76	20	0	27	0
Municipalities	756	1,292	594	544	67	1	19	67
Tax Supported Public Libraries	79	85	51	24	4	3	1	2
Townships	283	774	439	188	83	0	52	12
Fire Protection Districts	388	492	287	129	21	9	4	42
Sewer Districts	7	8	5	1	0	1	0	1
Special Business Districts	17	17	14	3	0	0	0	0
Regional Recreational District	1	1	0	1	0	0	0	0
Community Improvement Districts	11	12	6	5	0	0	0	1
Health Centers	90	90	62	22	5	1	0	0
Special Road District Subdistrict	1	1	1	0	0	0	0	0
Extension District	1	1	0	1	0	0	0	0
Transportation Development District	1	1	0	1	0	0	0	0
Junior Colleges	12	16	4	9	0	0	0	3
Museum District	1	5	3	2	0	0	0	0
School Districts	495	838	84	366	14	68	1	305
Special School Districts	2	3	1	1	0	0	0	1
Counties	114	426	279	123	17	1	4	2
Totals	2,643	4,523	2,101	1,546	243	85	108	440

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board increasing rates under Missouri Constitution, Article X, Section 11(b), which allows school districts to levy up to \$2.7500 by school board action alone.

(2) This column includes new voter approved levies, newly formed districts, or a levy voted to replace an expired levy.

Appendix IV
2020 Property Tax Rates
Summary of Changes in Tax Rate Ceilings for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Type of Taxing Authority	Number of Taxing Authorities	Number of Tax Rates	Number of Tax Rates by Subclass																Other (2)	Debt Service Levies
			Ceilings Same as Prior Year				Ceilings Revised Upward				Ceilings Revised Downward				Revised Due to An Election (1)					
			Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.	Res.	Ag.	Com.	PP.		
Municipalities	79	127	57	95	34	100	33	3	33	1	14	6	37	3	1	1	1	1	1	21
Tax Supported Public Libraries	5	6	2	2	2	4	3	1	1	1	0	2	2	0	0	0	0	0	0	1
Fire Protection Districts	22	104	40	63	48	84	24	8	22	0	20	13	14	0	0	0	0	0	1	19
Sewer Districts	15	15	9	12	9	9	6	3	6	6	0	0	0	0	0	0	0	0	0	0
Street Light Maintenance Districts	4	4	2	4	1	4	2	0	1	0	0	0	2	0	0	0	0	0	0	0
Special Business Districts	9	9	5	9	3	9	4	0	5	0	0	0	1	0	0	0	0	0	0	0
Community Improvement Districts	3	3	2	2	1	2	0	0	1	0	0	0	0	0	0	0	0	0	0	1
School Districts	21	43	1	12	2	21	14	8	12	1	8	2	8	1	0	1	1	0	0	20
County	1	6	1	1	1	1	4	4	4	4	0	0	0	0	0	0	0	0	0	1
Totals	159	317	119	200	101	234	90	27	85	13	42	23	64	4	1	2	2	1	2	63

(1) This column includes levies that existed in prior years and were revised due to an election. This column also includes school levies that increased due to the school board increasing rates under Missouri Constitution, Article X, Section 11(b), which allows school districts to levy up to \$2.7500 by school board action alone.

(2) This column includes a new voter approved tax rate.

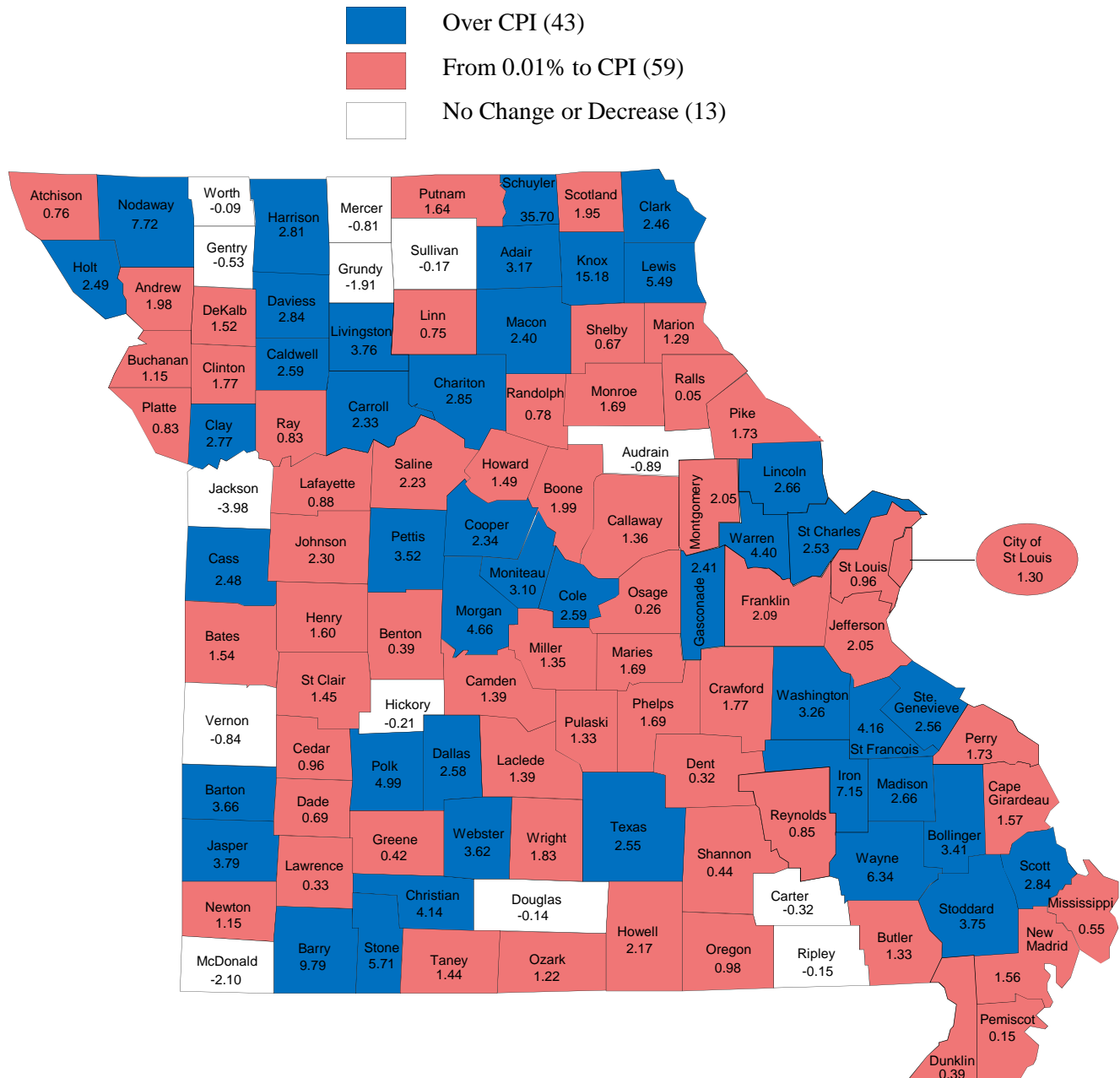
Res. Residential real estate
Ag. Agricultural real estate
Com. Commercial real estate
PP. Personal property

Appendix V

2020 Property Tax Rates

2019 – 2020 Percentage Change in Total Assessed Valuations by County, Overall County Valuation Changes Prior to Adjustments

The 2020 consumer price index (CPI) of 2.30% was certified by the State Tax Commission.

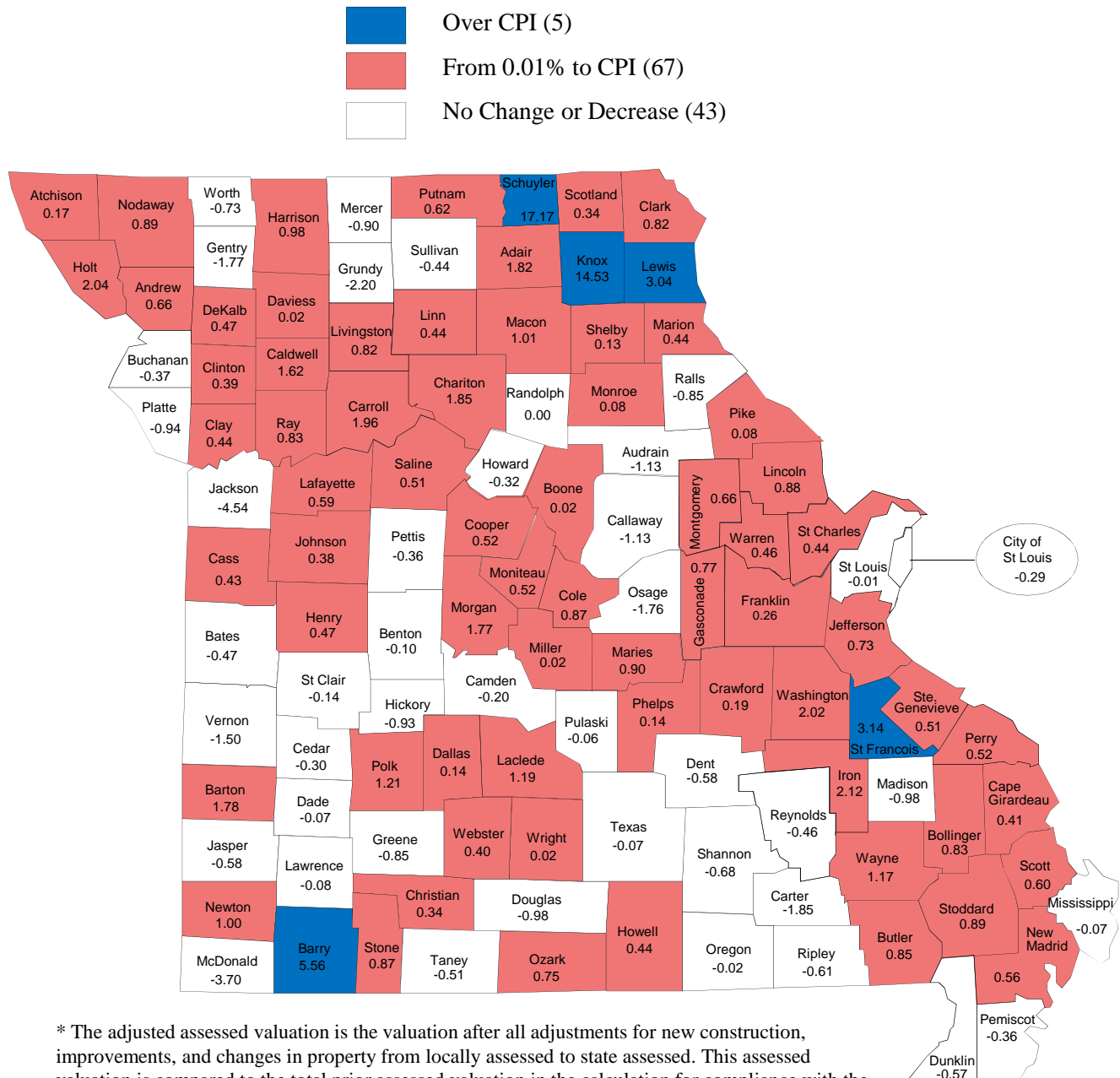


High: Schuyler County 35.70

Low: Jackson County -3.98

Appendix VI
 2020 Property Tax Rates
 2019 – 2020 Percentage Change in Adjusted Assessed Valuations by County*

The 2020 consumer price index (CPI) of 2.30% was certified by the State Tax Commission.



* The adjusted assessed valuation is the valuation after all adjustments for new construction, improvements, and changes in property from locally assessed to state assessed. This assessed valuation is compared to the total prior assessed valuation in the calculation for compliance with the Hancock Amendment.

High: Schuyler County 17.17

Low: Jackson County -4.54

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Adair</u>						
Adair County Ambulance District	General Revenue	336,299,859	0.0000	0.0000	0	
Adair County NHD	General Revenue	329,361,851	0.1491	0.1491	491,079	
City of Brashear	Fire	1,430,688	0.3062	0.3062	4,381	2020
City of Kirksville	General Revenue	196,336,121	0.6834	0.6834	1,341,761	
City of Novinger	General Revenue	2,278,630	0.4943	0.4943	11,263	
	General Revenue-Temp	2,278,630	0.3651	0.3651	8,319	2021
Village of Gibbs Village	General Revenue	682,742	0.7058	0.7058	4,819	
Adair County Library District	General Revenue	336,299,859	0.1494	0.1494	502,432	
Adair County Health Department	General Revenue	336,299,859	0.2512	0.2512	844,785	B
Adair County R-I School District	Operating Funds-Schools	17,645,963	3.7500	3.7500	661,724	D
	Debt Service	17,645,963	0.6554	0.5756	101,570	
Kirksville R-III School District	Operating Funds-Schools	251,874,957	3.5456	3.5456	8,930,478	D
	Debt Service	251,874,957	1.6118	0.8190	2,062,856	
Adair County R-II School District	Operating Funds-Schools	15,997,645	3.5793	3.5769	572,220	D
	Debt Service	15,997,645	0.7995	0.6511	104,161	
Adair County	General Revenue	336,299,859	0.3707	0.0944	317,467	
	Road & Bridge	336,299,859	0.2755	0.2755	926,506	
	Developmental Dis. Board	336,299,859	0.1494	0.1494	502,432	
<u>Andrew</u>						
Andrew County Ambulance District	General Revenue	274,635,954	0.2625	0.1661	456,170	
Andrew County NHD	General Revenue	291,175,229	0.0280	0.0280	81,529	
City of Bolckow	General Revenue	1,149,207	0.8561	0.8561	9,838	
Village of Cosby	General Revenue	832,226	0.4927	0.4927	4,100	
Village of Country Club	General Revenue	37,290,444	0.3946	0.3946	147,148	
City of Fillmore	General Revenue	1,071,512	0.6402	0.6402	6,860	
Village of Rea	General Revenue	633,830	0.3248	0.3248	2,059	
Village of Rosendale	General Revenue	472,885	1.0000	1.0000	4,729	
City of Savannah	General Revenue	43,225,853	0.5602	0.5602	242,151	
	Parks & Recreation	43,225,853	0.3574	0.3574	154,489	
	Debt Service	43,225,853	0.1150	0.1150	49,710	
City of Amazonia	General Revenue	2,226,639	0.6422	0.6422	14,299	
Bolckow FPD	General Revenue	12,026,464	0.2387	0.2387	28,707	
Rosendale FPD	General Revenue	20,967,242	0.2592	0.2592	54,347	
Fillmore FPD	General Revenue	9,958,475	0.4132	0.4132	41,148	
Savannah FPD	General Revenue	139,592,026	0.5426	0.5426	757,426	
Village of Country Club FPD	General Revenue	21,946,381	0.6569	0.6569	144,166	
Cosby-Helena FPD	General Revenue	25,310,560	0.2783	0.2783	70,439	
Andrew County Health Department	General Revenue	291,175,229	0.0861	0.0861	250,702	
North Andrew County R-VI SD	Operating Funds-Schools	24,177,158	4.8194	4.7034	1,137,148	BD
Avenue City R-IX School District	Operating Funds-Schools	26,845,677	3.4457	3.4457	925,021	D
	Debt Service	26,845,677	1.0650	0.9800	263,088	
Savannah R-III School District	Operating Funds-Schools	192,915,628	3.6543	3.6543	7,049,716	D
Andrew County	General Revenue	291,175,229	0.3106	0.1818	529,357	
	Johnson Grass	291,175,229	0.0147	0.0147	42,803	
	Road & Bridge	291,175,229	0.2417	0.2417	703,771	
	Special Road and Bridge	291,175,229	0.2500	0.2500	727,938	2024
	Developmental Dis. Board	291,175,229	0.0776	0.0776	225,952	
	Senior Services	291,175,229	0.0273	0.0273	79,491	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Atchison</u>						
Atchison-Holt Ambulance District	General Revenue	309,334,839	0.2921	0.2921	903,567	
Langdon SRD Atchison County	Special Road and Bridge	3,870,998	0.3648	0.3648	14,121	2020
Phelps City SRD Atchison County	Special Road and Bridge	7,581,347	0.3641	0.3641	27,604	2021
Tarkio SRD Atchison County	Special Road and Bridge	24,297,137	0.3558	0.3558	86,449	2022
Watson SRD Atchison County	Special Road and Bridge	6,371,926	0.3450	0.3450	21,983	2020
Atchison County SRD	Special Road and Bridge	116,298,915	0.3613	0.3613	420,188	2022
City of Fairfax	General Revenue	4,333,741	0.8497	0.8497	36,824	
	Parks & Recreation	4,333,741	0.2000	0.2000	8,667	
	Lights	4,333,741	0.2500	0.2500	10,834	
	General Revenue-Temp	4,333,741	0.3165	0.3165	13,716	2020
City of Rock Port	General Revenue	12,221,952	0.8830	0.8830	107,920	
	Parks & Recreation	12,221,952	0.3531	0.3531	43,156	
City of Tarkio	General Revenue	13,739,149	0.8262	0.8262	113,513	
	Parks & Recreation	13,739,149	0.3100	0.3100	42,591	
	Lights	13,739,149	0.6816	0.6816	93,646	
Village of Watson	General Revenue	583,176	0.4683	0.4683	2,731	
	General Revenue-Temp	583,176	0.3136	0.3136	1,829	2020
City of Westboro	General Revenue	1,066,077	1.0000	1.0000	10,661	
	Lights	1,066,077	0.2500	0.2500	2,665	
	Streets	1,066,077	0.8999	0.8999	9,594	
Atchison County Library District	General Revenue	158,420,323	0.2974	0.2974	471,142	
Fairfax Volunteer FPD	General Revenue	18,524,682	0.3980	0.3980	73,728	
Tarkio FPD	General Revenue	34,740,967	0.4000	0.4000	138,964	
West Atchison FPD	General Revenue	41,204,577	0.6431	0.6431	264,987	
Westboro Volunteer FPD	General Revenue	22,784,674	0.3500	0.3500	79,746	
Atchison County Health Department	General Revenue	158,420,323	0.0992	0.0992	157,153	
Tarkio R-I School District	Operating Funds-Schools	63,779,204	3.8027	3.8027	2,425,332	D
Rock Port R-II School District	Operating Funds-Schools	48,090,081	4.1690	4.0984	1,970,924	D
	Debt Service	48,090,081	0.8843	0.8218	395,204	
Fairfax R-III School District	Operating Funds-Schools	22,481,037	4.1094	4.1094	923,836	D
	Operating Funds - Temp	22,481,037	0.7655	0.6754	151,837	2024
Atchison County	General Revenue	158,420,323	0.4957	0.4957	785,290	
	Solid Waste Landfill	158,420,323	0.0000	0.0000	0	
	Road & Bridge	158,420,323	0.4957	0.4957	785,290	
	Developmental Dis. Board	158,420,323	0.0992	0.0992	157,153	
	Senior Services	158,420,323	0.0495	0.0495	78,418	
<u>Audrain</u>						
Van-Far Ambulance District	General Revenue	55,561,824	0.2991	0.2047	113,735	
Audrain Ambulance District	General Revenue	284,622,880	0.3000	0.1150	327,316	
Tri County NHD	General Revenue	59,839,206	0.2500	0.2500	149,598	
Laddonia Farber SRD Audrain County	Special Road and Bridge	23,215,252	0.3632	0.3632	84,318	2021
Saling SRD 2 Audrain County	Special Road and Bridge	16,712,963	0.3500	0.3500	58,495	2022
Vandalia SRD Audrain County	Special Road and Bridge	41,072,630	0.3644	0.3644	149,669	A 2023
Village of Benton City	General Revenue	900,608	0.4077	0.4077	3,672	
City of Farber	General Revenue	2,041,908	0.6300	0.6300	12,864	
	Lights	2,041,908	0.3200	0.3200	6,534	
City of Laddonia	General Revenue	5,643,243	1.0000	0.9757	55,061	
	Lights	5,643,243	0.3766	0.3452	19,480	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Audrain</u>						
City of Martinsburg	General Revenue	3,948,095	0.6004	0.6004	23,704	
City of Mexico	General Revenue	155,037,677	0.4422	0.4422	685,577	
	Parks & Recreation	155,037,677	0.1013	0.1000	155,038	
	Health	155,037,677	0.2000	0.2000	310,075	
Village of Rush Hill	General Revenue	655,980	0.4630	0.4583	3,006	
City of Vandalia	General Revenue	18,993,655	0.7894	0.7894	149,936	
	Parks & Recreation	18,993,655	0.1700	0.1700	32,289	
Village of Vandiver	General Revenue	3,759,633	0.3197	0.3197	12,020	
Mexico-Audrain County PLD	General Revenue	406,908,269	0.2238	0.2238	910,661	
Little Dixie FPD	General Revenue	123,929,667	0.3944	0.3944	488,779	
Martinsburg Area FPD	General Revenue	22,832,029	0.1884	0.1884	43,016	
Laddonia & Rural FPD	General Revenue	16,581,717	0.2995	0.2995	49,662	
Audrain County Health Department	General Revenue	406,908,269	0.2540	0.2540	1,033,547	
Community R-VI School District	Operating Funds-Schools	34,807,435	4.0000	4.0000	1,392,297	D
	Debt Service	34,807,435	0.8107	0.5500	191,441	
Van-Far R-I School District	Operating Funds-Schools	46,515,308	4.0440	3.9608	1,842,378	D
	Debt Service	46,515,308	0.9830	0.6109	284,162	
Mexico 59 School District	Operating Funds-Schools	208,944,153	3.6694	3.6694	7,666,997	D
	Debt Service	208,944,153	0.8721	0.8691	1,815,934	
Audrain County	General Revenue	406,908,269	0.4074	0.2654	1,079,935	
	Road & Bridge	406,908,269	0.3054	0.3054	1,242,698	
	Common Road District	125,449,349	0.3535	0.3535	443,463	2020
	Developmental Dis. Board	406,908,269	0.2100	0.2100	854,507	
<u>Barry</u>						
Barry-Lawrence Ambulance District	General Revenue	291,037,795	0.1236	0.0000	0	
South Barry Ambulance District	General Revenue	326,045,793	0.0000	0.0000	0	
South Barry County Memorial Hospital	General Revenue	315,709,301	0.0907	0.0907	286,348	
Ash SRD Barry County	Road & Bridge	5,636,796	0.1731	0.1731	9,757	
	Special Road and Bridge	5,636,796	0.1335	0.1335	7,525	A 2023
Butterfield SRD Barry County	Road & Bridge	19,565,839	0.1885	0.1885	36,882	
	Special Road and Bridge	19,565,839	0.1378	0.1378	26,962	A 2023
Capps Creek SRD Barry County	Road & Bridge	9,265,692	0.2671	0.2671	24,749	
Corsicana SRD Barry County	Road & Bridge	5,432,096	0.1979	0.1979	10,750	
	Special Road and Bridge	5,432,096	0.1334	0.1334	7,246	A 2023
Crane Creek SRD Barry County	Road & Bridge	10,185,671	0.1945	0.1945	19,811	
Exeter SRD Barry County	Road & Bridge	19,856,610	0.1963	0.1963	38,979	
	Special Road and Bridge	19,856,610	0.1347	0.1347	26,747	2020
Flat Creek SRD Barry County	Road & Bridge	81,415,079	0.1546	0.1546	125,868	
	Special Road and Bridge	81,415,079	0.1405	0.1405	114,388	A 2023
Greasy Creek SRD 35 Barry County	Road & Bridge	2,864,327	0.1859	0.1859	5,325	
	Special Road and Bridge	2,864,327	0.3521	0.3521	10,085	A 2023
Jenkins SRD 20 Barry County	Road & Bridge	4,737,788	0.1494	0.1494	7,078	
Kings Prairie SRD Barry County	Road & Bridge	12,372,866	0.2038	0.2038	25,216	
	Special Road and Bridge	12,372,866	0.1386	0.1386	17,149	A 2023
Liberty Common SRD 34 Barry County	Road & Bridge	783,825	0.1265	0.1265	992	
McDonald SRD 19 Barry County	Road & Bridge	4,583,329	0.1676	0.1676	7,682	
Mineral Springs SRD 10 Barry County	Road & Bridge	9,322,132	0.1847	0.1847	17,218	
	Special Road and Bridge	9,322,132	0.1364	0.1364	12,715	A 2023

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Barry						
Mountain SRD 22 Barry County	Road & Bridge	3,745,069	0.1914	0.1914	7,168	
Ozark SRD Barry County	Road & Bridge	10,250,819	0.1459	0.1459	14,956	
	Special Road and Bridge	10,250,819	0.1330	0.1330	13,634 ^A	2023
Pioneer SRD 31 Barry County	Road & Bridge	2,028,508	0.2041	0.2041	4,140	
	Special Road and Bridge	2,028,508	0.1366	0.1366	2,771 ^A	2023
Pleasant Ridge SRD 25 Barry County	Road & Bridge	6,176,226	0.1633	0.1633	10,086	
	Special Road and Bridge	6,176,226	0.1387	0.1387	8,566 ^A	2023
Purdy SRD 28 Barry County	Road & Bridge	23,347,270	0.2005	0.2005	46,811	
	Special Road and Bridge	23,347,270	0.1387	0.1387	32,383 ^A	2023
Roaring River SRD 2 Barry County	Road & Bridge	28,043,618	0.1349	0.1349	37,831	
Shell Knob SRD 9 Barry County	Road & Bridge	37,863,961	0.1584	0.1584	59,977	
Sugar Creek SRD 3 Barry County	Road & Bridge	15,330,701	0.1515	0.1515	23,226	
	Special Road and Bridge	15,330,701	0.1644	0.1644	25,204 ^A	2023
Viola SRD 21 Barry County	Road & Bridge	38,425,013	0.1216	0.1216	46,725	
Washburn SRD 4 Barry County	Road & Bridge	12,172,985	0.2053	0.2053	24,991	
	Special Road and Bridge	12,172,985	0.1307	0.1307	15,910	2021
Wheaton SRD 29 Barry County	Road & Bridge	16,315,175	0.1891	0.1891	30,852	
	Special Road and Bridge	16,315,175	0.1326	0.1326	21,634 ^A	2023
White River SRD 7 Barry County	Road & Bridge	33,023,448	0.1284	0.1284	42,402	
Monett SRD Barry County	Road & Bridge	140,507,382	0.1771	0.1771	248,839	
City of Butterfield	General Revenue	2,430,198	0.4130	0.4130	10,037	
	Debt Service	2,430,198	1.3045	1.3045	31,702	
City of Cassville	General Revenue	42,279,532	0.0000	0.0000	0	
City of Exeter	General Revenue	4,671,501	0.4538	0.4538	21,199	
City of Purdy	General Revenue	5,311,759	0.3972	0.3972	21,098	
City of Seligman	General Revenue	5,035,505	0.2614	0.2614	13,163	
	Streets	5,035,505	0.1608	0.1608	8,097	
City of Washburn	General Revenue	2,914,804	0.4280	0.4280	12,475	
City of Wheaton	General Revenue	3,545,442	0.4900	0.4900	17,373	
Village of Chain O Lakes	General Revenue	1,295,706	0.5000	0.5000	6,479	
	General Revenue-Temp	1,295,706	0.3000	0.3000	3,887	2022
Barry-Lawrence County PLD	General Revenue	1,065,668,679	0.2182	0.2182	2,325,289 ^B	
Eagle Rock-Golden-Mano FPD	General Revenue	63,147,197	0.3844	0.3844	242,738	
Central Crossing FPD	General Revenue	116,064,521	0.6796	0.6796	788,774	
	Wages	116,064,521	0.3045	0.3045	353,416	
Cassville FPD	General Revenue	81,426,214	0.2963	0.2963	241,266	
Butterfield FPD	General Revenue	22,915,187	0.3000	0.3000	68,746	
Exeter FPD	General Revenue	20,985,926	0.3000	0.3000	62,958	
Seligman FPD	General Revenue	17,582,392	0.2950	0.2950	51,868	
Purdy FPD	General Revenue	31,423,448	0.2868	0.2868	90,122	
Jenkins Rural FPD	General Revenue	17,468,756	0.2907	0.2907	50,782	
Wheaton FPD	General Revenue	24,707,213	0.3021	0.3021	74,640	
Monett Rural FPD	General Revenue	54,297,581	0.2796	0.2796	151,816	
Washburn FPD	General Revenue	23,309,979	0.2950	0.2950	68,764	
Barry County Health Department	General Revenue	553,046,874	0.0715	0.0715	395,429	
Wheaton R-III School District	Operating Funds-Schools	22,165,290	2.7790	2.7500	609,545 ^D	
	Debt Service	22,165,290	0.9015	0.8300	183,972	
Southwest Barry County R-V SD	Operating Funds-Schools	41,035,176	2.7500	2.7500	1,128,467 ^E	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Barry</u>						
Southwest Barry County R-V SD	Debt Service	41,035,176	1.4209	0.8500	348,799	
Exeter R-VI School District	Operating Funds-Schools	16,505,129	3.5010	3.5010	577,845	D
	Debt Service	16,505,129	0.8128	0.6490	107,118	
Cassville R-IV School District	Operating Funds-Schools	191,562,816	2.9906	2.9906	5,728,878	D
	Debt Service	191,562,816	0.5737	0.4747	909,349	
Purdy R-II School District	Operating Funds-Schools	32,083,854	2.7642	2.7642	886,862	D
	Debt Service	32,083,854	0.8186	0.7719	247,655	
Shell Knob 78 School District	Operating Funds-Schools	79,552,098	3.4066	3.4066	2,710,022	D
Monett R-I School District	Operating Funds-Schools	199,753,492	3.0986	3.0986	6,189,562	D
	Debt Service	199,753,492	0.8801	0.8100	1,618,003	
Barry County	General Revenue	553,046,874	0.0000	0.0000	0	
	Developmental Dis. Board	553,046,874	0.0648	0.0648	358,374	
	Senior Services	553,046,874	0.0485	0.0485	268,228	
<u>Barton</u>						
Barton County Ambulance District	General Revenue	195,565,377	0.0000	0.0000	0	
City of Golden City	General Revenue	6,144,680	0.6323	0.6323	38,853	
	Parks & Recreation	6,144,680	0.1432	0.1432	8,799	
	Health	6,144,680	0.1791	0.1791	11,005	
City of Lamar	General Revenue	59,291,528	0.6282	0.6282	372,469	
	Parks & Recreation	59,291,528	0.1747	0.1747	103,582	
	Memorial Fund	59,291,528	0.1747	0.1747	103,582	
City of Liberal	General Revenue	4,750,984	0.6071	0.6071	28,843	
City of Mindenmines	General Revenue	1,364,769	0.5198	0.5198	7,094	
Barton County Library District	General Revenue	195,565,377	0.0771	0.0771	150,781	
	Library	195,565,377	0.0797	0.0797	155,866	
Barton City Township Barton County	General Revenue	4,366,040	0.1000	0.1000	4,366	
	Road & Bridge	4,366,040	0.2735	0.2735	11,941	
	Special Road and Bridge	4,366,040	0.2687	0.2687	11,732	2021
Central Township Barton County	General Revenue	13,774,533	0.0852	0.0852	11,736	
	Road & Bridge	13,774,533	0.3306	0.3306	45,539	
	Special Road and Bridge	13,774,533	0.4859	0.4859	66,930	2020
City Township Barton County	General Revenue	56,368,168	0.0491	0.0491	27,677	
	Road & Bridge	56,368,168	0.1669	0.1669	94,078	
Doylestown Township Barton County	General Revenue	4,707,003	0.1000	0.1000	4,707	
	Road & Bridge	4,707,003	0.3082	0.3082	14,507	
	Special Road and Bridge	4,707,003	0.3129	0.3129	14,728	2022
Golden City Township Barton County	General Revenue	14,853,736	0.0900	0.0900	13,368	
	Road & Bridge	14,853,736	0.2381	0.2381	35,367	
Lamar Township Barton County	General Revenue	33,434,104	0.1000	0.1000	33,434	
	Road & Bridge	33,434,104	0.5000	0.5000	167,171	
Leroy Township Barton County	General Revenue	8,554,935	0.0875	0.0875	7,486	
	Road & Bridge	8,554,935	0.3225	0.3225	27,590	
	Special Road and Bridge	8,554,935	0.3090	0.3090	26,435	A 2022
Milford Township Barton County	General Revenue	3,621,490	0.1000	0.1000	3,621	
	Road & Bridge	3,621,490	0.3101	0.3101	11,230	
Nashville Township Barton County	General Revenue	9,535,028	0.0929	0.0929	8,858	
	Road & Bridge	9,535,028	0.3360	0.3360	32,038	
	Special Road and Bridge	9,535,028	0.3847	0.3847	36,681	2020

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Barton</u>						
Newport Township Barton County	General Revenue	4,632,041	0.1000	0.1000	4,632	2022
	Road & Bridge	4,632,041	0.2743	0.2743	12,706	
	Special Road and Bridge	4,632,041	0.1029	0.1029	4,766	
North Fork Township Barton County	General Revenue	4,410,547	0.0980	0.0980	4,322	2020
	Road & Bridge	4,410,547	0.3065	0.3065	13,518	
	Special Road and Bridge	4,410,547	0.5153	0.5153	22,728	
Ozark Township Barton County	General Revenue	10,274,726	0.0930	0.0930	9,555	
	Road & Bridge	10,274,726	0.2380	0.2380	24,454	
Richland Township Barton County	General Revenue	11,180,743	0.0964	0.0964	10,778	2021
	Road & Bridge	11,180,743	0.3949	0.3949	44,153	
	Special Road and Bridge	11,180,743	0.4071	0.4071	45,517	
South West Township Barton County	General Revenue	9,016,487	0.0985	0.0985	8,881	
	Road & Bridge	9,016,487	0.3442	0.3442	31,035	
Union Township Barton County	General Revenue	6,835,796	0.0956	0.0956	6,535	
	Road & Bridge	6,835,796	0.4130	0.4130	28,232	
Golden City Volunteer FPD	General Revenue	27,799,969	0.0946	0.0946	26,299	
Barton County Health Department	General Revenue	195,565,377	0.1495	0.1495	292,370	
Liberal R-II School District	Operating Funds-Schools	36,898,932	3.1068	3.1068	1,146,376	^D
	Debt Service	36,898,932	0.6239	0.6000	221,394	
Golden City R-III School District	Operating Funds-Schools	20,092,658	3.9000	3.4300	689,178	^D
Lamar R-I School District	Operating Funds-Schools	106,402,406	3.7424	3.7424	3,982,004	^D
	Debt Service	106,402,406	1.2473	0.5176	550,739	
Barton County	General Revenue	195,565,377	0.2441	0.0500	97,783	
	Hospital	195,565,377	0.4332	0.4332	847,189	
<u>Bates</u>						
Cornland SRD Bates County	Road & Bridge	831,507	0.3500	0.3500	2,910	2023
	Special Road and Bridge	831,507	0.1807	0.1807	1,503	
South Hudson SRD Bates County	Road & Bridge	1,187,707	0.3250	0.3250	3,860	2022
	Special Road and Bridge	1,187,707	0.3095	0.3095	3,676	
City of Adrian	General Revenue	14,720,472	0.5797	0.5797	85,335	
	Parks & Recreation	14,720,472	0.0500	0.0500	7,360	
	Library	14,720,472	0.2011	0.2011	29,603	
City of Amoret	General Revenue	719,893	0.5889	0.5889	4,239	
City of Amsterdam	General Revenue	2,011,726	1.0000	1.0000	20,117	
City of Butler	General Revenue	43,110,435	0.6105	0.6105	263,189	
	Parks & Recreation	43,110,435	0.0286	0.0286	12,330	
	Lake	43,110,435	0.0124	0.0124	5,346	
City of Hume	General Revenue	1,917,450	1.0000	1.0000	19,175	
	Lights	1,917,450	0.4000	0.4000	7,670	
	Water	1,917,450	0.5500	0.5500	10,546	
Village of Merwin	General Revenue	334,308	0.5500	0.5500	1,839	
Village of Passaic	General Revenue	207,575	1.0000	1.0000	2,076	
City of Rich Hill	General Revenue	7,469,102	0.6964	0.6964	52,015	
	Parks & Recreation	7,469,102	0.2809	0.2809	20,981	
	Library	7,469,102	0.2400	0.2400	17,926	
	Health	7,469,102	0.1460	0.1460	10,905	
City of Rockville	General Revenue	1,545,921	0.9000	0.9000	13,913	
	Streets	1,545,921	0.4000	0.4000	6,184	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Bates						
Village of Foster	General Revenue	571,296	0.8544	0.8544	4,881	
Charlotte Township Bates County	General Revenue	5,590,195	0.1000	0.1000	5,590	
	Road & Bridge	5,590,195	0.3352	0.3352	18,738	
	Special Road and Bridge	5,590,195	0.3011	0.3011	16,832	2021
Deepwater Township Bates County	General Revenue	4,489,336	0.1000	0.1000	4,489	
	Road & Bridge	4,489,336	0.2474	0.2474	11,107	
	Special Road and Bridge	4,489,336	0.3618	0.3618	16,242	2022
Deer Creek Township Bates County	General Revenue	28,290,842	0.0721	0.0721	20,398	
	Road & Bridge	28,290,842	0.2373	0.2373	67,134	
East Boone Township Bates County	General Revenue	13,777,091	0.0879	0.0879	12,110	
	Road & Bridge	13,777,091	0.2419	0.2419	33,327	
	Special Road and Bridge	13,777,091	0.3494	0.3494	48,137	2022
Elkhart Township Bates County	General Revenue	4,966,147	0.0916	0.0916	4,549	
	Road & Bridge	4,966,147	0.2519	0.2519	12,510	
	Special Road and Bridge	4,966,147	0.2891	0.2891	14,357	2020
Grand River Township Bates County	General Revenue	3,911,937	0.1000	0.1000	3,912	
	Road & Bridge	3,911,937	0.2798	0.2798	10,946	
	Special Road and Bridge	3,911,937	0.3551	0.3551	13,891	2020
Homer Township Bates County	General Revenue	8,893,016	0.0957	0.0957	8,511	
	Road & Bridge	8,893,016	0.3232	0.3232	28,742	
	Special Road and Bridge	8,893,016	0.1883	0.1883	16,746 ^A	2023
Howard Township Bates County	General Revenue	6,561,981	0.1000	0.1000	6,562	
	Road & Bridge	6,561,981	0.3500	0.3500	22,967	
	Special Road and Bridge	6,561,981	0.3693	0.3693	24,233 ^A	2023
Hudson Township Bates County	General Revenue	5,170,080	0.1000	0.1000	5,170	
	Road & Bridge	5,170,080	0.3193	0.3193	16,508	
	Special Road and Bridge	5,170,080	0.3638	0.3638	18,809	2020
Lone Oak Township Bates County	General Revenue	5,802,131	0.0933	0.0933	5,413	
	Road & Bridge	5,802,131	0.2688	0.2688	15,596	
	Special Road and Bridge	5,802,131	0.3112	0.3112	18,056	2021
Mingo Township Bates County	General Revenue	5,800,106	0.0892	0.0892	5,174	
	Road & Bridge	5,800,106	0.2474	0.2474	14,349	
	Special Road and Bridge	5,800,106	0.1933	0.1933	11,212	2020
Mound Township Bates County	General Revenue	12,213,468	0.0883	0.0883	10,784	
	Road & Bridge	12,213,468	0.2426	0.2426	29,630	
	Special Road and Bridge	12,213,468	0.3588	0.3588	43,822	2020
Mount Pleasant Township Bates County	General Revenue	57,739,658	0.1000	0.1000	57,740	
	Road & Bridge	57,739,658	0.2246	0.2246	129,683	
New Home Township Bates County	General Revenue	3,898,528	0.1000	0.1000	3,899	
	Road & Bridge	3,898,528	0.2920	0.2920	11,384	
	Special Road and Bridge	3,898,528	0.3672	0.3672	14,315	2021
Osage Township Bates County	General Revenue	13,005,786	0.1000	0.1000	13,006	
	Road & Bridge	13,005,786	0.2695	0.2695	35,051	
	Special Road and Bridge	13,005,786	0.0206	0.0206	2,679 ^A	2023
Pleasant Gap Township Bates County	General Revenue	4,797,904	0.1000	0.1000	4,798	
	Road & Bridge	4,797,904	0.3049	0.3049	14,629	
	Special Road and Bridge	4,797,904	0.3628	0.3628	17,407	2022
Rockville Township Bates County	General Revenue	4,263,180	0.1000	0.1000	4,263	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Bates</u>						
Rockville Township Bates County	Road & Bridge	4,263,180	0.2928	0.2928	12,483	
Spruce Township Bates County	General Revenue	4,682,183	0.0803	0.0803	3,760	
	Road & Bridge	4,682,183	0.2409	0.2409	11,279	
	Special Road and Bridge	4,682,183	0.3778	0.3778	17,689	2022
Summit Township Bates County	General Revenue	5,419,870	0.0799	0.0799	4,330	
	Road & Bridge	5,419,870	0.2744	0.2744	14,872	
	Special Road and Bridge	5,419,870	0.3795	0.3795	20,568	2022
Walnut Township Bates County	General Revenue	6,393,554	0.1000	0.1000	6,394	
	Road & Bridge	6,393,554	0.3247	0.3247	20,760	
West Boone Township Bates County	General Revenue	9,803,421	0.0784	0.0784	7,686	
	Road & Bridge	9,803,421	0.2467	0.2467	24,185	
	Special Road and Bridge	9,803,421	0.3452	0.3452	33,841	2022
West Point Township Bates County	General Revenue	15,113,693	0.0900	0.0900	13,602	
	Road & Bridge	15,113,693	0.2793	0.2793	42,213	
	Special Road and Bridge	15,113,693	0.2040	0.2040	30,832 A	2023
Prairie Township Bates County	General Revenue	2,318,818	0.1000	0.1000	2,319	
	Road & Bridge	2,318,818	0.3266	0.3266	7,573	
	Special Road and Bridge	2,318,818	0.2456	0.2456	5,695 A	2023
Shawnee Township Bates County	General Revenue	4,452,987	0.1000	0.1000	4,453	
	Road & Bridge	4,452,987	0.3094	0.3094	13,778	
	Special Road and Bridge	4,452,987	0.3691	0.3691	16,436	2022
Bates County Health Center	General Revenue	237,355,912	0.0841	0.0841	199,616	
Miami R-I School District	Operating Funds-Schools	18,456,293	3.9000	3.9000	719,795 D	
	Operating Funds-Temp	18,456,293	0.4187	0.4187	77,276	2033
Ballard R-II School District	Operating Funds-Schools	12,422,828	4.2480	4.2480	527,722 D	
	Debt Service	12,422,828	0.8604	0.7500	93,171	
Adrian R-III School District	Operating Funds-Schools	46,386,464	3.7127	3.7127	1,722,190 D	
	Debt Service	46,386,464	0.9256	0.8023	372,159	
Rich Hill R-IV School District	Operating Funds-Schools	24,854,580	3.3607	3.3607	835,288 D	
	Debt Service	24,854,580	1.5667	1.0086	250,683	
Hume R-VIII School District	Operating Funds-Schools	8,498,491	5.2592	5.2592	446,953 D	
Hudson R-IX School District	Operating Funds-Schools	7,833,492	3.8458	3.7800	296,106 D	
Butler R-V School District	Operating Funds-Schools	78,042,565	3.8903	3.8903	3,036,090 BD	
	Debt Service	78,042,565	1.7878	0.9145	713,699	
Bates County	General Revenue	237,355,912	0.2737	0.2737	649,643	
	Developmental Dis. Board	237,355,912	0.1406	0.1406	333,722	
	Senior Services	237,355,912	0.0503	0.0503	119,390	
<u>Benton</u>						
Warsaw-Lincoln Ambulance District	General Revenue	215,677,711	0.0000	0.0000	0	
Cole Camp Ambulance District	General Revenue	65,891,694	0.2907	0.2011	132,508	
Lincoln Community NHD	General Revenue	67,041,336	0.1957	0.1957	131,200	
Good Samaritan NHD	General Revenue	80,613,991	0.1102	0.1102	88,837	
Brandon SRD Benton County	Road & Bridge	1,471,455	0.3500	0.3500	5,150	
Cole Camp SRD Benton County	Road & Bridge	13,962,712	0.3500	0.3500	48,869	
Ionia SRD Benton County	Road & Bridge	4,221,963	0.3000	0.3000	12,666	
City of Cole Camp	General Revenue	9,282,366	0.5064	0.5064	47,006	
Village of Ionia	General Revenue	572,196	0.8000	0.8000	4,578	
City of Lincoln	General Revenue	9,211,585	0.7700	0.7700	70,929	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Benton</u>						
City of Lincoln	Parks & Recreation	9,211,585	0.1529	0.1529	14,085	
City of Warsaw	General Revenue	26,698,092	0.4730	0.4730	126,282	
	Parks & Recreation	26,698,092	0.0000	0.0000	0	
Lincoln Community FPD	General Revenue	49,792,905	0.2475	0.2475	123,237	
Deer Creek FPD	General Revenue	19,337,481	0.3000	0.3000	58,012	
Warsaw FPD	General Revenue	129,570,535	0.2868	0.2868	371,608	
Lakeview Heights FPD	General Revenue	16,815,724	0.2855	0.2855	48,009	
Osage Valley FPD	General Revenue	13,421,430	0.2887	0.2887	38,748	
Cole Camp & Rural FPD	General Revenue	37,076,944	0.2973	0.2973	110,230	
Benton County Health Department	General Revenue	271,640,091	0.3887	0.3887	1,055,865	
Lincoln R-II School District	Operating Funds-Schools	48,563,154	3.5429	3.5429	1,720,544	^D
	Debt Service	48,563,154	0.5893	0.5000	242,816	
Warsaw R-IX School District	Operating Funds-Schools	159,662,646	2.7500	2.7500	4,390,723	^D
	Debt Service	159,662,646	1.2620	0.8000	1,277,301	
Cole Camp R-I School District	Operating Funds-Schools	62,151,696	2.7851	2.7500	1,709,172	^E
	Debt Service	62,151,696	0.8998	0.6200	385,341	
Benton County	General Revenue	271,640,091	0.3250	0.1350	366,714	
	Common Road District	251,953,964	0.2232	0.2232	562,361	
	Senior Services	271,640,091	0.0500	0.0500	135,820	
<u>Bollinger</u>						
Village of Glen Allen	General Revenue	724,854	0.5653	0.5653	4,098	
Village of Sedgewickville	General Revenue	1,447,811	0.4529	0.4529	6,557	
Woodland FPD	General Revenue	49,678,607	0.3000	0.3000	149,036	
Sedgewickville FPD	General Revenue	23,103,400	0.2006	0.2006	46,345	
North County FPD	General Revenue	42,839,255	0.2715	0.2715	116,309	
Zalma FPD	General Revenue	18,105,332	0.2799	0.2799	50,677	
Leopold Volunteer FPD	General Revenue	14,106,393	0.3000	0.3000	42,319	
Bollinger County Health Center	General Revenue	148,054,555	0.2458	0.2458	363,918	
Meadow Heights R-II School District	Operating Funds-Schools	44,997,060	2.7500	2.7500	1,237,419	^D
	Debt Service	44,997,060	0.4252	0.3500	157,490	
Leopold R-III School District	Operating Funds-Schools	11,148,190	2.9607	2.9500	328,872	^D
Zalma R-V School District	Operating Funds-Schools	15,254,834	2.8453	2.7500	419,508	^E
Woodland R-IV School District	Operating Funds-Schools	63,692,135	2.7500	2.7500	1,751,534	^D
Bollinger County	General Revenue	148,054,555	0.3627	0.2200	325,720	
	Library	148,054,555	0.0983	0.0983	145,538	
	Road & Bridge	148,054,555	0.2592	0.2592	383,757	
	Ambulance	148,054,555	0.1966	0.1966	291,075	
	Developmental Dis. Board	148,054,555	0.0983	0.0983	145,538	
<u>Boone</u>						
Callahan Creek WSD	General Revenue	22,913,742	0.0882	0.0882	20,210	
City of Ashland	General Revenue	73,217,459	0.2480	0.2480	181,579	
City of Centralia	General Revenue	62,714,438	0.6582	0.6582	412,786	
	Parks & Recreation	62,714,438	0.2947	0.2947	184,819	
City of Columbia	General Revenue	2,215,150,396	0.4078	0.4078	9,033,383	
City of Hallsville	General Revenue	19,714,657	0.5655	0.5655	111,486	
Town of Harrisburg	General Revenue	2,826,670	0.3655	0.3655	10,331	
City of Rocheport	General Revenue	3,443,550	0.2707	0.2707	9,322	
City of Sturgeon	General Revenue	8,946,271	0.5367	0.5367	48,015	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Boone</u>						
Centralia Public Library District	General Revenue	52,839,241	0.5435	0.5435	287,181	
Columbia and Boone County PLD	General Revenue	3,042,247,979	0.3064	0.3064	9,321,448	
Boone County FPD	General Revenue	640,591,317	0.6462	0.6342	4,062,630	
	Dispatch	640,591,317	0.0000	0.0000	0	
	Debt Service	640,591,317	0.2622	0.2500	1,601,478	
Southern Boone County FPD	General Revenue	176,741,460	0.3352	0.3352	592,437	
	Dispatch	176,741,460	0.0000	0.0000	0	
	Debt Service	176,741,460	0.2790	0.1647	291,093	
Southern Boone County R-I SD	Operating Funds-Schools	152,471,230	4.1118	4.1118	6,269,312	^D
	Debt Service	152,471,230	2.1120	1.6800	2,561,517	
Hallsville R-IV School District	Operating Funds-Schools	95,639,336	3.9174	3.9174	3,746,575	^D
	Debt Service	95,639,336	1.6458	1.1100	1,061,597	
Sturgeon R-V School District	Operating Funds-Schools	41,408,948	3.7836	3.7836	1,566,749	^E
	Debt Service	41,408,948	2.0498	1.2700	525,894	
Centralia R-VI School District	Operating Funds-Schools	114,093,905	3.4431	3.4431	3,928,367	^D
	Debt Service	114,093,905	0.8929	0.8900	1,015,436	
Harrisburg R-VIII School District	Operating Funds-Schools	46,177,522	4.0123	4.0123	1,852,781	^E
	Debt Service	46,177,522	1.2831	1.2412	573,155	
Columbia 93 School District	Operating Funds-Schools	2,654,480,334	5.4295	5.1265	136,081,934	
	Debt Service	2,654,480,334	1.0639	0.9719	25,798,894	
Boone County	General Revenue	3,095,091,508	0.3126	0.1200	3,714,110	
	Road & Bridge	3,095,091,508	0.2653	0.0500	1,547,546	
	Hospital	3,095,091,508	0.0000	0.0000	0	
	Developmental Dis. Board	3,095,091,508	0.1136	0.1136	3,516,024	
<u>Buchanan</u>						
Village of Agency	General Revenue	10,536,649	0.5140	0.5140	54,158	
Village of DeKalb	General Revenue	1,630,171	0.9356	0.9356	15,252	
City of Easton	General Revenue	1,593,344	0.4912	0.4912	7,827	
Village of Lewis & Clark	General Revenue	1,038,370	0.2427	0.2427	2,520	
	Lights	1,038,370	0.5827	0.5827	6,051	^A 2023
Village of Rushville	General Revenue	1,493,629	0.5000	0.5000	7,468	
City of St. Joseph	General Revenue	1,082,113,317	0.6700	0.6700	7,250,159	
	Parks & Recreation	1,082,113,317	0.2000	0.2000	2,164,227	
	Museum	1,082,113,317	0.0500	0.0500	541,057	
	Health	1,082,113,317	0.2232	0.2232	2,415,277	
	Debt Service	1,082,113,317	0.1284	0.1210	1,309,357	
St. Joseph Public Library District	General Revenue	718,945,566	0.2673	0.2673	1,921,741	
	General Revenue-Temp	718,945,566	0.1485	0.1485	1,067,634	2039
Rolling Hills Consolidated PLD	General Revenue	907,278,872	0.1586	0.1586	1,438,944	
	General Revenue-Temp	907,278,872	0.1534	0.1534	1,391,766	^A 2039
Colony Hills FPD	General Revenue	10,328,912	1.0889	1.0889	112,472	
	Fire	10,328,912	0.2470	0.2470	25,512	
Lake Contrary FPD	General Revenue	5,508,884	0.8400	0.8400	46,275	
	Fire	5,508,884	0.3826	0.3826	21,077	
Maxwell Heights FPD	General Revenue	14,676,315	1.1700	1.1700	171,713	
South Central Buchanan County FPD	General Revenue	96,786,960	0.3231	0.3231	312,719	
	General Revenue-Temp	96,786,960	0.3192	0.3192	308,944	2028
San Antonio FPD	General Revenue	19,987,615	0.2916	0.2916	58,284	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Buchanan</u>						
DeKalb FPD	General Revenue	31,820,070	0.2797	0.2797	89,001	
Easton FPD	General Revenue	13,259,840	0.2550	0.2550	33,813	
Southwest Buchanan County FPD	General Revenue	22,727,256	0.3913	0.3913	88,932	
St. Joseph Downtown CID	General Revenue	10,016,130	0.4275	0.4275	42,819	2041
East Buchanan County C-1 SD	Operating Funds-Schools	60,332,177	5.2934	5.2934	3,193,623	D
Mid-Buchanan County R-V SD	Operating Funds-Schools	70,948,120	4.6774	4.6774	3,318,527	D
	Debt Service	70,948,120	0.9545	0.9000	638,533	
Buchanan County R-IV SD	Operating Funds-Schools	22,685,983	4.2790	4.2785	970,620	D
	Debt Service	22,685,983	1.0427	0.9986	226,542	
St. Joseph School District	Operating Funds-Schools	1,116,584,771	3.7035	3.2056	35,793,241	
	Operating Funds-Temp	1,116,584,771	0.6266	0.6266	6,996,520	2023
	Debt Service	1,116,584,771	0.6007	0.5076	5,667,784	
Buchanan County	General Revenue	1,335,049,210	0.3500	0.0751	1,002,622	
	Road & Bridge	1,335,049,210	0.2911	0.2911	3,886,328	
	Developmental Dis. Board	1,335,049,210	0.1000	0.1000	1,335,049	
<u>Butler</u>						
Naylor-Neelyville AD	General Revenue	47,294,889	0.2973	0.2973	140,608	
City of Fisk	General Revenue	2,322,460	0.7940	0.7940	18,440	
City of Neelyville	General Revenue	2,483,313	0.7034	0.7034	17,468	
City of Poplar Bluff	General Revenue	258,786,355	0.5208	0.5172	1,338,443	
	Pension	258,786,355	0.0983	0.0976	252,575	
City of Qulin	General Revenue	3,049,115	0.6373	0.6373	19,432	
Poplar Bluff Municipal PLD	General Revenue	258,786,355	0.0000	0.0000	0	
Butler County FPD	General Revenue	355,133,226	0.2396	0.2396	850,899	
Qulin Community FPD	General Revenue	18,549,149	0.1600	0.1600	29,679	
Butler County Health Department	General Revenue	632,064,059	0.0963	0.0963	608,678	
Three Rivers Community College	General Revenue	952,701,236	0.2355	0.2355	2,243,611	
Neelyville R-IV School District	Operating Funds-Schools	41,060,972	2.9680	2.9680	1,218,690	D
Poplar Bluff R-I School District	Operating Funds-Schools	484,292,568	3.4718	3.4718	16,813,669	D
	Debt Service	484,292,568	0.2197	0.1800	871,727	
Twin Rivers R-X School District	Operating Funds-Schools	68,583,300	3.0682	3.0682	2,104,273	D
Butler County	General Revenue	632,064,059	0.2295	0.0905	572,018	
	Road & Bridge	632,064,059	0.1662	0.0272	171,921	
	Developmental Dis. Board	632,064,059	0.0965	0.0965	609,942	
	Senior Services	632,064,059	0.0480	0.0480	303,391	
<u>Caldwell</u>						
Caldwell County Ambulance District	General Revenue	175,947,769	0.1707	0.0825	145,157	
Golden Age NHD	General Revenue	56,252,829	0.1056	0.1056	59,403	
City of Braymer	General Revenue	5,634,108	0.8531	0.8531	48,065	
City of Breckenridge	General Revenue	1,869,801	1.0000	1.0000	18,698	
	Lights	1,869,801	0.1000	0.1000	1,870	
	Library	1,869,801	0.0500	0.0500	935	
City of Cowgill	General Revenue	1,008,427	1.0000	1.0000	10,084	
City of Hamilton	General Revenue	17,144,044	0.9370	0.9370	160,640	
	Parks & Recreation	17,144,044	0.2530	0.2530	43,374	
	Library	17,144,044	0.3058	0.3058	52,426	
	Debt Service	17,144,044	0.9597	0.9597	164,531	
City of Kidder	General Revenue	2,036,450	1.0000	1.0000	20,365	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Caldwell</u>						
City of Kingston	General Revenue	1,531,156	0.9929	0.9929	15,203	
City of Polo	General Revenue	4,824,843	0.7520	0.7520	36,283	
	Debt Service	4,824,843	0.1997	0.1997	9,635	
Caldwell County Library District	General Revenue	157,721,374	0.1105	0.1105	174,282	
Breckenridge Township Caldwell County	General Revenue	8,885,661	0.0928	0.0928	8,246	
	Road & Bridge	8,885,661	0.4648	0.4648	41,301	
	Special Road and Bridge	8,885,661	0.3054	0.3054	27,137 ^A	2023
Davis Township Caldwell County	General Revenue	19,292,197	0.0746	0.0746	14,392	
	Road & Bridge	19,292,197	0.3561	0.3561	68,700	
	Special Road and Bridge	19,292,197	0.1627	0.1627	31,388 ^A	2023
Fairview Township Caldwell County	General Revenue	4,513,435	0.0955	0.0955	4,310	
	Road & Bridge	4,513,435	0.4771	0.4771	21,534	
	Special Road and Bridge	4,513,435	0.3179	0.3179	14,348	2020
Gomer Township Caldwell County	General Revenue	8,403,152	0.0920	0.0920	7,731	
	Road & Bridge	8,403,152	0.4571	0.4571	38,411	
	Special Road and Bridge	8,403,152	0.3472	0.3472	29,176	2020
Grant Township Caldwell County	General Revenue	31,332,982	0.0829	0.0829	25,975	
	Road & Bridge	31,332,982	0.3378	0.3378	105,843	
	Special Road and Bridge	31,332,982	0.2271	0.2271	71,157 ^A	2023
Hamilton Township Caldwell County	General Revenue	27,920,609	0.0701	0.0701	19,572	
	Road & Bridge	27,920,609	0.3105	0.3105	86,693	
Kidder Township Caldwell County	General Revenue	14,724,053	0.0906	0.0906	13,340	
	Road & Bridge	14,724,053	0.3720	0.3720	54,773	
	Special Road and Bridge	14,724,053	0.3115	0.3115	45,865 ^A	2023
Kingston Township Caldwell County	General Revenue	8,241,771	0.0982	0.0982	8,093	
	Road & Bridge	8,241,771	0.4912	0.4912	40,484	
	Special Road and Bridge	8,241,771	0.3526	0.3526	29,060 ^A	2023
Lincoln Township Caldwell County	General Revenue	15,597,340	0.0698	0.0698	10,887	
	Road & Bridge	15,597,340	0.3073	0.3073	47,931	
	Special Road and Bridge	15,597,340	0.3082	0.3082	48,071 ^A	2023
Mirabile Township Caldwell County	General Revenue	6,526,969	0.0947	0.0947	6,181	
	Road & Bridge	6,526,969	0.4484	0.4484	29,267	
	Special Road and Bridge	6,526,969	0.3349	0.3349	21,859	2020
New York Township Caldwell County	General Revenue	7,493,716	0.0742	0.0742	5,560	
	Road & Bridge	7,493,716	0.3545	0.3545	26,565	
	Special Road and Bridge	7,493,716	0.3035	0.3035	22,743 ^A	2023
Rockford Township Caldwell County	General Revenue	22,930,209	0.0611	0.0611	14,010	
	Road & Bridge	22,930,209	0.2686	0.2686	61,591	
	Special Road and Bridge	22,930,209	0.3143	0.3143	72,070	2020
Hamilton FPD	General Revenue	44,106,566	0.1766	0.1766	77,892	
Shoal Creek FPD	General Revenue	39,559,716	0.3000	0.3000	118,679	
Caldwell County Health Department	General Revenue	175,947,769	0.2211	0.2211	389,021	
Breckenridge R-I School District	Operating Funds-Schools	7,689,832	4.7675	4.7675	366,613 ^D	
Hamilton R-II School District	Operating Funds-Schools	44,923,604	3.1236	3.1236	1,403,234 ^D	
	Operating Funds-Temp	44,923,604	0.3725	0.3578	160,737	2026
	Debt Service	44,923,604	1.4954	1.3800	619,946	
New York R-IV School District	Operating Funds-Schools	4,650,310	4.9331	4.5900	213,449	
Cowgill R-VI School District	Operating Funds-Schools	4,512,040	3.6745	3.6745	165,795 ^D	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Caldwell</u>						
Polo R-VII School District	Operating Funds-Schools	28,108,414	3.5023	3.5023	984,441	D
	Debt Service	28,108,414	1.1860	1.1101	312,032	
Mirabile C-1 School District	Operating Funds-Schools	5,724,240	4.4891	4.4891	256,967	D
Braymer C-4 School District	Operating Funds-Schools	21,331,321	3.8264	3.7500	799,925	BD
Kingston 42 School District	Operating Funds-Schools	5,316,310	4.5534	4.5534	242,073	D
Caldwell County	General Revenue	175,947,769	0.3319	0.2483	436,878	
	Senior Services	175,947,769	0.0500	0.0500	87,974	
<u>Callaway</u>						
Callaway County Ambulance District	General Revenue	915,096,140	0.1215	0.0099	90,595	
City of Auxvasse	General Revenue	10,828,156	0.6462	0.6462	69,972	
City of Fulton	General Revenue	137,529,190	0.5279	0.5279	726,017	
Village of Kingdom City	General Revenue	12,094,571	0.2300	0.2300	27,818	
City of Mokane	General Revenue	1,410,675	0.7653	0.7653	10,796	
City of New Bloomfield	General Revenue	7,015,284	0.3003	0.3003	21,067	
	Debt Service	7,015,284	1.8233	0.9200	64,541	
Callaway County Library District	General Revenue	915,096,140	0.2690	0.2690	2,461,609	B
Millersburg FPD	General Revenue	41,687,500	0.4462	0.4462	186,010	
Central Callaway FPD	General Revenue	82,269,689	0.3951	0.3951	325,048	
Holts Summit FPD	General Revenue	146,872,710	0.2189	0.2189	321,504	
	Debt Service	146,872,710	0.1849	0.1849	271,568	
South Callaway FPD	General Revenue	316,073,160	0.2005	0.2005	633,727	
North Callaway FPD	General Revenue	109,010,958	0.2593	0.2593	282,665	
New Bloomfield FPD	General Revenue	48,781,267	0.2426	0.2426	118,343	
North Callaway County R-I SD	Operating Funds-Schools	117,228,578	3.7561	3.7561	4,403,223	D
	Debt Service	117,228,578	0.9995	0.9041	1,059,864	
New Bloomfield R-III SD	Operating Funds-Schools	57,371,383	3.3781	3.3781	1,938,063	D
	Debt Service	57,371,383	1.0896	1.0381	595,572	
Fulton 58 School District	Operating Funds-Schools	225,692,191	3.9471	3.9471	8,908,296	D
	Debt Service	225,692,191	0.8130	0.7612	1,717,969	
South Callaway County R-II SD	Operating Funds-Schools	315,346,386	2.7500	2.7500	8,672,026	
Callaway County	General Revenue	915,096,140	0.3328	0.3328	3,045,440	
	Road & Bridge	915,096,140	0.2576	0.2576	2,357,288	
	Developmental Dis. Board	915,096,140	0.0987	0.0987	903,200	
<u>Camden</u>						
Cam-MO Ambulance District	General Revenue	688,929,617	0.1071	0.0480	330,686	
Camden County Ambulance District	General Revenue	632,926,666	0.2791	0.2791	1,766,498	
Horseshoe Bend SRD 1 Camden County	Special Road and Bridge	317,734,040	0.3552	0.3552	1,128,591	2020
City of Linn Creek	General Revenue	5,801,481	0.0000	0.0000	0	
City of Stoutland	General Revenue	1,126,474	0.7702	0.7702	8,676	
Camden County Library District	General Revenue	1,753,096,642	0.0963	0.0963	1,688,232	
Osage Beach FPD	General Revenue	521,006,655	0.7773	0.7773	4,049,785	
Sunrise Beach FPD	General Revenue	367,935,499	0.5082	0.5082	1,869,848	
	Debt Service	367,935,499	0.1397	0.1397	514,006	
Mid-County FPD Camden County	General Revenue	329,670,213	0.6032	0.6032	1,988,571	
Northwest FPD Camden County	General Revenue	68,758,817	0.2686	0.2615	179,804	
Southwest Camden County FPD	General Revenue	28,204,821	0.5529	0.5529	155,944	
Tri-County FPD	General Revenue	21,478,300	0.3000	0.3000	64,435	
Camelot Sewer District	Debt Service	21,793,822	0.0982	0.0982	21,402	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Camden</u>						
Stoutland R-II School District	Operating Funds-Schools	27,822,085	3.5300	3.5300	982,120	D
Camdenton R-III School District	Operating Funds-Schools	1,221,747,595	2.6600	2.6600	32,498,486	D
	Debt Service	1,221,747,595	0.3876	0.3100	3,787,418	
Climax Springs R-IV School District	Operating Funds-Schools	98,249,876	2.7500	2.7500	2,701,872	
Macks Creek R-V School District	Operating Funds-Schools	35,065,880	3.4758	3.4300	1,202,760	D
	Debt Service	35,065,880	0.5929	0.4100	143,770	
Camden County	General Revenue	1,753,096,642	0.2118	0.1100	1,928,406	
	Road & Bridge	1,753,096,642	0.1446	0.1100	1,928,406	
	Developmental Dis. Board	1,753,096,642	0.0576	0.0576	1,009,784	
	Senior Services	1,753,096,642	0.0460	0.0460	806,424	
<u>Cape Girardeau</u>						
Cape Girardeau SRD	Road & Bridge	837,428,998	0.0000	0.0000	0	
City of Cape Girardeau	General Revenue	679,804,747	0.3044	0.3044	2,069,326	
	Health	679,804,747	0.0570	0.0570	387,489	
City of Delta	General Revenue	3,269,546	0.7292	0.7292	23,842	
Village of Gordonville	General Revenue	9,101,622	0.4330	0.4330	39,410	
City of Jackson	General Revenue	243,286,065	0.5862	0.5862	1,426,143	
	Parks & Recreation	243,286,065	0.1230	0.1230	299,242	
	Cemetery	243,286,065	0.0757	0.0757	184,168	
	Band	243,286,065	0.0757	0.0757	184,168	
Village of Oak Ridge	General Revenue	2,036,352	0.3525	0.3525	7,178	
Village of Pochontas	General Revenue	661,750	0.5762	0.5762	3,813	
Village of Whitewater	General Revenue	636,870	0.8231	0.8231	5,242	
Village of Old Appleton	General Revenue	981,153	0.4017	0.4017	3,941	
Town of Allenville	General Revenue	365,028	0.4953	0.4953	1,808	
Cape Girardeau Library District	General Revenue	571,579,579	0.1652	0.1652	944,249	
	General Revenue-Temp	571,579,579	0.1500	0.1500	857,369	2026
Cape Girardeau County PLD	General Revenue	860,109,525	0.0729	0.0729	627,020	
East County Area FPD	General Revenue	104,404,832	0.3000	0.3000	313,214	
Delta FPD	General Revenue	18,541,415	0.2810	0.2810	52,101	
Fruitland Area FPD	General Revenue	120,243,769	0.7701	0.7701	925,997	
North Cape County Rural FPD	General Revenue	33,927,944	0.2561	0.2561	86,889	
Gordonville FPD	General Revenue	104,469,041	0.3000	0.3000	313,407	
Millersville Rural FPD	General Revenue	78,255,919	0.2763	0.2763	216,221	
	Debt Service	78,255,919	0.1959	0.1000	78,256	
Whitewater FPD	General Revenue	16,053,184	0.3890	0.3890	62,447	
Cape Girardeau SBD	General Revenue	3,587,450	0.7076	0.7076	25,385	
Cape Girardeau County Public Health	General Revenue	1,432,209,799	0.0960	0.0960	1,374,921	
Jackson R-II School District	Operating Funds-Schools	568,035,177	3.4378	3.4378	19,527,913	D
	Debt Service	568,035,177	0.7058	0.3622	2,057,423	
Delta R-V School District	Operating Funds-Schools	24,569,494	3.5000	3.5000	859,932	D
	Debt Service	24,569,494	1.1114	0.9500	233,410	
Oak Ridge R-VI School District	Operating Funds-Schools	31,149,900	3.6457	3.5670	1,111,117	BD
	Debt Service	31,149,900	1.3123	0.7652	238,359	
Cape Girardeau 63 School District	Operating Funds-Schools	688,361,498	3.5195	3.5195	24,226,883	D
	Debt Service	688,361,498	0.8622	0.6372	4,386,239	
Nell Holcomb R-IV School District	Operating Funds-Schools	55,844,861	4.1570	4.0700	2,272,886	BD
Cape Girardeau County	General Revenue	1,432,209,799	0.3358	0.0750	1,074,157	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cape Girardeau</u>						
Cape Girardeau County	Road & Bridge	594,260,106	0.0000	0.0000	0	
	Developmental Dis. Board	1,432,209,799	0.0553	0.0553	792,012	
	Mental Health	1,432,209,799	0.0772	0.0772	1,105,666	
	Senior Services	1,432,209,799	0.0478	0.0478	684,596	
<u>Carroll</u>						
Carroll County Ambulance District	General Revenue	239,375,302	0.2725	0.2725	652,298	
Big Creek Watershed Subdistrict	General Revenue	18,680,400	0.2619	0.2619	48,924	
City of Bogard	General Revenue	1,135,645	1.0000	1.0000	11,356	
City of Bosworth	General Revenue	1,762,564	0.9808	0.9808	17,287	
Town of Carrollton	General Revenue	34,269,204	0.8867	0.8867	303,865	
	Parks & Recreation	34,269,204	0.3000	0.3000	102,808	
	Library	34,269,204	0.3493	0.3493	119,702	
City of De Witt	General Revenue	650,502	0.9868	0.9868	6,419	
City of Hale	General Revenue	2,869,821	0.3860	0.3860	11,078	
	Lights	2,869,821	0.3040	0.3040	8,724	
	Streets	2,869,821	0.1754	0.1754	5,034	
City of Norborne	General Revenue	7,536,415	0.7714	0.7714	58,136	
	Parks & Recreation	7,536,415	0.1874	0.1874	14,123	
	Library	7,536,415	0.1432	0.1432	10,792	
	General Revenue-Temp	7,536,415	0.3000	0.3000	22,609	2020
Village of Tina	General Revenue	1,181,052	1.0000	1.0000	11,811	
Carrollton Township Carroll County	General Revenue	54,501,099	0.1000	0.1000	54,501	
	Road & Bridge	54,501,099	0.4308	0.4308	234,791	
De Witt Township Carroll County	General Revenue	12,064,898	0.0824	0.0824	9,941	
	Road & Bridge	12,064,898	0.3747	0.3747	45,207	
	Special Road and Bridge	12,064,898	0.3449	0.3449	41,612	2020
Egypt Township Carroll County	General Revenue	17,361,150	0.0949	0.0949	16,476	
	Road & Bridge	17,361,150	0.3478	0.3478	60,382	
	Special Road and Bridge	17,361,150	0.3496	0.3496	60,695	2020
Eugene Township Carroll County	General Revenue	9,856,751	0.0970	0.0970	9,561	
	Road & Bridge	9,856,751	0.4845	0.4845	47,756	
	Special Road and Bridge	9,856,751	0.3500	0.3500	34,499	2020
Fairfield Township Carroll County	General Revenue	3,908,925	0.0806	0.0806	3,151	
	Road & Bridge	3,908,925	0.3931	0.3931	15,366	
	Special Road and Bridge	3,908,925	0.3562	0.3562	13,924	2020
Hill Township Carroll County	General Revenue	12,667,535	0.0611	0.0611	7,740	
	Road & Bridge	12,667,535	0.3060	0.3060	38,763	
	Special Road and Bridge	12,667,535	0.3406	0.3406	43,146	2020
Hurricane Township Carroll County	General Revenue	11,057,950	0.0907	0.0907	10,030	
	Road & Bridge	11,057,950	0.4033	0.4033	44,597	
	Special Road and Bridge	11,057,950	0.3607	0.3607	39,886	2020
Leslie Township Carroll County	General Revenue	10,740,333	0.0672	0.0672	7,218	
	Road & Bridge	10,740,333	0.3214	0.3214	34,519	
	Special Road and Bridge	10,740,333	0.3345	0.3345	35,926	2020
Moss Creek Township Carroll County	General Revenue	10,254,154	0.0856	0.0856	8,778	
	Road & Bridge	10,254,154	0.4281	0.4281	43,898	
	Special Road and Bridge	10,254,154	0.3480	0.3480	35,684	2020
Prairie Township Carroll County	General Revenue	6,514,220	0.0733	0.0733	4,775	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Carroll</u>						
Prairie Township Carroll County	Road & Bridge	6,514,220	0.3483	0.3483	22,689	2020
	Special Road and Bridge	6,514,220	0.3486	0.3486	22,709	
Ridge Township Carroll County	General Revenue	16,259,127	0.0680	0.0680	11,056	2020
	Road & Bridge	16,259,127	0.3236	0.3236	52,615	
	Special Road and Bridge	16,259,127	0.3472	0.3472	56,452	
Rockford Township Carroll County	General Revenue	6,706,690	0.0996	0.0996	6,680	2020
	Road & Bridge	6,706,690	0.4569	0.4569	30,643	
	Special Road and Bridge	6,706,690	0.3521	0.3521	23,614	
Stokes Mound Township Carroll County	General Revenue	6,318,269	0.1000	0.1000	6,318	2020
	Road & Bridge	6,318,269	0.5000	0.5000	31,591	
	Special Road and Bridge	6,318,269	0.3527	0.3527	22,285	
Sugartree Township Carroll County	General Revenue	2,329,811	0.0879	0.0879	2,048	2020
	Road & Bridge	2,329,811	0.4387	0.4387	10,221	
	Special Road and Bridge	2,329,811	0.3533	0.3533	8,231	
Trotter Township Carroll County	General Revenue	5,689,803	0.0921	0.0921	5,240	2020
	Road & Bridge	5,689,803	0.4611	0.4611	26,236	
	Special Road and Bridge	5,689,803	0.3503	0.3503	19,931	
Van Horn Township Carroll County	General Revenue	19,499,651	0.0937	0.0937	18,271	2020
	Road & Bridge	19,499,651	0.4549	0.4549	88,704	
	Special Road and Bridge	19,499,651	0.0974	0.0974	18,993	
Wakenda Township Carroll County	General Revenue	10,246,727	0.0996	0.0996	10,206	2020
	Road & Bridge	10,246,727	0.4980	0.4980	51,029	
	Special Road and Bridge	10,246,727	0.3816	0.3816	39,102	
Washington Township Carroll County	General Revenue	11,427,862	0.0524	0.0524	5,988	2020
	Road & Bridge	11,427,862	0.2450	0.2450	27,998	
	Special Road and Bridge	11,427,862	0.3481	0.3481	39,780	
Combs Township Carroll County	General Revenue	11,970,347	0.0664	0.0664	7,948	2020
	Road & Bridge	11,970,347	0.3320	0.3320	39,742	
	Special Road and Bridge	11,970,347	0.3412	0.3412	40,843	
North Central Carroll FPD	General Revenue	43,979,988	0.2241	0.2241	98,559	
Carroll County FPD	General Revenue	87,120,738	0.2567	0.2567	223,639	
Norborne FPD	General Revenue	24,560,271	0.2899	0.2899	71,200	
Hale FPD	General Revenue	20,524,348	0.2876	0.2876	59,028	
Carroll County Health Department	General Revenue	239,375,302	0.0954	0.0954	228,364	
Hale R-I School District	Operating Funds-Schools	9,593,089	3.7665	3.7665	361,324	D
Tina-Avalon R-II School District	Operating Funds-Schools	11,998,060	3.7547	3.7547	450,491	D
Bosworth R-V School District	Operating Funds-Schools	8,380,375	4.0522	4.0522	339,590	D
Carrollton R-VII School District	Operating Funds-Schools	68,256,358	3.5938	3.5938	2,452,997	D
	Operating Funds-Temp	68,256,358	1.3407	1.3407	915,113	2026
Norborne R-VIII School District	Operating Funds-Schools	18,154,763	4.1402	4.1402	751,643	D
	Debt Service	18,154,763	1.0270	0.5300	96,220	
Carroll County	General Revenue	239,375,302	0.3499	0.2714	649,665	
	Johnson Grass	239,375,302	0.0099	0.0099	23,698	
	Developmental Dis. Board	239,375,302	0.0954	0.0954	228,364	
<u>Carter</u>						
East Carter Ambulance District	General Revenue	33,297,326	0.3729	0.3729	124,166	
West Carter Ambulance District	General Revenue	41,548,723	0.4320	0.4320	179,490	
City of Grandin	General Revenue	1,442,536	0.9969	0.9969	14,381	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Carter</u>						
Carter County Library District	General Revenue	74,846,050	0.1827	0.1827	136,744	
Ellsinore Rural FPD	General Revenue	18,749,157	0.1418	0.1418	26,586	
Eastwood FPD	General Revenue	2,743,299	0.2448	0.2448	6,716	
Fremont FPD	General Revenue	3,078,399	0.3453	0.3453	10,630	
Carter County Health Center	General Revenue	74,846,050	0.2284	0.2284	170,948	
East Carter County R-II SD	Operating Funds-Schools	41,793,315	2.7500	2.7500	1,149,316	^D
Van Buren R-I School District	Operating Funds-Schools	43,255,168	3.2873	3.2873	1,421,927	^D
Carter County	General Revenue	74,846,050	0.3021	0.1175	87,944	
	Road & Bridge	74,846,050	0.2196	0.2196	164,362	
	Developmental Dis. Board	74,846,050	0.0779	0.0779	58,305	
	Senior Services	74,846,050	0.0500	0.0500	37,423	^B
<u>Cass</u>						
Cass Medical Center	General Revenue	1,849,495,904	0.1261	0.1261	2,332,214	
Mt. Pleasant SRD Cass County	Road & Bridge	338,507,406	0.1867	0.1867	631,993	
City of Archie	General Revenue	13,013,476	0.7198	0.7198	93,671	
City of Belton	General Revenue	301,366,471	0.5001	0.5116	1,541,791	^C
	Parks & Recreation	301,366,471	0.2225	0.2276	685,910	^C
	Debt Service	301,366,471	1.6988	1.3305	4,009,681	
City of Cleveland	General Revenue	11,212,446	0.4628	0.4628	51,891	
City of Creighton	General Revenue	2,206,878	0.9521	0.9521	21,012	
City of Drexel	General Revenue	11,206,680	0.6497	0.6497	72,810	
City of East Lynne	General Revenue	2,860,073	0.9043	0.9043	25,864	
	Debt Service	2,860,073	1.2757	1.2757	36,486	
City of Freeman	General Revenue	5,438,962	0.5362	0.5362	29,164	
City of Garden City	General Revenue	16,320,131	0.4004	0.4004	65,346	
City of Harrisonville	General Revenue	148,282,793	0.5295	0.5295	785,157	
	Parks & Recreation	148,282,793	0.1197	0.1197	177,495	
City of Lake Winnebago	General Revenue	47,975,670	0.8492	0.8492	407,409	
	Debt Service	47,975,670	0.8431	0.8155	391,242	
City of Peculiar	General Revenue	82,028,607	0.4097	0.4097	336,071	
	Debt Service	82,028,607	0.6592	0.6592	540,733	
City of Pleasant Hill	General Revenue	129,385,087	0.3387	0.3387	438,227	
	Parks & Recreation	129,385,087	0.0677	0.0677	87,594	
	Streets	129,385,087	0.1269	0.1269	164,190	
	Health	129,385,087	0.0677	0.0677	87,594	
	Debt Service	129,385,087	1.1630	0.5934	767,771	
City of Raymore	General Revenue	385,650,641	0.4231	0.4231	1,631,688	
	Parks & Recreation	385,650,641	0.1139	0.1139	439,256	
	Debt Service	385,650,641	0.9177	0.7170	2,765,115	
City of Strasburg	General Revenue	1,080,913	0.9911	0.9911	10,713	
Village of West Line	General Revenue	1,785,707	0.4745	0.4745	8,473	
Village of Baldwin Park	General Revenue	467,456	0.4888	0.4888	2,285	
City of Lake Annette	General Revenue	716,259	0.1821	0.1821	1,304	
Village of Riverview Estates	General Revenue	1,319,731	0.4700	0.4700	6,203	
Cass County Public Library District	General Revenue	1,849,495,904	0.2633	0.2633	4,869,723	^B
Central Cass County FPD	General Revenue	141,603,785	0.5463	0.5463	773,581	
	Ambulance	141,603,785	0.2361	0.2361	334,327	
	Debt Service	141,603,785	0.1949	0.1500	212,406	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Cass						
Garden City FPD	General Revenue	51,902,302	0.2099	0.2099	108,943	
	Ambulance	51,902,302	0.2863	0.2863	148,596	
	Debt Service	51,902,302	0.2210	0.2210	114,704	
South Metropolitan FPD	General Revenue	497,023,354	0.7016	0.6115	3,039,298	B
	Ambulance	497,023,354	0.4066	0.3545	1,761,948	
	Dispatch	497,023,354	0.0432	0.0376	186,881	
	Debt Service	497,023,354	0.3700	0.2456	1,220,689	
West Peculiar FPD	General Revenue	144,800,457	0.6825	0.6825	988,263	
	Ambulance	144,800,457	0.2736	0.2736	396,174	
	Dispatch	144,800,457	0.0456	0.0456	66,029	
	Ambulance/EMS	144,800,457	0.2736	0.2736	396,174	
	Debt Service	144,800,457	0.2187	0.2187	316,679	
Creighton FPD	General Revenue	11,899,776	0.2533	0.2533	30,142	
	Ambulance	11,901,776	0.2944	0.2944	35,039	
Western Cass FPD	General Revenue	49,638,280	0.3758	0.3758	186,541	
	Dispatch	49,638,280	0.0443	0.0443	21,990	
	Debt Service	49,638,280	0.3364	0.3000	148,915	
Dolan & West Dolan FPD	General Revenue	40,986,411	0.4883	0.4883	200,137	
	Debt Service	40,986,411	0.6652	0.5213	213,662	
East Lynne-Gunn City FPD	General Revenue	23,685,626	0.2916	0.2916	69,067	
Mount Pleasant FPD	General Revenue	112,515,213	0.2723	0.2723	306,379	
Pleasant Hill FPD	General Revenue	221,882,956	0.4181	0.3687	818,082	
	Ambulance	221,882,956	0.2787	0.2293	508,778	
Dikeland Sewer District	General Revenue	1,147,860	0.0000	0.0000	0	
Hubach Hill Rd/North Cass Pkwy CID	General Revenue	9,650	0.5803	0.5803	56	2040
Y Belton CID	General Revenue	580	1.3793	1.3793	8	2043
Y Belton Two CID	General Revenue	270	1.4815	1.4815	4	2047
Cass County R-V School District	Operating Funds-Schools	40,165,553	4.1181	3.9894	1,602,365	BD
	Debt Service	40,165,553	1.0893	0.7200	289,192	
Strasburg C-3 School District	Operating Funds-Schools	16,393,425	3.9247	3.9247	643,393	D
	Debt Service	16,393,425	1.5950	1.5501	254,114	
Raymore-Peculiar R-II SD	Operating Funds-Schools	661,946,351	4.1502	4.1502	27,472,097	D
	Debt Service	661,946,351	1.1731	1.0321	6,831,948	
Sherwood Cass R-VIII SD	Operating Funds-Schools	64,265,958	4.2248	4.2248	2,715,108	D
	Debt Service	64,265,958	0.8813	0.8700	559,114	
East Lynne 40 School District	Operating Funds-Schools	17,710,459	4.6009	4.6009	814,841	D
Pleasant Hill R-III School District	Operating Funds-Schools	188,136,069	3.5296	3.5296	6,640,451	D
	Debt Service	188,136,069	1.0227	0.9623	1,810,433	
Harrisonville R-IX School District	Operating Funds-Schools	231,687,172	4.5319	4.4000	10,194,236	BD
	Debt Service	231,687,172	1.2003	1.0772	2,495,734	
Drexel R-IV School District	Operating Funds-Schools	22,934,410	4.2111	4.2111	965,791	D
	Debt Service	22,934,410	1.5926	1.0672	244,756	
Midway R-I School District	Operating Funds-Schools	50,352,679	4.9879	4.9879	2,511,541	D
	Debt Service	50,352,679	1.0934	0.8200	412,892	
Belton 124 School District	Operating Funds-Schools	400,543,418	3.7402	3.8048	15,239,876	DC
	Debt Service	400,543,418	2.0506	1.6071	6,437,133	
Cass County	Road & Bridge	1,849,495,904	0.1789	0.1789	3,308,748	
	Developmental Dis. Board	1,849,495,904	0.0461	0.0461	852,618	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cedar</u>						
Cedar County Memorial Hospital	General Revenue	184,152,317	0.1533	0.1533	282,306	
Bear Creek SRD Cedar County	Special Road and Bridge	6,716,541	0.3572	0.3572	23,991	2021
Bethel SRD Cedar County	Special Road and Bridge	1,191,439	0.3657	0.3657	4,357	2021
Caplinger Mills SRD Cedar County	Special Road and Bridge	3,688,389	0.3680	0.3680	13,573	2021
Cedar Hall SRD Cedar County	Special Road and Bridge	1,410,012	0.3500	0.3500	4,935	2021
Eldorado Springs SRD Cedar County	Special Road and Bridge	51,532,775	0.3607	0.3607	185,879	2021
Independence SRD Cedar County	Special Road and Bridge	1,265,666	0.3564	0.3564	4,511	2021
Jerico Springs SRD Cedar County	Special Road and Bridge	851,745	0.3582	0.3582	3,051	2021
Koncord SRD Cedar County	Special Road and Bridge	4,871,451	0.3617	0.3617	17,620	2021
Madison SRD Cedar County	Special Road and Bridge	1,898,687	0.3656	0.3656	6,942	2021
Masters SRD Cedar County	Special Road and Bridge	2,759,269	0.3607	0.3607	9,953	2021
Omer SRD Cedar County	Special Road and Bridge	1,141,284	0.3650	0.3650	4,166	2020
Rowland SRD Cedar County	Special Road and Bridge	7,175,442	0.3568	0.3568	25,602	2021
Dogwood SRD Cedar County	Special Road and Bridge	990,181	0.3631	0.3631	3,595	2022
City of El Dorado Springs	General Revenue	33,412,035	0.6156	0.6156	205,684	
	Band	33,412,035	0.1481	0.1481	49,483	
	Parks	33,412,035	0.2278	0.2278	76,113	
	Recreation	33,412,035	0.1000	0.1000	33,412	
Village of Jerico Springs	General Revenue	801,183	0.5000	0.5000	4,006	
City of Stockton	General Revenue	26,880,680	0.4436	0.4436	119,243	
Village of Umber View Heights	General Revenue	757,255	0.2637	0.2637	1,997	
Cedar County Library District	General Revenue	184,152,317	0.0817	0.0817	150,452	
Cedar County Chapel Hills FPD	General Revenue	24,565,110	0.2000	0.2000	49,130	
Caplinger Mills FPD	General Revenue	12,394,800	0.2007	0.2007	24,876 ^A	
Korth Special Road Subdistrict	Special Road and Bridge	2,948,629	0.3620	0.3620	10,674	2021
Stockton R-I School District	Operating Funds-Schools	100,269,017	2.9139	2.9067	2,914,520 ^D	
	Debt Service	100,269,017	0.6284	0.6142	615,852	
El Dorado Springs R-II SD	Operating Funds-Schools	95,347,813	3.3131	3.3131	3,158,968 ^D	
	Debt Service	95,347,813	0.5595	0.5400	514,878	
Cedar County	General Revenue	184,152,317	0.3268	0.3268	601,810	
	Road & Bridge	184,152,317	0.2450	0.2450	451,173	
	Senior Services	184,152,317	0.0500	0.0500	92,076	
<u>Chariton</u>						
Chariton County Ambulance District	General Revenue	250,808,471	0.2600	0.2600	652,102	
City of Brunswick	General Revenue	7,609,825	0.9311	0.9311	70,855	
Village of Dalton	General Revenue	590,266	0.4647	0.4647	2,743	
City of Keytesville	General Revenue	3,205,697	0.8832	0.8832	28,313	
	Parks & Recreation	3,205,697	0.1942	0.1942	6,225	
City of Mendon	General Revenue	1,617,703	0.9963	0.9963	16,117	
Village of Rothville	General Revenue	368,608	1.0000	1.0000	3,686	
City of Salisbury	General Revenue	18,187,401	0.7099	0.7099	129,112	
	Parks & Recreation	18,187,401	0.1701	0.1701	30,937	
	Library	18,187,401	0.0944	0.0944	17,169	
	Museum	18,187,401	0.1301	0.1301	23,662	
City of Sumner	General Revenue	1,041,116	1.0000	1.0000	10,411	
	Streets	1,041,116	0.2586	0.2586	2,692	2021
City of Triplett	General Revenue	325,689	0.9971	0.9971	3,247	
Bee Branch Township Chariton County	Road & Bridge	6,212,837	0.4748	0.4748	29,499	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Chariton</u>						
Bee Branch Township Chariton County	Special Road and Bridge	6,212,837	0.3500	0.3500	21,745	2022
Bowling Green Township Chariton Co	Road & Bridge	12,999,025	0.2188	0.2188	28,442	
	Special Road and Bridge	12,999,025	0.3163	0.3163	41,116	2022
Brunswick Township Chariton County	Road & Bridge	36,083,994	0.4611	0.4611	166,383	
	Special Road and Bridge	36,083,994	0.2344	0.2344	84,581	2020
Chariton Township Chariton County	Road & Bridge	10,516,235	0.4618	0.4618	48,564	
	Special Road and Bridge	10,516,235	0.1633	0.1633	17,173	2020
Clark Township Chariton County	Road & Bridge	7,931,110	0.4713	0.4713	37,379	
	Special Road and Bridge	7,931,110	0.3373	0.3373	26,752	2020
Cockrell Township Chariton County	Road & Bridge	4,340,896	0.4449	0.4449	19,313	
	Special Road and Bridge	4,340,896	0.3457	0.3457	15,006	2022
Cunningham Township Chariton County	Parks & Recreation	9,939,136	0.0490	0.0490	4,870	
	Road & Bridge	9,939,136	0.4212	0.4212	41,864	
	Special Road and Bridge	9,939,136	0.2552	0.2552	25,365	2020
Keytesville Township Chariton County	Road & Bridge	33,759,932	0.3404	0.3404	114,919	
	Special Road and Bridge	33,759,932	0.3356	0.3356	113,298	2022
Mendon Township Chariton County	Road & Bridge	10,878,930	0.4856	0.4856	52,828	
	Special Road and Bridge	10,878,930	0.3399	0.3399	36,977	2020
Musselfork Township Chariton County	Road & Bridge	9,221,824	0.3110	0.3110	28,680	
	Special Road and Bridge	9,221,824	0.2084	0.2084	19,218	2020
Salisbury Township Chariton County	Road & Bridge	69,153,692	0.5000	0.5000	345,768	
	Special Road and Bridge	69,153,692	0.1191	0.1191	82,362	2022
Salt Creek Township Chariton County	Road & Bridge	6,559,557	0.4871	0.4871	31,952	
	Special Road and Bridge	6,559,557	0.3410	0.3410	22,368	2020
Triplett Township Chariton County	Road & Bridge	18,632,232	0.4967	0.4967	92,546	
	Special Road and Bridge	18,632,232	0.3075	0.3075	57,294	2020
Wayland Township Chariton County	Road & Bridge	4,701,888	0.4857	0.4857	22,837	
	Special Road and Bridge	4,701,888	0.2230	0.2230	10,485	2020
Yellow Creek Township Chariton County	Road & Bridge	9,877,183	0.4284	0.4284	42,314	
	Special Road and Bridge	9,877,183	0.3470	0.3470	34,274	2022
Keytesville FPD	General Revenue	46,752,127	0.1523	0.1523	71,203	
Mendon Public FPD	General Revenue	21,278,509	0.2282	0.2282	48,558	
Sumner Community FPD	General Revenue	8,724,815	0.2532	0.2532	22,091	
Yellow Creek FPD	General Revenue	7,915,989	0.2617	0.2617	20,716	
Chariton County Health Center	General Revenue	250,808,471	0.1000	0.1000	250,808	
Northwestern R-I School District	Operating Funds-Schools	18,433,700	4.3189	3.5225	649,327	^D
	Debt Service	18,433,700	0.6900	0.3700	68,205	
Brunswick R-II School District	Operating Funds-Schools	23,611,521	3.0789	3.0789	726,975	^D
	Debt Service	23,611,521	0.6542	0.5000	118,058	
Keytesville R-III School District	Operating Funds-Schools	19,930,460	4.1086	4.1086	818,863	^D
Salisbury R-IV School District	Operating Funds-Schools	56,769,596	5.0826	4.4697	2,537,431	^D
Chariton County	General Revenue	250,808,471	0.3596	0.2550	639,562	
	Developmental Dis. Board	250,808,471	0.0810	0.0800	200,647	
	Senior Services	250,808,471	0.0504	0.0500	125,404	
	Township	250,808,471	0.1000	0.1000	250,808	
<u>Christian</u>						
Christian County Ambulance District	General Revenue	1,243,266,833	0.1311	0.1311	1,629,923	
Billings SRD Christian County	Road & Bridge	61,707,671	0.2183	0.2183	134,708	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Christian</u>						
Billings SRD Christian County	Special Road and Bridge	61,707,671	0.3443	0.3443	212,460	2021
Garrison SRD Christian County	Road & Bridge	2,127,465	0.2435	0.2435	5,180	
Ozark SRD Christian County	Road & Bridge	457,252,685	0.1477	0.1477	675,362	
Selmore SRD Christian County	Road & Bridge	20,477,048	0.1818	0.1818	37,227	
South Sparta SRD Christian County	Road & Bridge	11,508,796	0.1678	0.1678	19,312	
Stoneshire SRD Christian County	Road & Bridge	4,029,972	0.1360	0.1360	5,481	
City of Billings	General Revenue	11,359,556	0.5764	0.5764	65,476	
	Parks & Recreation	11,359,556	0.1675	0.1675	19,027	
City of Clever	General Revenue	28,184,899	0.6066	0.6066	170,970	
City of Nixa	General Revenue	284,934,091	0.3246	0.3246	924,896	
City of Ozark	General Revenue	259,409,041	0.2337	0.2337	606,239	
	Parks & Recreation	259,409,041	0.0585	0.0585	151,754	
City of Sparta	General Revenue	17,091,917	0.3635	0.3635	62,129	
City of Fremont Hills	General Revenue	27,930,482	0.6327	0.6318	176,465	
Village of Saddlebrooke	General Revenue	12,325,940	0.7384	0.7368	90,818	
Christian County Library District	General Revenue	1,363,490,808	0.2015	0.2009	2,739,253	
Ozark FPD	General Revenue	550,724,541	0.3863	0.3863	2,127,449	
	Fire	550,724,541	0.2480	0.2480	1,365,797	
Nixa FPD	General Revenue	522,237,802	0.6501	0.6501	3,395,068	
	Debt Service	522,237,802	0.0924	0.0790	412,568	
Billings FPD	General Revenue	67,014,994	0.3868	0.3868	259,214	
Clever FPD	General Revenue	82,630,161	0.3816	0.3816	315,317	
Highlandville Rural FPD	General Revenue	92,825,970	0.3923	0.3923	364,156	
Sparta FPD	General Revenue	45,918,279	0.5795	0.5795	266,096	
Chadwick Rural FPD	General Revenue	11,992,242	0.5434	0.5434	65,166	
Christian County Health Department	General Revenue	1,363,490,808	0.0439	0.0439	598,572	
Chadwick R-I School District	Operating Funds-Schools	14,939,387	3.5574	3.5574	531,454	D
	Debt Service	14,939,387	1.0657	1.0050	150,141	
Nixa Public School District	Operating Funds-Schools	530,437,362	3.6534	3.6534	19,378,999	D
	Debt Service	530,437,362	1.7148	1.0466	5,551,557	
Sparta R-III School District	Operating Funds-Schools	45,432,280	3.3569	3.3569	1,525,116	D
	Debt Service	45,432,280	0.9878	0.7431	337,607	
Billings R-IV School District	Operating Funds-Schools	39,260,992	3.2046	3.2046	1,258,158	D
	Debt Service	39,260,992	1.4700	0.9500	372,979	
Clever R-V School District	Operating Funds-Schools	81,806,087	3.5433	3.5428	2,898,226	D
	Debt Service	81,806,087	1.1594	1.0966	897,086	
Ozark R-VI School District	Operating Funds-Schools	515,263,638	3.2698	3.2600	16,797,595	D
	Debt Service	515,263,638	1.2108	0.8800	4,534,320	
Spokane R-VII School District	Operating Funds-Schools	73,746,965	3.4512	3.4512	2,545,155	D
	Debt Service	73,746,965	0.8771	0.7445	549,046	
Christian County	General Revenue	1,363,490,808	0.2241	0.0664	905,358	
	Developmental Dis. Board	1,363,490,808	0.0790	0.0790	1,077,158	
	Senior Services	1,363,490,808	0.0495	0.0495	674,928	
	Common Road District 1	135,719,514	0.1026	0.1026	139,248	
	Common Road District 2	272,831,779	0.0000	0.0000	0	
<u>Clark</u>						
Clark County Ambulance District	General Revenue	122,344,347	0.1504	0.1504	184,006	
Clark County NHD	General Revenue	122,344,347	0.3577	0.3500	428,205	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clark</u>						
Wayland SRD Clark County	Road & Bridge	15,943,711	0.3277	0.3277	52,248	
City of Alexandria	General Revenue	1,648,180	0.8923	0.8923	14,707	
City of Kahoka	General Revenue	19,004,226	0.7900	0.7900	150,133	
	Parks & Recreation	19,004,226	0.1500	0.1500	28,506	
	Library	19,004,226	0.2400	0.2400	45,610	
Village of Luray	General Revenue	342,767	0.6000	0.6000	2,057	
City of Wayland	General Revenue	4,866,791	0.7201	0.7201	35,046	
	Streets	4,866,791	0.2401	0.2401	11,685	
City of Wyaconda	General Revenue	1,870,959	1.0000	1.0000	18,710	
City of Revere	General Revenue	786,713	0.9840	0.9840	7,741	
Clark County Library District	General Revenue	102,228,616	0.1000	0.1000	102,229	
Alexandria FPD	General Revenue	11,681,287	0.2304	0.2304	26,914	
Clark County Health Department	General Revenue	122,344,347	0.2533	0.2533	309,898	
Clark County R-I School District	Operating Funds-Schools	99,628,780	2.8290	2.7500	2,739,791 ^E	
	Debt Service	99,628,780	1.0281	0.7500	747,216	
Clark County	General Revenue	122,344,347	0.4964	0.3635	444,722	
	Road & Bridge	105,365,279	0.3500	0.3500	368,778	
	Special Road and Bridge	105,365,279	0.3537	0.3537	372,677	2023
	Senior Services	122,344,347	0.0504	0.0504	61,662	
<u>Clay</u>						
Eastern Clay Ambulance District	General Revenue	46,703,215	0.2261	0.2261	105,596	
New Liberty Hospital District	General Revenue	1,261,952,514	0.1500	0.1500	1,892,929	
City of Avondale	General Revenue	4,552,923	0.4410	0.4410	20,078	
	Debt Service	4,552,923	1.0704	1.0704	48,734	
Village of Birmingham	General Revenue	6,158,307	0.3101	0.3101	19,097	
Village of Claycomo	General Revenue	85,703,271	0.3300	0.3300	282,821	
City of Excelsior Springs	General Revenue	165,089,099	0.6341	0.6318	1,043,033	
	Hospital	165,089,099	0.1786	0.1779	293,694	
	Parks	165,089,099	0.1786	0.1779	293,694	
	Recreation	165,089,099	0.1786	0.1779	293,694	
City of Glenaire	General Revenue	7,502,933	0.5827	0.5827	43,720	
City of Holt	General Revenue	5,462,690	0.4800	0.4800	26,221	
City of Kearney	General Revenue	196,863,224	0.5515	0.5515	1,085,701	
	Debt Service	196,863,224	1.2007	0.0500	98,432	
City of Liberty	General Revenue	550,548,436	0.7697	0.7574	4,169,854	
	Parks & Recreation	550,548,436	0.1356	0.1334	734,432	
City of Missouri City	General Revenue	2,582,610	0.8128	0.8128	20,991	
City of Mosby	General Revenue	2,569,803	1.0000	1.0000	25,698	
City of North Kansas City	General Revenue	313,929,310	0.3993	0.3993	1,253,520	
	Parks & Recreation	313,929,310	0.1792	0.1792	562,561	
	Library	313,929,310	0.2687	0.2687	843,528	
	Pension	313,929,310	0.1944	0.1944	610,279	
Village of Oaks	General Revenue	2,560,611	0.5000	0.5000	12,803	2021
	Fire	2,560,611	0.3232	0.3232	8,276 ^A	2021
Village of Oakview	General Revenue	6,347,388	0.4189	0.4189	26,589	
	Fire	6,347,388	0.1276	0.1276	8,099	
	General Revenue-Temp	6,347,388	0.3062	0.3062	19,436 ^A	2023
Village of Oakwood	General Revenue	4,918,227	0.2510	0.2510	12,345	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clay</u>						
Village of Oakwood	Fire	4,918,227	0.3081	0.3081	15,153 ^A	2021
Village of Oakwood Park	General Revenue	2,761,829	0.4356	0.4356	12,031	
City of Pleasant Valley	General Revenue	48,061,100	0.6765	0.6765	325,133	
Village of Prathersville	General Revenue	3,145,356	0.2694	0.2694	8,474	
City of Randolph	General Revenue	7,346,230	0.4860	0.4860	35,703	
City of Smithville	General Revenue	190,053,661	0.4484	0.4484	852,201	
	Debt Service	190,053,661	0.2304	0.0000	0	
Kearney Fire & Rescue Protection	General Revenue	366,776,167	0.4952	0.4952	1,816,276	
	Ambulance	366,776,167	0.2717	0.2717	996,531	
	Dispatch	366,776,167	0.0287	0.0287	105,265	
	Debt Service	366,776,167	0.1255	0.1255	460,304	
Holt Community FPD	General Revenue	78,281,142	0.5689	0.5689	445,341	
	Ambulance	78,281,142	0.2800	0.2800	219,187	
	Debt Service	78,281,142	0.1334	0.1334	104,427	
Fishing River FPD	General Revenue	64,787,439	0.2957	0.2957	191,576	
Historic Downtown Liberty CID	General Revenue	4,386,060	0.4672	0.4672	20,492	2046
Clay County Public Health Center	General Revenue	4,666,510,144	0.0942	0.0942	4,395,853	
210 Highway TDD	General Revenue	41,740,208	0.0727	0.0727	30,345	
Kearney R-I School District	Operating Funds-Schools	406,181,855	4.0245	4.0245	16,346,789 ^D	
	Debt Service	406,181,855	1.2844	1.1902	4,834,376	
Smithville R-II School District	Operating Funds-Schools	283,411,605	3.3451	3.3451	9,480,402 ^{BD}	
	Operating Funds-Temp	283,411,605	0.7537	0.7537	2,136,073	2041
	Debt Service	283,411,605	1.4642	1.0012	2,837,517	
Excelsior Springs 40 SD	Operating Funds-Schools	245,318,749	4.1309	4.1309	10,133,872 ^D	
	Debt Service	245,318,749	1.6295	1.1453	2,809,636	
Liberty 53 School District	Operating Funds-Schools	1,094,870,878	4.8956	4.8956	53,600,499 ^D	
	Debt Service	1,094,870,878	1.7687	1.5594	17,073,416	
Missouri City 56 School District	Operating Funds-Schools	7,527,085	4.4591	4.2338	318,682	
North Kansas City 74 SD	Operating Funds-Schools	2,463,355,172	4.9129	4.9129	121,022,176 ^D	
	Debt Service	2,463,355,172	1.2900	1.2900	31,777,282	
Clay County	General Revenue	4,666,510,144	0.2700	0.0500	2,333,255	
	Parks & Recreation	4,666,510,144	0.0000	0.0000	0	
	Road & Bridge	4,666,510,144	0.0766	0.0766	3,574,547	
	Developmental Dis. Board	4,666,510,144	0.1130	0.1130	5,273,156	
	Mental Health	4,666,510,144	0.0942	0.0942	4,395,853	
	Senior Services	4,666,510,144	0.0470	0.0470	2,193,260	
<u>Clinton</u>						
Cameron Ambulance District	General Revenue	118,476,933	0.2116	0.0000	0	
Tri-County Ambulance District	General Revenue	237,678,649	0.2700	0.1970	468,227	
Cameron SRD Clinton County	Road & Bridge	67,329,058	0.2609	0.2609	175,662	
	Special Road and Bridge	67,329,058	0.3562	0.3562	239,826	2021
Plattsburg SRD Clinton County	Road & Bridge	40,630,444	0.2773	0.2773	112,668	
	Special Road and Bridge	40,630,444	0.3526	0.3526	143,263	2022
City of Cameron	General Revenue	73,868,710	0.6787	0.6787	501,347	
	Parks & Recreation	73,868,710	0.1652	0.1652	122,031	
	Band	73,868,710	0.0940	0.0940	69,437	
	Library	73,868,710	0.1888	0.1888	139,464	
City of Gower	General Revenue	15,733,615	0.5699	0.5699	89,666	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Clinton</u>						
City of Lathrop	General Revenue	23,074,798	0.5915	0.5915	136,487	
	Parks & Recreation	23,074,798	0.1556	0.1556	35,904	
	Debt Service	23,074,798	0.5905	0.5905	136,257	
City of Plattsburg	General Revenue	27,249,944	0.5950	0.5950	162,137	
	Lights	27,249,944	0.2561	0.1549	42,210	2020
	Cemetery	27,249,944	0.0193	0.0193	5,259	2020
	Police	27,249,944	0.2257	0.2257	61,503	
	Parks	27,249,944	0.1441	0.1441	39,267	
	Recreation	27,249,944	0.0500	0.0500	13,625	
	General Revenue	7,289,219	0.3518	0.3518	25,643	
Village of Turney	General Revenue	1,489,253	0.4060	0.4060	6,046	
Gower FPD	General Revenue	53,776,518	0.2592	0.2592	139,389	
Lathrop Fire & Rescue	General Revenue	70,924,699	0.3451	0.3451	244,761	
Plattsburg FPD	General Revenue	70,006,482	0.4488	0.4488	314,189	
Cameron FPD	General Revenue	55,866,340	0.2780	0.2780	155,308	
Clinton County Health Department	General Revenue	321,378,077	0.0927	0.0927	297,917	
Cameron R-I School District	Operating Funds-Schools	122,867,837	3.4021	3.3840	4,157,848	D
	Debt Service	122,867,837	1.4329	0.9900	1,216,392	
Lathrop R-II School District	Operating Funds-Schools	67,491,076	4.3900	4.3900	2,962,858	D
	Debt Service	67,491,076	1.5360	0.9725	656,351	
Clinton County R-III SD	Operating Funds-Schools	81,232,117	3.9134	3.9134	3,178,938	D
	Debt Service	81,232,117	1.4368	1.0000	812,321	
Clinton County	General Revenue	321,378,077	0.3603	0.2701	868,042	
	Common Road District	213,424,595	0.2805	0.2805	598,656	
	Special Road and Bridge	213,424,595	0.3500	0.3500	746,986	2022
	Developmental Dis. Board	321,374,009	0.0927	0.0927	297,914	
<u>Cole</u>						
Village of Centertown	General Revenue	4,382,093	0.7500	0.7500	32,866	
City of Jefferson City	General Revenue	926,947,534	0.4602	0.4600	4,263,959	
	Firemen Retirement	926,947,534	0.0961	0.0961	890,797	
City of Lohman	General Revenue	2,102,587	0.3108	0.3108	6,535	
City of Russellville	General Revenue	7,665,519	0.8083	0.8083	61,960	
City of Taos	General Revenue	19,522,833	0.2605	0.2605	50,857	
Jefferson City-Cole County PLD	General Revenue	1,495,303,287	0.2000	0.2000	2,990,607	
Cole County FPD	General Revenue	204,987,938	0.5795	0.5795	1,187,905	
Regional West FPD	General Revenue	206,672,453	0.2935	0.2935	606,584	
Osage FPD	General Revenue	146,427,019	0.2996	0.2996	438,695	
Russellville-Lohman FPD	General Revenue	58,015,933	0.2858	0.2858	165,810	
Cole County R-I School District	Operating Funds-Schools	62,787,139	3.6631	3.5100	2,203,829	D
	Debt Service	62,787,139	1.1599	0.9500	596,478	
Cole County R-II School District	Operating Funds-Schools	119,315,167	3.0916	3.0500	3,639,113	D
	Debt Service	119,315,167	1.3901	1.2100	1,443,714	
Cole County R-V School District	Operating Funds-Schools	72,130,036	3.3853	3.3853	2,441,818	D
	Debt Service	72,130,036	0.2383	0.2383	171,886	
Jefferson City School District	Operating Funds-Schools	1,360,819,984	4.2849	3.9658	53,967,399	
	Debt Service	1,360,819,984	0.9510	0.9028	12,285,483	
Cole County	General Revenue	1,495,303,287	0.3389	0.0712	1,064,656	
	Road & Bridge	1,495,303,287	0.2725	0.2725	4,074,701	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Cole</u>						
Cole County	Developmental Dis. Board	1,495,303,287	0.0909	0.0909	1,359,231	
<u>Cooper</u>						
Cooper County NHD	General Revenue	46,869,976	0.1410	0.1410	66,087	
City of Blackwater	General Revenue	1,736,100	0.9298	0.9298	16,142	
City of Boonville	General Revenue	104,110,476	0.7031	0.7031	732,001	
City of Bunceton	General Revenue	2,152,330	0.9669	0.9669	20,811	
City of Otterville	General Revenue	3,350,782	0.8513	0.8513	28,525	
	Debt Service	3,350,782	2.0448	2.0448	68,517	
City of Pilot Grove	General Revenue	5,585,048	0.7569	0.7569	42,273	
City of Prairie Home	General Revenue	2,526,554	0.9155	0.9155	23,131	
Village of Wooldridge	General Revenue	285,660	0.6789	0.6789	1,939	
	Debt Service	285,660	0.6789	0.6789	1,939	
Cooper County FPD	General Revenue	87,387,531	0.4714	0.4714	411,945	
	Debt Service	87,387,531	0.3604	0.3604	314,945	
Otterville FPD	General Revenue	16,043,958	0.2985	0.2985	47,891	
Prairie Home Rural FPD	General Revenue	14,597,475	0.2479	0.2479	36,187	
Blackwater Volunteer Rural FPD	General Revenue	19,865,703	0.2500	0.2500	49,664	
Pilot Grove Area FPD	General Revenue	24,474,233	0.3002	0.3002	73,472	
Cooper County Public Health Center	General Revenue	268,673,303	0.2469	0.1976	530,898	
Blackwater R-II School District	Operating Funds-Schools	9,981,114	3.1194	3.1194	311,351	D
Cooper County R-IV School District	Operating Funds-Schools	10,461,926	4.6000	4.6000	481,249	D
Prairie Home R-V School District	Operating Funds-Schools	15,806,773	4.3775	4.3775	691,941	D
	Debt Service	15,806,773	0.5563	0.4664	73,723	
Otterville R-VI School District	Operating Funds-Schools	17,330,839	3.5838	3.5838	621,103	D
	Debt Service	17,330,839	0.7869	0.6700	116,117	
Pilot Grove C-4 School District	Operating Funds-Schools	21,963,888	3.1367	3.1367	688,941	D
	Operating Funds-Temp	21,963,888	0.6857	0.6857	150,606	2026
	Debt Service	21,963,888	1.2297	1.0700	235,014	
Boonville R-I School District	Operating Funds-Schools	152,890,848	3.8650	3.8650	5,909,231	D
	Debt Service	152,890,848	1.3080	1.0699	1,635,779	
Cooper County	General Revenue	268,673,303	0.4278	0.2394	643,204	
	Road & Bridge	268,673,303	0.3157	0.3157	848,202	
	Developmental Dis. Board	268,673,303	0.1975	0.1975	530,630	
<u>Crawford</u>						
North Crawford Ambulance District	General Revenue	221,456,164	0.2752	0.1084	240,058	
Steelville Ambulance District	General Revenue	84,502,970	0.3238	0.1906	161,063	
City of Bourbon	General Revenue	10,940,644	0.8604	0.8604	94,133	
	Parks & Recreation	10,940,644	0.1000	0.1000	10,941	
	Police	10,940,644	0.4081	0.4081	44,649	
Village of Leasburg	General Revenue	1,946,871	0.5000	0.5000	9,734	
City of Steelville	General Revenue	15,824,286	0.5744	0.5744	90,895	
Crawford County Library District	General Revenue	321,840,838	0.2046	0.2046	658,486	
Bourbon FPD	General Revenue	54,716,515	0.2700	0.1353	74,031	
Steelville FPD	General Revenue	96,629,168	0.3051	0.3051	294,816	B
Cuba Community FPD	Fire	126,016,824	0.3063	0.3063	385,990	
Crawford County R-I SD	Operating Funds-Schools	73,181,322	3.0575	3.0575	2,237,519	D
	Debt Service	73,181,322	1.1060	0.9350	684,245	
Crawford County R-II SD	Operating Funds-Schools	127,393,979	3.0237	2.7500	3,503,334	E
	Debt Service	127,393,979	0.9085	0.5600	713,406	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Crawford</u>						
Steelville R-III School District	Operating Funds-Schools	68,841,909	3.1894	3.1894	2,195,644	D
	Debt Service	68,841,909	1.1175	0.7700	530,083	
Crawford County	General Revenue	342,021,766	0.1960	0.0000	0	
	Road & Bridge	342,021,766	0.2098	0.2098	717,562	
	Developmental Dis. Board	342,021,766	0.0953	0.0953	325,947	
	Senior Services	342,021,766	0.0475	0.0475	162,460	
<u>Dade</u>						
Dade County NHD	General Revenue	93,687,831	0.2557	0.2557	239,560	
Good Shepherd NHD	General Revenue	33,567,633	0.1548	0.1548	51,963	
Village of Dadeville	General Revenue	1,543,884	0.4500	0.4500	6,947	
City of Everton	General Revenue	1,808,669	0.9988	0.9988	18,065	
	Parks & Recreation	1,808,669	0.0999	0.0999	1,807	
	Debt Service	1,808,669	0.2200	0.2200	3,979	
City of Greenfield	General Revenue	14,778,524	0.4647	0.4647	68,676	
	Parks & Recreation	14,778,524	0.0000	0.0000	0	
	Streets	14,778,524	0.1879	0.1879	27,769	
Village of South Greenfield	General Revenue	1,045,689	0.4170	0.4170	4,361	
City of Lockwood	General Revenue	8,131,906	0.5860	0.5860	47,653	
	Parks & Recreation	8,131,906	0.1562	0.1562	12,702	
	Library	8,131,906	0.1856	0.1856	15,093	
Dade County Library District	General Revenue	118,962,673	0.0932	0.0932	110,873	
Dadeville Rural FPD	General Revenue	13,363,068	0.1821	0.1821	24,334	
Dade County R-IV Rural FPD	General Revenue	49,369,187	0.1889	0.1889	93,258	
Lockwood FPD	General Revenue	32,190,899	0.2009	0.2000	64,382	
Dade County Health Department	General Revenue	127,357,963	0.0923	0.0923	117,551	
Lockwood R-I School District	Operating Funds-Schools	34,501,425	3.4754	3.4754	1,199,063	D
	Debt Service	34,501,425	0.9837	0.6000	207,009	
Dadeville R-II School District	Operating Funds-Schools	12,749,958	3.4411	3.4300	437,324	D
	Debt Service	12,749,958	1.0815	0.9900	126,225	
Everton R-III School District	Operating Funds-Schools	12,355,069	4.3990	4.3990	543,499	D
	Debt Service	12,355,069	0.5947	0.5500	67,953	
Greenfield R-IV School District	Operating Funds-Schools	41,769,594	3.0014	3.0014	1,253,673	D
	Debt Service	41,769,594	0.5867	0.5858	244,686	
Dade County	General Revenue	127,357,963	0.3422	0.2398	305,404	
	Road & Bridge	127,357,963	0.4979	0.4979	634,115	
<u>Dallas</u>						
City of Buffalo	General Revenue	33,482,085	0.5871	0.5871	196,573	
City of Urbana	General Revenue	3,402,548	0.7181	0.7181	24,434	
Dallas County Library District	General Revenue	189,954,675	0.0925	0.0925	175,708	
Southern Dallas County FPD	General Revenue	31,693,245	0.3901	0.3901	123,635	B
Elkland FPD	General Revenue	17,927,135	0.2854	0.2854	51,164	
Dallas County Health Department	General Revenue	189,954,675	0.0930	0.0930	176,658	
Dallas County R-I School District	Operating Funds-Schools	135,737,831	3.3096	3.3096	4,492,379	D
	Operating Funds-Temp	135,737,831	0.4670	0.4670	633,896	2044
Dallas County	General Revenue	189,954,675	0.3508	0.1637	310,956	
	Road & Bridge	189,954,675	0.2607	0.2607	495,212	
	Senior Services	189,954,675	0.0500	0.0500	94,977	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Daviess</u>						
Community Ambulance District	General Revenue	126,554,664	0.3478	0.3478	440,157	
West Fork of Big Creek WSD	General Revenue	1,322,817	0.1520	0.1520	2,011	
Jamesport SRD Daviess County	Road & Bridge	13,603,413	0.3910	0.3910	53,189	
	Special Road and Bridge	13,603,413	0.2700	0.2700	36,729	2020
Lock Springs SRD Daviess County	Road & Bridge	5,050,804	0.3153	0.3153	15,925	
	Special Road and Bridge	5,050,804	0.3523	0.3523	17,794	2020
Daviess County SRD 1	Road & Bridge	26,707,406	0.2123	0.2123	56,700	
	Special Road and Bridge	26,707,406	0.3583	0.3583	95,693 ^A	2023
Village of Altamont	General Revenue	1,129,129	0.5548	0.5548	6,264	
City of Coffey	General Revenue	518,900	1.0000	1.0000	5,189	
City of Gallatin	General Revenue	14,248,173	0.6401	0.6401	91,203	
	Parks & Recreation	14,248,173	0.2277	0.2277	32,443	
	Band	14,248,173	0.0200	0.0200	2,850	
City of Jamesport	General Revenue	3,956,919	0.7359	0.7359	29,119	
	Parks & Recreation	3,956,919	0.1743	0.1743	6,897	
Village of Jameson	General Revenue	469,125	0.5000	0.5000	2,346	
	General Revenue-Temp	469,125	0.2056	0.2056	965	2021
Village of Lock Springs	General Revenue	386,958	0.4450	0.4450	1,722	
City of Pattonsburg	General Revenue	1,947,809	1.0000	1.0000	19,478	
Village of Winston	General Revenue	1,487,931	0.4388	0.4388	6,529	
	Streets	1,487,931	0.3091	0.3091	4,599 ^A	2022
Daviess County Library District	General Revenue	144,609,101	0.1837	0.1837	265,647	
Benton Township Daviess County	General Revenue	7,158,474	0.1000	0.1000	7,158	
	Road & Bridge	7,158,474	0.5000	0.5000	35,792	
Colfax Township Daviess County	General Revenue	7,529,118	0.0983	0.0983	7,401	
	Road & Bridge	7,529,118	0.4918	0.4918	37,028	
	Special Road and Bridge	7,529,118	0.2509	0.2509	18,891	2020
Grand River Township Daviess County	General Revenue	5,577,689	0.1000	0.1000	5,578	
	Road & Bridge	5,577,689	0.5000	0.5000	27,888	
	Special Road and Bridge	5,577,689	0.3571	0.3571	19,918	2020
Harrison Township Daviess County	General Revenue	4,499,565	0.0780	0.0780	3,510	
	Road & Bridge	4,499,565	0.3857	0.3857	17,355	
	Special Road and Bridge	4,499,565	0.3483	0.3483	15,672	2020
Jackson Township Daviess County	General Revenue	13,395,954	0.0919	0.0919	12,311	
	Road & Bridge	8,344,548	0.5000	0.5000	41,723	
	Special Road and Bridge	8,344,548	0.3611	0.3611	30,132	2020
Jamesport Township Daviess County	General Revenue	13,603,413	0.0926	0.0926	12,597	
Jefferson Township Daviess County	General Revenue	6,622,907	0.0980	0.0980	6,490	
	Road & Bridge	6,622,907	0.4664	0.4664	30,889	
	Special Road and Bridge	6,622,907	0.3482	0.3482	23,061	2020
Liberty Township Daviess County	General Revenue	33,582,570	0.0645	0.0645	21,661	
	Road & Bridge	6,913,365	0.4867	0.4867	33,647	
Lincoln Township Daviess County	General Revenue	5,360,438	0.0998	0.0998	5,350	
	Road & Bridge	5,360,438	0.4989	0.4989	26,743	
	Special Road and Bridge	5,360,438	0.3505	0.3505	18,788	2020
Marion Township Daviess County	General Revenue	5,204,516	0.0791	0.0791	4,117	
	Road & Bridge	5,204,516	0.4842	0.4842	25,200	
	Special Road and Bridge	5,204,516	0.3585	0.3585	18,658	2020

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Daviess</u>						
Monroe Township Daviess County	General Revenue	4,022,192	0.1000	0.1000	4,022	2020
	Road & Bridge	4,022,192	0.5000	0.5000	20,111	
	Special Road and Bridge	4,022,192	0.3537	0.3537	14,226	
Salem Township Daviess County	General Revenue	7,142,641	0.1000	0.1000	7,143	2020
	Road & Bridge	7,142,641	0.5000	0.5000	35,713	
	Special Road and Bridge	7,142,641	0.3527	0.3500	24,999	
Sheridan Township Daviess County	General Revenue	6,349,082	0.0932	0.0932	5,917	2020
	Road & Bridge	6,349,082	0.4332	0.4332	27,504	
	Special Road and Bridge	6,349,082	0.3426	0.3426	21,752	
Union Township Daviess County	General Revenue	21,441,489	0.0506	0.0506	10,849	
	Road & Bridge	21,441,489	0.3853	0.3853	82,614	
Washington Township Daviess County	General Revenue	3,753,263	0.1000	0.1000	3,753	2020
	Road & Bridge	3,753,263	0.5000	0.5000	18,766	
	Special Road and Bridge	3,753,263	0.3570	0.3570	13,399	
K.A.W. FPD	General Revenue	33,722,291	0.4832	0.4832	162,946	
Jameson FPD	General Revenue	6,502,527	0.3000	0.3000	19,508	
Coffey FPD	General Revenue	5,821,588	0.3000	0.3000	17,465	
Pattonsburg Rescue & FPD	General Revenue	15,283,199	0.2964	0.2964	45,299	
Gallatin FPD	General Revenue	31,555,576	0.3000	0.3000	94,667	
Daviess County Health Department	General Revenue	144,609,101	0.2407	0.2407	348,074	
Pattonsburg R-II School District	Operating Funds-Schools	15,035,404	4.7017	4.7017	706,920	D
	Debt Service	15,035,404	1.1939	0.5623	84,544	
Winston R-VI School District	Operating Funds-Schools	26,109,369	2.9551	2.9551	771,558	D
	Operating Funds-Temp	26,109,369	1.2500	1.2500	326,367	
North Daviess R-III School District	Operating Funds-Schools	12,077,233	5.4302	5.3570	646,977	D
Gallatin R-V School District	Operating Funds-Schools	47,910,342	4.4909	4.4909	2,151,606	D
Tri-County R-VII School District	Operating Funds-Schools	22,967,318	4.2943	4.2943	986,286	D
	Operating Funds-Temp	22,967,318	0.2665	0.2665	61,208	
Daviess County	General Revenue	144,609,101	0.3573	0.2693	389,432	2023
	Developmental Dis. Board	144,609,101	0.0922	0.0922	133,330	
	Senior Services	144,609,101	0.0498	0.0498	72,015	
<u>DeKalb</u>						
DeKalb-Clinton Ambulance District 1	General Revenue	131,619,194	0.3045	0.3045	400,780	B
Grindstone-Lost-Muddy-Creek WSD	General Revenue	50,387,009	0.1261	0.1261	63,538	
Village of Amity	General Revenue	394,291	0.4720	0.4720	1,861	
City of Clarksdale	General Revenue	1,594,100	0.7649	0.7649	12,193	
	Lights	1,594,100	0.2390	0.2390	3,810	
	Streets	1,594,100	0.2629	0.2629	4,191	
City of Maysville	General Revenue	9,821,694	0.8510	0.8510	83,583	
	Streets	9,821,694	0.0052	0.0052	511	
City of Stewartsville	General Revenue	6,738,976	0.5412	0.5412	36,471	2023
	Lights	6,738,976	0.2815	0.2815	18,970	
	Streets	6,738,976	0.1821	0.1821	12,272	
City of Union Star	General Revenue	2,233,649	0.5106	0.5106	11,405	
	Lights	2,233,649	0.2279	0.2279	5,090	
	Streets	2,233,649	0.3927	0.3927	8,772	
	Debt Service	2,233,649	0.6765	0.6765	15,111	
Village of Weatherby	General Revenue	540,217	0.4554	0.4554	2,460	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>DeKalb</u>						
Village of Weatherby	General Revenue-Temp	540,217	0.3050	0.3050	1,648 ^A	2023
City of Osborn	General Revenue	3,855,160	0.7810	0.7810	30,109	
Adams Township DeKalb County	General Revenue	9,124,517	0.1000	0.1000	9,125	
	Road & Bridge	9,124,517	0.4089	0.4089	37,310	
	Special Road and Bridge	9,124,517	0.1421	0.1421	12,966	2022
Camden Township DeKalb County	General Revenue	28,317,084	0.1000	0.1000	28,317	
	Road & Bridge	28,317,084	0.3638	0.3638	103,018	
Colfax Township DeKalb County	General Revenue	27,269,693	0.1000	0.1000	27,270	
	Road & Bridge	27,269,693	0.4504	0.4504	122,823	
	Special Road and Bridge	27,269,693	0.3558	0.3500	95,444 ^A	2023
Dallas Township DeKalb County	General Revenue	5,773,089	0.0961	0.0961	5,548	
	Road & Bridge	5,773,089	0.4140	0.4140	23,901	
	Special Road and Bridge	5,773,089	0.3541	0.3541	20,443	2021
Grand River Township DeKalb County	General Revenue	44,574,670	0.1000	0.1000	44,575	
	Road & Bridge	44,574,670	0.4410	0.4410	196,574	
Grant Township DeKalb County	General Revenue	6,745,437	0.1000	0.1000	6,745	
	Road & Bridge	6,745,437	0.5000	0.5000	33,727	
	Special Road and Bridge	6,745,437	0.3566	0.3566	24,054 ^A	2023
Polk Township DeKalb County	General Revenue	36,572,745	0.1000	0.1000	36,573	
	Road & Bridge	36,572,745	0.4590	0.4590	167,869	
Sherman Township DeKalb County	General Revenue	25,195,012	0.0610	0.0610	15,369	
	Road & Bridge	25,195,012	0.2484	0.2484	62,584	
	Special Road and Bridge	25,195,012	0.3528	0.3528	88,888 ^A	2023
Washington Township DeKalb County	General Revenue	27,596,379	0.0760	0.0760	20,973	
	Road & Bridge	27,596,379	0.2872	0.2872	79,257	
Osborn FPD	General Revenue	22,000,185	0.2500	0.2500	55,000	
Stewartsville FPD	General Revenue	32,759,567	0.2283	0.2283	74,790	
Central DeKalb County FPD	General Revenue	54,099,739	0.2591	0.2591	140,172	
Clarksdale FPD	General Revenue	19,486,702	0.3136	0.3136	61,110	
Union Star FPD	General Revenue	34,670,231	0.2704	0.2704	93,748	
Osborn R-O School District	Operating Funds-Schools	20,422,516	4.8000	4.8000	980,281 ^D	
	Debt Service	20,422,516	0.7373	0.4600	93,944	
Maysville R-I School District	Operating Funds-Schools	71,461,493	4.1619	4.0577	2,899,693 ^{BD}	
Union Star R-II School District	Operating Funds-Schools	28,559,512	5.1441	5.1441	1,469,130 ^D	
Stewartsville C-2 School District	Operating Funds-Schools	19,553,085	3.8730	3.8730	757,291 ^D	
	Debt Service	19,553,085	0.6026	0.5015	98,059	
DeKalb County	General Revenue	211,260,324	0.3695	0.1232	260,273	
	Developmental Dis. Board	211,260,324	0.0876	0.0876	185,064	
	Senior Services	211,260,324	0.0292	0.0292	61,688	
<u>Dent</u>						
Salem Memorial Hospital District	General Revenue	261,789,154	0.2400	0.2400	628,294	
City of Salem	General Revenue	49,101,371	0.6726	0.6726	330,256	
	Library	49,101,371	0.3000	0.3000	147,304	
Dent County FPD	General Revenue	104,457,691	0.2374	0.2374	247,983	
Dent County Health Center	General Revenue	175,153,494	0.0959	0.0959	167,972	
Salem R-80 School District	Operating Funds-Schools	71,850,488	2.7500	2.7500	1,975,888 ^D	
	Debt Service	71,850,488	0.5218	0.4500	323,327	
Oak Hill R-I School District	Operating Funds-Schools	16,066,014	3.0672	3.0610	491,781 ^D	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Dent</u>						
Oak Hill R-I School District	Operating Funds-Temp	16,066,014	0.3690	0.3690	59,284	2026
Green Forest R-II School District	Operating Funds-Schools	22,407,710	2.7500	2.7500	616,212	D
Dent-Phelps R-III School District	Operating Funds-Schools	36,216,662	2.7500	2.7500	995,958	D
North Wood R-IV School District	Operating Funds-Schools	21,555,230	3.2287	3.0884	665,712	D
Dent County	General Revenue	175,153,494	0.3037	0.0000	0	
	Road & Bridge	175,153,494	0.2549	0.2549	446,466	
	Developmental Dis. Board	175,153,494	0.1349	0.1341	234,881	
	Senior Services	175,153,494	0.0480	0.0480	84,074	
<u>Douglas</u>						
Ava Ambulance District	General Revenue	116,048,425	0.1165	0.0000	0	
Douglas County Library District	General Revenue	155,705,224	0.0831	0.0831	129,391	
Douglas County Health Department	General Revenue	155,705,224	0.2053	0.2033	316,549	
Skyline R-II School District	Operating Funds-Schools	11,211,284	3.4997	3.4300	384,547	BD
Plainview R-VIII School District	Operating Funds-Schools	7,991,767	2.8084	2.8084	224,441	D
Ava R-I School District	Operating Funds-Schools	107,389,008	2.7500	2.7500	2,953,198	D
Douglas County	General Revenue	155,705,224	0.3006	0.1225	190,739	
	Road & Bridge	155,705,224	0.2176	0.2176	338,815	
	Developmental Dis. Board	155,705,224	0.0831	0.0831	129,391	
<u>Dunklin</u>						
City of Arbyrd	General Revenue	2,890,580	1.0000	1.0000	28,906	
City of Campbell	General Revenue	9,609,973	0.0000	0.0000	0	
City of Cardwell	General Revenue	2,443,468	0.7277	0.7277	17,781	
	Streets	2,443,468	0.2000	0.2000	4,887	
City of Clarkton	General Revenue	4,951,055	0.7622	0.7622	37,737	
City of Holcomb	General Revenue	3,089,085	0.8110	0.8110	25,052	
City of Hornersville	General Revenue	3,606,799	0.9617	0.9617	34,687	
City of Kennett	General Revenue	89,935,147	0.0000	0.0000	0	
	Parks & Recreation	89,935,147	0.0000	0.0000	0	
	Parks	89,935,147	0.0000	0.0000	0	
City of Malden	General Revenue	31,633,192	0.7895	0.7895	249,744	
City of Senath	General Revenue	9,771,799	0.6819	0.6546	63,966	
	Health	9,771,799	0.1197	0.1149	11,228	
Buffalo Township Dunklin County	General Revenue	9,538,291	0.1000	0.1000	9,538	
	Road & Bridge	9,538,291	0.3373	0.3373	32,173	
Clay Township Dunklin County	General Revenue	19,770,753	0.1000	0.1000	19,771	
	Road & Bridge	19,770,753	0.3459	0.3459	68,387	
Cotton Hill Township Dunklin County	General Revenue	49,700,104	0.1000	0.1000	49,700	
	Road & Bridge	49,700,104	0.3213	0.3213	159,686	
Freeborn Township Dunklin County	General Revenue	12,908,234	0.1000	0.1000	12,908	
	Road & Bridge	12,908,234	0.2808	0.2808	36,246	
Holcomb Township Dunklin County	General Revenue	11,669,449	0.1000	0.1000	11,669	
	Road & Bridge	11,669,449	0.2871	0.2871	33,503	
Independence Township Dunklin County	General Revenue	116,808,621	0.1000	0.1000	116,809	
	Road & Bridge	116,808,621	0.2771	0.2771	323,677	
Salem Township Dunklin County	General Revenue	28,569,453	0.1000	0.1000	28,569	
	Road & Bridge	28,569,453	0.3231	0.3231	92,308	
Union Township Dunklin County	General Revenue	56,089,384	0.1000	0.1000	56,089	
	Road & Bridge	56,089,384	0.4022	0.4022	225,592	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Dunklin</u>						
Dunklin County Health Department	General Revenue	305,054,289	0.1000	0.1000	305,054	
Malden R-I School District	Operating Funds-Schools	48,717,759	2.9577	2.9549	1,439,561	D
	Debt Service	48,717,759	0.9121	0.7951	387,355	
Campbell R-II School District	Operating Funds-Schools	45,395,823	3.4636	3.2722	1,485,442	D
	Debt Service	45,395,823	1.0542	0.7635	346,597	
Holcomb R-III School District	Operating Funds-Schools	22,754,560	3.3000	3.3000	750,900	D
	Debt Service	22,754,560	0.9959	0.7405	168,498	
Clarkton C-4 School District	Operating Funds-Schools	14,363,838	3.4497	3.4497	495,509	D
	Debt Service	14,363,838	0.7833	0.7000	100,547	
Senath-Hornersville C-8 SD	Operating Funds-Schools	51,940,519	3.5554	3.5554	1,846,693	D
Southland C-9 School District	Operating Funds-Schools	14,784,566	4.0299	4.0299	595,803	D
Kennett 39 School District	Operating Funds-Schools	91,381,492	3.7438	3.6900	3,371,977	D
	Debt Service	91,381,492	1.7998	1.0300	941,229	
Dunklin County	General Revenue	305,054,289	0.0000	0.0000	0	
	Library	305,054,289	0.2500	0.2500	762,636	
	Johnson Grass	305,054,289	0.0000	0.0000	0	
	Ambulance	305,054,289	0.1452	0.1452	442,939	
	Developmental Dis. Board	305,054,289	0.1000	0.1000	305,054	
<u>Franklin</u>						
Gerald Ambulance District	General Revenue	132,674,280	0.2896	0.2152	285,515	
Meramec Ambulance District	General Revenue	576,327,689	0.4220	0.3423	1,972,770	
	Dispatch	576,327,689	0.0297	0.0297	171,169	
St. Clair Ambulance District	General Revenue	236,307,226	0.3400	0.2445	577,771	
Union Ambulance District	General Revenue	397,151,710	0.1746	0.0261	103,657	
Washington Area Ambulance District	General Revenue	523,889,316	0.1647	0.0000	0	
New Haven Ambulance District	General Revenue	112,246,147	0.2886	0.2082	233,696	
City of Berger	General Revenue	2,207,383	0.8681	0.8681	19,162	
City of Gerald	General Revenue	19,033,230	0.9504	0.7277	138,505	
	Parks & Recreation	19,033,230	0.2225	0.2225	42,349	
Village of Leslie	General Revenue	1,235,142	0.4581	0.4581	5,658	
City of New Haven	General Revenue	46,805,405	0.7071	0.6998	327,544	
	Parks & Recreation	46,805,405	0.1814	0.1797	84,109	
Village of Oak Grove	General Revenue	9,629,288	0.1570	0.1570	15,118	
City of Pacific	General Revenue	138,734,209	0.4276	0.4276	593,227	
Village of Parkway	General Revenue	7,238,595	0.2567	0.2567	18,581	
City of St. Clair	General Revenue	63,895,673	0.5506	0.5506	351,810	
	Parks & Recreation	63,895,673	0.1719	0.1719	109,837	
City of Sullivan	General Revenue	87,699,210	0.4212	0.4212	369,389	
City of Union	General Revenue	214,642,076	0.5724	0.5724	1,228,611	
	Parks & Recreation	214,642,076	0.1378	0.1378	295,777	
City of Washington	General Revenue	355,939,135	0.5952	0.5952	2,118,550	
Village of Miramiguoa Park	General Revenue	1,048,417	0.5000	0.5000	5,242	
Washington Public Library District	General Revenue	143,763,927	0.2000	0.2000	287,528	
Scenic Regional Library District	General Revenue	2,855,859,449	0.1973	0.1973	5,634,611	
Beaufort-Leslie FPD	General Revenue	64,157,268	0.4463	0.4463	286,334	
Boles FPD	General Revenue	292,673,612	0.9549	0.9549	2,794,740	
	Debt Service	292,673,612	0.2190	0.2190	640,955	
Pacific FPD	General Revenue	275,160,070	0.6696	0.6696	1,842,472	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Franklin</u>						
Pacific FPD	Pension	275,160,070	0.0481	0.0481	132,352	
	Joint Dispatch	275,160,070	0.0481	0.0481	132,352	
	Debt Service	275,160,070	0.0830	0.0700	192,612	
St. Clair FPD	General Revenue	246,583,074	0.5879	0.5153	1,270,643	
Sullivan FPD	General Revenue	215,059,017	0.3928	0.1391	299,147	
	Debt Service	215,059,017	0.0758	0.0758	163,015	
Union FPD	General Revenue	384,347,534	0.6100	0.4575	1,758,390	
Gerald-Rosebud FPD	General Revenue	79,294,708	0.2474	0.2474	196,175	
New Haven-Berger FPD	General Revenue	118,809,853	0.2406	0.2406	285,857	
Washington FPD	General Revenue	177,903,781	0.2867	0.2867	510,050	
Crestview Sewer District	General Revenue	1,155,444	0.4742	0.4742	5,479	
St. Clair Sewer District	General Revenue	10,216,772	0.3130	0.3130	31,978	
Sylvan Manor Sunset Acres SwrD	General Revenue	1,734,850	1.2762	1.2762	22,140	^B
Calvey Creek Sewer District	General Revenue	20,259,765	0.3775	0.3775	76,481	
East Central College	General Revenue	1,893,892,697	0.3628	0.3628	6,871,043	
	Debt Service	1,893,892,697	0.1494	0.0841	1,592,764	
Franklin County R-II SD	Operating Funds-Schools	36,518,884	3.8807	3.8807	1,417,188	^D
Meramec Valley R-III SD	Operating Funds-Schools	366,713,456	3.5301	3.5301	12,945,352	^E
	Debt Service	366,713,456	1.1846	0.8800	3,227,078	
Union R-XI School District	Operating Funds-Schools	360,425,502	2.9558	2.7900	10,055,872	^E
	Debt Service	360,425,502	1.2957	1.0500	3,784,468	
Lonedell R-XIV School District	Operating Funds-Schools	41,833,510	3.4925	3.4899	1,459,948	^D
	Debt Service	41,833,510	0.4939	0.4205	175,910	
Spring Bluff R-XV School District	Operating Funds-Schools	29,706,774	3.3131	3.2922	978,006	^D
	Debt Service	29,706,774	0.7133	0.6978	207,294	
Strain-Japan R-XVI School District	Operating Funds-Schools	13,212,201	3.7600	3.7451	494,810	^D
	Debt Service	13,212,201	0.2011	0.1800	23,782	
St. Clair R-XIII School District	Operating Funds-Schools	157,888,263	3.2726	3.2000	5,052,424	^D
	Debt Service	157,888,263	1.0425	0.6200	978,907	
Sullivan C-2 School District	Operating Funds-Schools	175,075,543	3.0873	3.0873	5,405,107	^D
	Debt Service	175,075,543	1.5944	1.1073	1,938,611	
New Haven School District	Operating Funds-Schools	41,060,269	4.0879	4.0500	1,662,941	^D
	Debt Service	41,060,269	1.1262	0.7500	307,952	
Washington School District	Operating Funds-Schools	823,603,199	3.7043	3.7043	30,508,733	^D
	Debt Service	823,603,199	0.5892	0.4700	3,870,935	
Franklin County	General Revenue	2,087,683,075	0.2904	0.1326	2,768,268	
	Road & Bridge	2,087,683,075	0.2102	0.2102	4,388,310	
	Developmental Dis. Board	2,087,683,075	0.0975	0.0975	2,035,491	
<u>Gasconade</u>						
Owensville Ambulance District	General Revenue	103,129,210	0.3189	0.1019	105,089	
Hermann Area Ambulance District	General Revenue	149,213,788	0.2861	0.1431	213,525	
Hermann Area Hospital District	General Revenue	141,174,851	0.9884	0.9884	1,395,372	
Gasconade Manor NHD	General Revenue	151,866,680	0.1228	0.1228	186,492	
Morrison Levee District	General Revenue	72,700	0.7730	0.7730	562	
Morrison SRD 4 Gasconade County	Road & Bridge	6,605,614	0.2461	0.2461	16,256	
City of Bland	General Revenue	3,661,746	0.9431	0.9431	34,534	
	Parks & Recreation	3,661,746	0.2524	0.2524	9,242	
City of Gasconade	General Revenue	1,692,271	0.6323	0.6323	10,700	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Gasconade</u>						
City of Gasconade	Debt Service	1,692,271	1.6309	1.6309	27,599	
City of Hermann	General Revenue	41,917,183	0.3625	0.3625	151,950	
	Parks & Recreation	41,917,183	0.0093	0.0093	3,898	
	Band	41,917,183	0.0102	0.0102	4,276	
City of Morrison	General Revenue	1,456,076	0.5417	0.5417	7,888	
City of Owensville	General Revenue	40,383,327	0.3365	0.3365	135,890	
	Debt Service	40,383,327	0.5342	0.5342	215,728	
City of Rosebud	General Revenue	4,996,212	0.4188	0.4188	20,924	
Bland FPD	General Revenue	25,075,133	0.2106	0.2106	52,808	
Gasconade County Health Department	General Revenue	255,247,785	0.0946	0.0946	241,464	
Gasconade County R-II SD	Operating Funds-Schools	174,232,405	3.3538	3.1800	5,540,590 ^E	
	Debt Service	174,232,405	0.7350	0.6700	1,167,357	
Gasconade County R-I SD	Operating Funds-Schools	129,786,766	3.5365	3.5365	4,589,909 ^D	
	Debt Service	129,786,766	0.8458	0.7500	973,401	
Gasconade County	General Revenue	255,247,785	0.3566	0.1677	428,051	
	Common Road District	248,175,376	0.2614	0.2614	648,730	
	Developmental Dis. Board	255,247,785	0.0946	0.0946	241,464	
	Mental Health	255,247,785	0.0783	0.0783	199,859	
<u>Gentry</u>						
Grand River Regional AD	General Revenue	169,633,859	0.4478	0.4478	759,620	
City of Albany	General Revenue	17,265,442	0.6823	0.6823	117,802	
	Parks & Recreation	17,265,442	0.3022	0.3022	52,176	
	Library	17,265,442	0.6256	0.6256	108,013	
	Health	17,265,442	0.1903	0.1903	32,856	
Village of Darlington	General Revenue	290,034	0.5000	0.5000	1,450	
Village of Gentry	General Revenue	302,651	0.5000	0.5000	1,513	
City of King City	General Revenue	7,717,483	0.7350	0.7350	56,724	
	Parks & Recreation	7,717,483	0.1811	0.1811	13,976	
	Health	7,717,483	0.1811	0.1811	13,976	
	Police	7,717,483	0.1526	0.1526	11,777	2021
City of McFall	General Revenue	437,580	0.7500	0.7500	3,282	
City of Stanberry	General Revenue	12,528,808	0.6782	0.6782	84,970	
	Parks & Recreation	12,528,808	0.1700	0.1700	21,299	
	Streets	12,528,808	0.4000	0.4000	50,115	
	General Revenue	81,889,126	0.3027	0.3027	247,878	
Athens Township Gentry County	General Revenue	25,877,719	0.1000	0.1000	25,878	
	Road & Bridge	25,877,719	0.4078	0.4078	105,529	
	Special Road District	25,877,719	0.2041	0.2041	52,816	2020
	Special Road and Bridge	25,877,719	0.2572	0.2572	66,557 ^A	2023
Bogle Township Gentry County	General Revenue	5,881,474	0.1000	0.1000	5,881	
	Road & Bridge	5,881,474	0.5000	0.5000	29,407	
	Gravel & Maintenance	5,881,474	0.4599	0.4599	27,049	2021
	Special Road and Bridge	5,881,474	0.4019	0.4019	23,638 ^A	2023
	Gravel	5,881,474	0.4396	0.4396	25,855 ^A	2023
Cooper Township Gentry County	General Revenue	22,130,102	0.1000	0.1000	22,130	
	Road & Bridge	22,130,102	0.4995	0.4995	110,540	
	Special Road and Bridge	22,130,102	0.1550	0.1550	34,302 ^A	2023
Howard Township Gentry County	General Revenue	2,400,911	0.1000	0.1000	2,401	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Gentry</u>						
Howard Township Gentry County	Road & Bridge	2,400,911	0.5000	0.5000	12,005	
	Special Road and Bridge	2,400,911	0.3600	0.3600	8,643 ^A	2023
	Gravel	2,400,911	0.3600	0.3600	8,643 ^A	2023
Huggins Township Gentry County	General Revenue	3,518,040	0.1000	0.1000	3,518	
	Road & Bridge	3,518,040	0.5000	0.5000	17,590	
	Special Road and Bridge	3,518,040	0.3374	0.3374	11,870 ^A	2023
Jackson Township Gentry County	General Revenue	24,273,242	0.1000	0.1000	24,273	
	Road & Bridge	24,273,242	0.4868	0.4868	118,162	
	Special Road District	24,273,242	0.2553	0.2553	61,970	2022
	Special Road and Bridge	24,273,242	0.1219	0.1219	29,589 ^A	2023
Miller Township Gentry County	General Revenue	9,678,871	0.1000	0.1000	9,679	
	Road & Bridge	9,678,871	0.5000	0.5000	48,394	
	Special Road District	9,678,871	0.3706	0.3706	35,870	2020
	Special Road and Bridge	9,678,871	0.3592	0.3592	34,767	2022
Wilson Township Gentry County	General Revenue	5,394,486	0.0975	0.0975	5,260	
	Road & Bridge	5,394,486	0.4875	0.4875	26,298	
	Special Road and Bridge	5,394,486	0.2828	0.2828	15,256	2020
	Gravel & Maintenance	5,394,486	0.3026	0.3026	16,324	2021
	Gravel	5,394,486	0.3018	0.3018	16,281 ^A	2021
	Gravel & Maintenance 1	5,394,486	0.3520	0.3520	18,989 ^A	2023
Albany Community FPD	General Revenue	40,247,137	0.1825	0.1825	73,451	
	Fire	40,247,137	0.1500	0.1500	60,371	
Stanberry Rural FPD	General Revenue	29,340,037	0.4000	0.4000	117,360	
McFall FPD	General Revenue	4,359,701	0.3000	0.3000	13,079	
King City FPD	General Revenue	47,217,227	0.3000	0.3000	141,652	
King City R-I School District	Operating Funds-Schools	47,434,431	4.3600	4.1268	1,957,524	
	Debt Service	47,434,431	0.6201	0.5100	241,916	
Stanberry R-II School District	Operating Funds-Schools	28,516,429	4.1000	4.1000	1,169,174 ^D	
	Operating Funds-Temp	28,516,429	1.3300	1.3300	379,269	2026
Albany R-III School District	Operating Funds-Schools	38,510,657	4.4893	4.4893	1,728,859 ^D	
Gentry County	General Revenue	99,154,845	0.3652	0.3652	362,113	
	Senior Services	99,154,845	0.0500	0.0500	49,577	
	General Revenue-Temp	99,154,845	0.1929	0.1929	191,270	2022
<u>Greene</u>						
City of Ash Grove	General Revenue	15,678,472	0.5251	0.5251	82,328	
City of Battlefield	General Revenue	70,474,428	0.3214	0.3214	226,505	
City of Fair Grove	General Revenue	19,750,346	0.5144	0.5144	101,596	
	Debt Service	19,750,346	0.1043	0.1043	20,600	
City of Republic	General Revenue	226,638,802	0.4119	0.4119	933,525	
	Parks & Recreation	226,638,802	0.1110	0.1110	251,569	
	Lights	226,638,802	0.0634	0.0634	143,689	
City of Springfield	General Revenue	3,203,158,443	0.2665	0.2665	8,536,417	2025
	Parks & Recreation	3,203,158,443	0.1867	0.1867	5,980,297	
	Museum	3,203,158,443	0.0391	0.0391	1,252,435	
	Health	3,203,158,443	0.1273	0.1273	4,077,621	
City of Strafford	General Revenue	37,129,229	0.3395	0.3395	126,054	
City of Walnut Grove	General Revenue	6,291,876	0.6652	0.6652	41,854	
City of Willard	General Revenue	58,937,379	0.3677	0.3677	216,713	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Greene</u>						
City of Willard	Parks & Recreation	58,937,379	0.1125	0.1125	66,305	
Springfield-Greene County PLD	General Revenue	5,341,239,407	0.2434	0.2434	13,000,577	
Battlefield FPD	General Revenue	619,874,399	0.5755	0.5755	3,567,377	
Strafford FPD	General Revenue	206,305,133	0.7139	0.7139	1,472,812	
Fair Grove FPD	General Revenue	79,496,451	0.9406	0.9406	747,744	
Brookline FPD	General Revenue	151,912,361	0.2400	0.2400	364,590	
Logan-Rogersville FPD	General Revenue	466,807,189	0.6007	0.6007	2,804,111	
Willard FPD	General Revenue	176,579,337	0.7473	0.7473	1,319,577	
Walnut Grove FPD	General Revenue	44,479,004	0.2873	0.2873	127,788	
West Republic FPD	General Revenue	33,382,572	0.2560	0.2560	85,459	
Ebenezer FPD	General Revenue	161,861,237	0.8296	0.8296	1,342,801	
Bois D'Arc FPD	General Revenue	30,086,870	0.4347	0.4347	130,788	
Ash Grove FPD	General Revenue	30,843,758	0.4865	0.4865	150,055	
Convention & Entertainment CID	General Revenue	19,303,240	2.7122	2.7122	523,542	
	Debt Service	19,303,240	3.6533	0.8781	169,502	
Southern Hills CID Greene County	General Revenue	16,077,830	0.2753	0.2753	44,262	2042
Ozarks Technical Community College	General Revenue	7,867,910,912	0.0988	0.0988	7,773,496	
	General Revenue-Temp	7,867,910,912	0.1008	0.1008	7,930,854	2038
Willard R-II School District	Operating Funds-Schools	420,554,491	3.0640	3.0640	12,885,790	^D
	Debt Service	420,554,491	1.7259	1.0644	4,476,382	
Republic R-III School District	Operating Funds-Schools	444,531,527	3.2146	3.2146	14,289,910	^D
	Debt Service	444,531,527	1.2662	0.9400	4,178,596	
Ash Grove R-IV School District	Operating Funds-Schools	66,256,163	3.0411	3.0396	2,013,922	^D
	Debt Service	66,256,163	0.6647	0.5930	392,899	
Walnut Grove R-V School District	Operating Funds-Schools	21,680,009	4.0530	4.0530	878,691	^D
Strafford R-VI School District	Operating Funds-Schools	220,735,869	2.7500	2.7500	6,070,236	^E
	Debt Service	220,735,869	0.7062	0.7000	1,545,151	
Logan-Rogersville R-VIII SD	Operating Funds-Schools	277,140,795	3.5634	3.5634	9,875,635	^D
	Debt Service	277,140,795	1.5770	0.9394	2,603,461	
Springfield R-XII School District	Operating Funds-Schools	3,857,356,197	3.5427	3.5427	136,654,558	^D
	Debt Service	3,857,356,197	1.2988	0.7300	28,158,700	
Fair Grove R-X School District	Operating Funds-Schools	77,454,309	2.9653	2.9653	2,296,753	^D
	Debt Service	77,454,309	1.6520	0.9000	697,089	
Greene County	General Revenue	5,341,239,407	0.2515	0.1248	6,665,867	
	Road & Bridge	5,341,239,407	0.2515	0.1248	6,665,867	
	Developmental Dis. Board	5,341,239,407	0.0467	0.0467	2,494,359	
	Senior Services	5,341,239,407	0.0493	0.0493	2,633,231	
<u>Grundy</u>						
Grundy County NHD	General Revenue	130,067,962	0.1500	0.1500	195,102	
Spickard SRD Grundy County	Special Road and Bridge	1,989,348	0.3800	0.3800	7,560	2021
Village of Brimson	General Revenue	271,412	0.2153	0.2000	543	
City of Galt	General Revenue	827,498	1.0000	1.0000	8,275	
City of Laredo	General Revenue	960,764	0.6983	0.6983	6,709	
	Streets	960,764	0.2993	0.2993	2,876	
City of Spickard	General Revenue	1,355,715	0.9917	0.9917	13,445	
City of Tindall	General Revenue	745,414	0.4500	0.4500	3,354	
City of Trenton	General Revenue	54,086,264	0.9935	0.9935	537,347	
	Parks & Recreation	54,086,264	0.1828	0.1828	98,870	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Grundy						
Jewett Norris-Grundy County PLD	General Revenue	130,067,962	0.2000	0.2000	260,136	
Franklin Township Grundy County	General Revenue	6,416,668	0.0914	0.0914	5,865	
	Road & Bridge	4,427,320	0.4924	0.4924	21,800	
	Special Road and Bridge	4,427,320	0.3615	0.3615	16,005	2022
Harrison Township Grundy County	General Revenue	2,642,621	0.1000	0.1000	2,643	
	Road & Bridge	2,642,621	0.5000	0.5000	13,213	
	Special Road and Bridge	2,642,621	0.3500	0.3500	9,249	2020
Jackson Township Grundy County	General Revenue	5,023,603	0.0891	0.0891	4,476	
	Road & Bridge	5,023,603	0.3663	0.3663	18,401	
	Special Road and Bridge	5,023,603	0.3568	0.3568	17,924	2022
	Debt Service	5,023,603	0.2720	0.2720	13,664	
Jefferson Township Grundy County	General Revenue	9,325,034	0.0855	0.0855	7,973	
	Road & Bridge	9,325,034	0.4337	0.4337	40,443	
	Special Road and Bridge	9,325,034	0.3578	0.3578	33,365	2022
Liberty Township Grundy County	General Revenue	4,162,809	0.1000	0.1000	4,163	
	Road & Bridge	4,162,809	0.5000	0.5000	20,814	
	Special Road and Bridge	4,162,809	0.3500	0.3500	14,570	2020
Lincoln Township Grundy County	General Revenue	10,631,917	0.0887	0.0887	9,431	
	Road & Bridge	10,631,917	0.2691	0.2691	28,610	
	Special Road and Bridge	10,631,917	0.3500	0.3500	37,212	2020
Madison Township Grundy County	General Revenue	7,471,276	0.1000	0.1000	7,471	
	Road & Bridge	7,471,276	0.5000	0.5000	37,356	
	Special Road and Bridge	7,471,276	0.3552	0.3552	26,538	2022
Marion Township Grundy County	General Revenue	6,566,899	0.0885	0.0885	5,812	
	Road & Bridge	6,566,899	0.4419	0.4419	29,019	
	Special Road and Bridge	6,566,899	0.3500	0.3500	22,984	2022
	Debt Service	6,566,899	0.1056	0.0000	0	
Myers Township Grundy County	General Revenue	1,974,362	0.1000	0.1000	1,974	
	Road & Bridge	1,974,362	0.5000	0.5000	9,872	
	Special Road and Bridge	1,974,362	0.3568	0.3568	7,045	2022
Taylor Township Grundy County	General Revenue	1,982,239	0.1000	0.1000	1,982	
	Road & Bridge	1,982,239	0.5000	0.5000	9,911	
	Special Road and Bridge	1,982,239	0.3707	0.3707	7,348	2020
Trenton Township Grundy County	General Revenue	66,413,025	0.0657	0.0657	43,633	
	Road & Bridge	66,413,025	0.2945	0.2945	195,586	
Wilson Township Grundy County	General Revenue	5,697,062	0.0995	0.0995	5,669	
	Road & Bridge	5,697,062	0.4979	0.4979	28,366	
	Special Road and Bridge	5,697,062	0.3500	0.3500	19,940	2022
Washington Township Grundy County	General Revenue	1,760,911	0.0985	0.0985	1,734	
	Road & Bridge	1,760,911	0.4925	0.4925	8,672	
	Special Road and Bridge	1,760,911	0.3612	0.3612	6,360 ^A	2023
Grundy County Rural FPD	General Revenue	39,632,807	0.2685	0.2685	106,414	
Laredo FPD	General Revenue	12,319,722	0.2875	0.2875	35,419	
Spickard FPD	General Revenue	17,144,434	0.2665	0.2665	45,690	
Galt FPD	General Revenue	13,418,715	0.3000	0.3000	40,256	
Grundy County Health Department	General Revenue	130,067,962	0.3000	0.3000	390,204	
North Central Missouri College	General Revenue	91,596,295	0.4000	0.4000	366,385	
Grundy County R-V School District	Operating Funds-Schools	10,926,548	5.9207	5.9207	646,928 ^D	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Grundy						
Spickard R-II School District	Operating Funds-Schools	4,622,720	4.6286	4.6286	213,967	D
Pleasant View R-VI School District	Operating Funds-Schools	8,153,346	4.9508	4.9508	403,656	D
Laredo R-VII School District	Operating Funds-Schools	6,145,621	6.1636	6.0636	372,646	D
Trenton R-IX School District	Operating Funds-Schools	76,146,522	3.5135	3.5135	2,675,408	D
	Debt Service	76,146,522	1.1585	0.9000	685,319	
Grundy County	General Revenue	130,067,962	0.3965	0.2165	281,597	
	Developmental Dis. Board	130,067,962	0.1000	0.1000	130,068	
	Senior Services	130,067,962	0.0500	0.0500	65,034	
Harrison						
North Harrison Ambulance District	General Revenue	39,080,625	0.4899	0.4899	191,456	
Noel Adams Ambulance District	General Revenue	97,904,192	0.2791	0.0000	0	
Harrison County Hospital District	General Revenue	130,038,124	0.4904	0.4904	637,707	
Panther Creek Watershed Subdistrict	General Revenue	1,794,640	0.4000	0.4000	7,179	
West Fork of Big Creek Subdistrict	General Revenue	15,612,960	0.3872	0.3872	60,453	
East Fork of Big Creek Subdistrict	General Revenue	6,689,310	0.4000	0.4000	26,757	
City of Bethany	General Revenue	34,940,504	0.5514	0.5514	192,662	
	Parks & Recreation	34,940,504	0.0000	0.0000	0	
	Streets	34,940,504	0.3119	0.3119	108,979	
Village of Blythedale	General Revenue	766,987	1.0000	1.0000	7,670	
City of Cainsville	General Revenue	1,653,521	0.5575	0.5575	9,218	
	Fire	1,653,521	0.0000	0.0000	0	
	Gravel	1,653,521	0.5575	0.5575	9,218	
	General Revenue-Temp	1,653,521	0.3088	0.3088	5,106	A 2023
City of Gilman City	General Revenue	1,877,290	0.5239	0.5239	9,835	
	Parks & Recreation	1,877,290	0.0496	0.0496	931	
	Streets	1,877,290	0.1897	0.1897	3,561	
Village of Mount Moriah	General Revenue	510,252	0.5000	0.5000	2,551	
City of New Hampton	General Revenue	1,016,805	0.6800	0.6800	6,914	
	Lights	1,016,805	0.1500	0.1500	1,525	
	Streets	1,016,805	0.3000	0.3000	3,050	
City of Ridgeway	General Revenue	2,258,995	1.0000	1.0000	22,590	
	Parks & Recreation	2,258,995	0.0500	0.0500	1,129	
Adams Township Harrison County	General Revenue	3,175,264	0.0994	0.0994	3,156	
	Road & Bridge	3,175,264	0.4972	0.4972	15,787	
	Special Road and Bridge	3,175,264	0.3570	0.3570	11,336	A 2023
Bethany Township Harrison County	General Revenue	44,190,480	0.0974	0.0974	43,042	
	Road & Bridge	44,190,480	0.3490	0.3490	154,225	
Butler Township Harrison County	General Revenue	2,824,407	0.0925	0.0925	2,613	
	Road & Bridge	2,824,407	0.4104	0.4104	11,591	
	Special Road and Bridge	2,824,407	0.3500	0.3500	9,885	A 2023
Clay Township Harrison County	General Revenue	4,034,590	0.0910	0.0910	3,671	
	Road & Bridge	4,034,590	0.4553	0.4553	18,369	
	Special Road and Bridge	4,034,590	0.3500	0.3500	14,121	A 2023
Colfax Township Harrison County	General Revenue	9,623,032	0.0868	0.0868	8,353	
	Road & Bridge	9,623,032	0.4232	0.4232	40,725	
	Special Road and Bridge	9,623,032	0.3500	0.3500	33,681	A 2023
Cypress Township Harrison County	General Revenue	3,080,373	0.1000	0.1000	3,080	
	Road & Bridge	3,080,373	0.4447	0.4447	13,698	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Harrison</u>						
Cypress Township Harrison County	Special Road and Bridge	3,080,373	0.3634	0.3634	11,194 ^A	2023
Dallas Township Harrison County	General Revenue	2,791,942	0.0984	0.0984	2,747	
	Road & Bridge	2,791,942	0.4284	0.4284	11,961	
	Special Road and Bridge	2,791,942	0.3619	0.3619	10,104 ^A	2023
Fox Creek Township Harrison County	General Revenue	2,634,076	0.0924	0.0924	2,434	
	Road & Bridge	2,634,076	0.4405	0.4405	11,603	
	Special Road and Bridge	2,634,076	0.3599	0.3599	9,480 ^A	2023
Grant Township Harrison County	General Revenue	4,581,654	0.1000	0.1000	4,582	
	Road & Bridge	4,581,654	0.5000	0.5000	22,908	
	Special Road and Bridge	4,581,654	0.3576	0.3576	16,384 ^A	2023
Hamilton Township Harrison County	General Revenue	3,730,752	0.0952	0.0952	3,552	
	Road & Bridge	3,730,752	0.4761	0.4761	17,762	
	Special Road and Bridge	3,730,752	0.3500	0.3500	13,058 ^A	2023
Jefferson Township Harrison County	General Revenue	5,491,529	0.0972	0.0972	5,338	
	Road & Bridge	5,491,529	0.4605	0.4605	25,288	
	Special Road and Bridge	5,491,529	0.3644	0.3644	20,011 ^A	2023
Lincoln Township Harrison County	General Revenue	2,794,559	0.0975	0.0975	2,725	
	Road & Bridge	2,794,559	0.4875	0.4875	13,623	
	Special Road and Bridge	2,794,559	0.3503	0.3503	9,789 ^A	2023
Madison Township Harrison County	General Revenue	5,501,595	0.0972	0.0972	5,348	
	Road & Bridge	5,501,595	0.4859	0.4859	26,732	
	Special Road and Bridge	5,501,595	0.3571	0.3571	19,646 ^A	2023
Marion Township Harrison County	General Revenue	7,652,984	0.0931	0.0931	7,125	
	Road & Bridge	7,652,984	0.4283	0.4283	32,778	
	Special Road and Bridge	7,652,984	0.3689	0.3689	28,232 ^A	2023
Sherman Township Harrison County	General Revenue	5,551,881	0.0995	0.0995	5,524	
	Road & Bridge	5,551,881	0.4973	0.4973	27,610	
	Special Road and Bridge	5,551,881	0.3598	0.3598	19,976 ^A	2023
Sugar Creek Township Harrison County	General Revenue	4,734,887	0.0994	0.0994	4,706	
	Road & Bridge	4,734,887	0.3933	0.3933	18,622	
	Special Road and Bridge	4,734,887	0.3651	0.3651	17,287 ^A	2023
Trail Creek Township Harrison County	General Revenue	4,256,421	0.1000	0.1000	4,256	
	Road & Bridge	4,256,421	0.5000	0.5000	21,282	
	Special Road and Bridge	4,256,421	0.3675	0.3675	15,642 ^A	2023
Union Township Harrison County	General Revenue	5,473,779	0.0953	0.0953	5,217	
	Road & Bridge	5,473,779	0.4762	0.4762	26,066	
	Special Road and Bridge	5,473,779	0.3749	0.3749	20,521 ^A	2023
Washington Township Harrison County	General Revenue	2,304,778	0.0996	0.0996	2,296	
	Road & Bridge	2,304,778	0.4978	0.4978	11,473	
	Special Road and Bridge	2,304,778	0.3575	0.3575	8,240 ^A	2023
White Oak Township Harrison County	General Revenue	5,609,141	0.0960	0.0960	5,385	
	Road & Bridge	5,609,141	0.4503	0.4503	25,258	
	Special Road and Bridge	5,609,141	0.3569	0.3569	20,019 ^A	2023
Ridgeway FPD	General Revenue	9,308,540	0.3000	0.3000	27,926	
Gilman City FPD	General Revenue	13,427,610	0.2990	0.2990	40,149	
New Hampton FPD	General Revenue	12,116,986	0.2967	0.2967	35,951	
North Harrison FPD	General Revenue	28,366,420	0.2616	0.2616	74,207	
Cainsville FPD	General Revenue	10,073,263	0.2595	0.2595	26,140	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Harrison</u>						
Harrison County Health Department	General Revenue	130,038,124	0.2943	0.2943	382,702	
Cainsville R-I School District	Operating Funds-Schools	6,290,728	5.9178	5.9022	371,291	^D
South Harrison County R-II SD	Operating Funds-Schools	74,031,325	3.6299	3.6299	2,687,263	^D
	Operating Funds-Temp	74,031,325	0.6454	0.5446	403,175	2034
North Harrison County R-III SD	Operating Funds-Schools	22,996,781	4.3494	4.3494	1,000,222	^D
Gilman City R-IV School District	Operating Funds-Schools	12,508,838	5.0298	5.0298	629,170	^D
Ridgeway R-V School District	Operating Funds-Schools	8,356,661	6.1236	6.1236	511,728	^D
Harrison County	General Revenue	130,038,124	0.3708	0.3708	482,181	
	Senior Services	130,038,124	0.0490	0.0490	63,719	
<u>Henry</u>						
Windsor Ambulance District	General Revenue	53,674,631	0.6075	0.6075	326,073	
Deerfield Creek SRD Henry County	Road & Bridge	7,517,110	0.1717	0.1717	12,907	
Fields Creek SRD 1 Henry County	Road & Bridge	27,661,654	0.3741	0.3741	103,482	
Honey Creek SRD 1 Henry County	Road & Bridge	2,972,168	0.3873	0.3873	11,511	
Montrose SRD Henry County	Road & Bridge	4,153,018	0.3252	0.3252	13,506	
Mt. Hope SRD Henry County	Road & Bridge	1,875,951	0.4360	0.4360	8,179	
	Special Road and Bridge	1,875,951	0.3554	0.3554	6,667	^A 2023
Osage SRD 1 Henry County	Road & Bridge	6,268,692	0.3474	0.3474	21,777	
Shawnee SRD 1 Henry County	Road & Bridge	6,020,591	0.4004	0.4004	24,106	
Wagner SRD Henry County	Road & Bridge	1,203,862	0.3903	0.3903	4,699	
Windsor SRD Henry County	Road & Bridge	35,675,612	0.2795	0.2795	99,713	
Clinton Country Club SRD Henry Co	Road & Bridge	2,682,568	0.2713	0.2680	7,189	
	Special Road and Bridge	2,682,568	0.5590	0.5590	14,996	2021
City of Blairstown	General Revenue	466,393	1.0000	1.0000	4,664	
	Streets	466,393	0.5492	0.5492	2,561	2021
Village of Brownington	General Revenue	418,264	1.0000	1.0000	4,183	
City of Calhoun	General Revenue	2,325,547	0.6495	0.6495	15,104	
	Police	2,325,547	0.2452	0.2452	5,702	2020
	Fire	2,325,547	0.1962	0.1962	4,563	2020
City of Clinton	General Revenue	137,957,458	0.5333	0.5333	735,727	
	Parks & Recreation	137,957,458	0.1493	0.1493	205,970	
City of Deepwater	General Revenue	2,343,049	0.8600	0.8600	20,150	
	Lights	2,343,049	0.1500	0.1500	3,515	
	Cemetery	2,343,049	0.1000	0.1000	2,343	
City of Montrose	General Revenue	3,397,642	0.9548	0.9548	32,441	
City of Ulrich	General Revenue	4,080,658	0.9163	0.9163	37,391	
	Parks & Recreation	4,080,658	0.2827	0.2827	11,536	
City of Windsor	General Revenue	23,847,155	0.6468	0.6468	154,243	
	Library	23,847,155	0.0000	0.0000	0	
	Parks	23,847,155	0.2400	0.2400	57,233	
	Pool	23,847,155	0.1200	0.1200	28,617	
	Recreation	23,847,155	0.0600	0.0600	14,308	
Henry County Library District	General Revenue	361,059,573	0.1952	0.1952	704,788	
Bear Creek Township Henry County	General Revenue	4,200,960	0.1816	0.1816	7,629	
	Road & Bridge	4,200,960	0.3180	0.3180	13,359	
	Special Road and Bridge	4,200,960	0.2504	0.2504	10,519	2021
Bethlehem Township Henry County	General Revenue	13,644,481	0.1219	0.1219	16,633	
	Road & Bridge	13,126,686	0.2733	0.2733	35,875	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Henry						
Bogard Township Henry County	General Revenue	13,224,196	0.1587	0.1587	20,987	2020
	Road & Bridge	13,224,196	0.3357	0.3357	44,394	
	Special Road and Bridge	13,224,196	0.2476	0.2476	32,743	
Clinton Township Henry County	General Revenue	117,209,611	0.0517	0.0517	60,597	
	Road & Bridge	117,209,611	0.1034	0.1034	121,195	
Davis Township Henry County	General Revenue	8,544,939	0.2000	0.2000	17,090	
	Road & Bridge	8,544,939	0.5000	0.5000	42,725	
Deepwater Township Henry County	General Revenue	9,512,849	0.1670	0.1670	15,886	
	Road & Bridge	2,351,505	0.3379	0.3379	7,946	
Deer Creek Township Henry County	General Revenue	10,096,139	0.1429	0.1429	14,427	
	Road & Bridge	5,975,606	0.4283	0.4283	25,594	
Fairview Township Henry County	General Revenue	8,818,464	0.1542	0.1542	13,598	
	Road & Bridge	8,818,464	0.3289	0.3289	29,004	
Fields Creek Township Henry County	General Revenue	52,015,719	0.1648	0.1648	85,722	
	Road & Bridge	18,776,892	0.3100	0.3100	58,208	
Honey Creek Township Henry County	General Revenue	4,905,633	0.1479	0.1479	7,255	
	Road & Bridge	1,933,465	0.1408	0.1408	2,722	
Leesville Township Henry County	General Revenue	18,660,449	0.1332	0.1332	24,856	
	Road & Bridge	18,660,449	0.2666	0.2666	49,749	
Osage Township Henry County	General Revenue	12,486,414	0.1395	0.1395	17,419	
	Road & Bridge	6,217,723	0.3250	0.3250	20,208	
Shawnee Township Henry County	General Revenue	10,038,493	0.1538	0.1538	15,439	
	Road & Bridge	4,017,901	0.4141	0.4141	16,638	
Springfield Township Henry County	General Revenue	5,493,248	0.1820	0.1820	9,998	
	Road & Bridge	5,493,248	0.4551	0.4551	25,000	
Tebo Township Henry County	General Revenue	10,931,064	0.1655	0.1655	18,091	
	Road & Bridge	10,931,064	0.3604	0.3604	39,396	
	Special Road and Bridge	10,931,064	0.1813	0.1813	19,818 A	
Walker Township Henry County	General Revenue	8,006,482	0.1653	0.1653	13,235	2023
	Road & Bridge	8,006,482	0.2521	0.2521	20,184	
White Oak Township Henry County	General Revenue	9,207,730	0.1866	0.1866	17,182	
	Road & Bridge	9,207,730	0.3938	0.3938	36,260	
Windsor Township Henry County	General Revenue	35,676,007	0.1469	0.1469	52,408	
Big Creek Township Henry County	General Revenue	8,292,415	0.1935	0.1935	16,046	
	Road & Bridge	8,292,415	0.3358	0.3358	27,846	
Tightwad FPD	General Revenue	18,636,429	0.2873	0.2873	53,542	
Henry County Health Center	General Revenue	361,059,573	0.0974	0.0974	351,672	
Henry County R-I School District	Operating Funds-Schools	48,968,240	3.0833	3.0611	1,498,967 D	
	Debt Service	48,968,240	0.7924	0.5000	244,841	
Shawnee R-III School District	Operating Funds-Schools	10,702,440	4.0379	4.0379	432,154 D	
	Debt Service	10,702,440	0.6009	0.4584	49,060	
Calhoun R-VIII School District	Operating Funds-Schools	12,431,716	4.0147	4.0147	499,096 D	
Leesville R-IX School District	Operating Funds-Schools	18,190,562	3.3797	3.3700	613,022 D	
Davis R-XII School District	Operating Funds-Schools	13,789,654	4.6462	4.5600	628,808 D	
Montrose R-XIV School District	Operating Funds-Schools	12,069,676	4.4358	4.4358	535,387 D	
	Debt Service	12,069,676	0.8844	0.8000	96,557	
Clinton School District	Operating Funds-Schools	187,117,645	3.5186	3.5186	6,583,921 D	2027
	Operating Funds-Temp	187,117,645	0.0000	0.0000	0	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Henry</u>						
Clinton School District	Debt Service	187,117,645	1.3396	0.8768	1,640,648	
Henry County	General Revenue	361,059,573	0.2482	0.0543	196,055	
	Senior Services	361,059,573	0.0486	0.0486	175,475	
<u>Hickory</u>						
City of Cross Timbers	General Revenue	945,322	0.4005	0.4005	3,786	
City of Hermitage	General Revenue	5,531,681	0.5075	0.5075	28,073	
City of Weaubleau	General Revenue	3,119,064	0.3793	0.3793	11,831	
City of Wheatland	General Revenue	4,585,303	0.3346	0.3346	15,342	
Hickory County Library District	General Revenue	130,517,432	0.1314	0.1314	171,500	
Hickory County Health Department	General Revenue	130,517,432	0.1530	0.1530	199,692	
Hickory County R-I School District	Operating Funds-Schools	48,269,373	2.8861	2.8861	1,393,102	D
	Debt Service	48,269,373	1.0379	0.8101	391,030	
Wheatland R-II School District	Operating Funds-Schools	40,600,782	2.9707	2.9707	1,206,127	D
	Debt Service	40,600,782	0.7675	0.4136	167,925	
Weaubleau R-III School District	Operating Funds-Schools	25,928,094	2.7500	2.7500	713,023	D
	Debt Service	25,928,094	0.9032	0.8900	230,760	
Hermitage R-IV School District	Operating Funds-Schools	45,513,177	2.7500	2.7500	1,251,612	D
	Debt Service	45,513,177	0.5177	0.4633	210,863	
Hickory County	General Revenue	130,517,432	0.3192	0.1825	238,194	
	Road & Bridge	130,517,432	0.2441	0.2441	318,593	
<u>Holt</u>						
Corning SRD Holt County	Special Road and Bridge	5,028,216	0.3275	0.3275	16,467	2021
S Union Twsp Independent SRD Holt	Special Road and Bridge	3,388,311	0.3420	0.3420	11,588	2020
Village of Bigelow	General Revenue	490,425	0.7547	0.7547	3,701	
Village of Corning	General Revenue	175,360	0.3633	0.3633	637	
	Lights	175,360	0.1859	0.1859	326	
City of Craig	General Revenue	1,428,757	1.0000	1.0000	14,288	
	Motor Fuel	1,428,757	0.4000	0.4000	5,715	
City of Forest City	General Revenue	2,953,502	1.0000	1.0000	29,535	
	Police	2,953,502	0.3053	0.3053	9,017	2025
Village of Fortescue	General Revenue	396,397	0.6946	0.6946	2,753	
City of Maitland	General Revenue	2,417,171	0.9921	0.9921	23,981	
	Lights	2,417,171	0.3500	0.3500	8,460	
	Health	2,417,171	0.1500	0.1500	3,626	
	General Revenue-Temp	2,417,171	0.2584	0.2584	6,246	2020
City of Mound City	General Revenue	13,166,713	0.7990	0.7990	105,202	
	Parks & Recreation	13,166,713	0.2854	0.2854	37,578	
	Lights	13,166,713	0.3126	0.3126	41,159	2021
	Library	13,166,713	0.4080	0.4080	53,720	
	Health	13,166,713	0.1712	0.1712	22,541	
City of Oregon	General Revenue	7,671,220	1.0000	1.0000	76,712	
	Library	7,671,220	0.3895	0.3895	29,879	
	Health	7,671,220	0.1857	0.1857	14,245	
	Debt Service	7,671,220	0.0000	0.0000	0	
Village of Big Lake	General Revenue	6,121,536	0.3026	0.3026	18,524	
	Health	6,121,536	0.1342	0.1342	8,215	
	General Revenue-Temp	6,121,536	0.3024	0.3024	18,512	2020
Mound City Rural FPD	General Revenue	49,933,001	0.1993	0.1993	99,516	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Holt</u>						
Southern FPD of Holt County	General Revenue	47,820,603	0.2195	0.2195	104,966	
Northwest Holt County FPD	General Revenue	26,545,525	0.3930	0.3930	104,324	
Maitland Volunteer FPD	General Revenue	8,352,445	0.3000	0.3000	25,057	
Craig R-III School District	Operating Funds-Schools	25,849,268	4.5141	4.4407	1,147,888	D
Mound City R-2 School District	Operating Funds-Schools	32,939,087	3.6509	3.6509	1,202,573	D
	Operating Funds-Temp	32,939,087	0.4245	0.4245	139,826	2033
	Operating Funds-Schools	34,925,451	3.3965	3.3965	1,186,243	D
South Holt County R-I SD	Operating Funds-Schools	34,925,451	3.3965	3.3965	1,186,243	D
Holt County	General Revenue	150,914,516	0.4034	0.4034	608,789	
	Johnson Grass	150,914,516	0.0371	0.0369	55,687	
	Road & Bridge	150,914,516	0.4084	0.4084	616,335	
	Senior Services	150,914,516	0.0463	0.0463	69,873	
<u>Howard</u>						
Howard County Ambulance District	General Revenue	132,806,517	0.3000	0.3000	398,420	
Moniteau Creek WSD	General Revenue	14,829,730	0.3200	0.3200	47,455	
Armstrong SRD Howard County	Special Road and Bridge	9,119,251	0.3570	0.3570	32,556	2020
Glasgow SRD 60 Howard County	Special Road and Bridge	25,440,367	0.3556	0.3556	90,466	2020
City of Armstrong	General Revenue	1,684,426	0.8800	0.8800	14,823	
City of Fayette	General Revenue	18,075,027	0.5741	0.5741	103,769	
City of Franklin	General Revenue	538,072	0.9842	0.9842	5,296	
City of New Franklin	General Revenue	7,605,401	0.6525	0.6525	49,625	
City of Glasgow	General Revenue	12,357,602	0.5758	0.5758	71,155	
	Parks & Recreation	12,357,602	0.2708	0.2708	33,464	
	Library	12,357,602	0.2500	0.2500	30,894	
	Debt Service	12,357,602	0.0073	0.0073	902	
Howard County Library District	General Revenue	121,069,795	0.1000	0.1000	121,070	
Howard County FPD	General Revenue	76,894,989	0.3000	0.3000	230,685	
	Debt Service	76,894,989	0.2563	0.1313	100,963	
Armstrong FPD	General Revenue	17,159,849	0.2996	0.2996	51,411	
Glasgow Volunteer FPD	General Revenue	37,625,746	0.2695	0.2695	101,401	
New Franklin R-I School District	Operating Funds-Schools	29,473,735	4.5476	4.5476	1,340,348	BD
	Debt Service	29,473,735	0.9589	0.7020	206,906	
Fayette R-III School District	Operating Funds-Schools	56,435,729	4.3398	4.3398	2,449,198	D
	Debt Service	56,435,729	0.8540	0.6564	370,444	
Glasgow School District	Operating Funds-Schools	27,900,533	4.8431	4.8431	1,351,251	D
Howard County	General Revenue	132,806,517	0.4126	0.2894	384,342	
	Road & Bridge	97,835,670	0.3083	0.3083	301,627	
	Developmental Dis. Board	132,806,517	0.1000	0.1000	132,807	
<u>Howell</u>						
South Howell Ambulance District	General Revenue	358,668,800	0.2000	0.0000	0	
Willow Springs Ambulance District	General Revenue	89,289,754	0.2100	0.2100	187,508	
Mountain View-Summersville AD	General Revenue	90,668,079	0.1890	0.1890	171,363	
City of Mountain View	General Revenue	27,407,260	0.0000	0.0000	0	
	Library	27,407,260	0.0000	0.0000	0	
City of West Plains	General Revenue	161,916,930	0.3180	0.3180	514,896	
	Library	161,916,930	0.2000	0.2000	323,834	
City of Willow Springs	General Revenue	21,070,912	0.5213	0.5213	109,843	
	Library	21,070,912	0.1664	0.1664	35,062	
Howell County Rural FPD 1	General Revenue	115,055,868	0.2678	0.2678	308,120	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Howell</u>						
Pomona FPD	General Revenue	27,156,157	0.3000	0.3000	81,468	
Brandsville FPD	General Revenue	11,968,351	0.2923	0.2923	34,983	
Pumpkin Center FPD	General Revenue	4,274,880	0.3012	0.3000	12,825	
Howell County Health Department	General Revenue	493,855,081	0.0970	0.0960	474,101	
Howell Valley R-I School District	Operating Funds-Schools	25,990,400	4.0388	4.0388	1,049,700	^D
Mountain View-Birch Tree R-III SD	Operating Funds-Schools	75,907,553	2.7747	2.7747	2,106,207	^D
	Operating Funds-Temp	75,907,553	0.8546	0.8546	648,706	2028
	Operating Funds-Schools	80,072,147	2.7500	2.7500	2,201,984	^D
Willow Springs R-IV School District	Operating Funds-Schools	43,592,480	2.7500	2.7500	1,198,793	^E
West Plains R-VII School District	Operating Funds-Schools	163,712,376	3.8345	3.8345	6,277,551	^D
Glenwood R-VIII School District	Operating Funds-Schools	31,050,890	3.1658	3.1658	983,009	^D
Junction Hill C-12 School District	Operating Funds-Schools	19,548,580	3.5029	3.4300	670,516	^D
Fairview R-XI School District	Operating Funds-Schools	55,677,860	3.6678	3.6678	2,042,153	^D
Howell County	General Revenue	498,037,371	0.2832	0.0000	0	
	Road & Bridge	498,037,371	0.2152	0.1775	884,016	
	Developmental Dis. Board	493,855,081	0.0584	0.0584	288,411	
<u>Iron</u>						
Iron County Ambulance District	General Revenue	226,991,301	0.1396	0.0133	30,190	
Iron County SRD 1	Road & Bridge	226,991,301	0.2811	0.2811	638,073	
City of Annapolis	General Revenue	18,488,866	0.4133	0.4133	76,414	
City of Arcadia	General Revenue	5,156,100	0.4952	0.4952	25,533	
Village of Des Arc	General Revenue	653,864	0.4530	0.4530	2,962	
City of Ironton	General Revenue	13,697,383	0.6140	0.6140	84,102	
	Parks & Recreation	13,697,383	0.1756	0.1756	24,053	
	General Revenue	6,411,609	0.4346	0.4346	27,865	
City of Pilot Knob	General Revenue	9,719,061	1.0000	1.0000	97,191	
City of Viburnum	Parks & Recreation	9,719,061	0.2300	0.2300	22,354	
	Solid Waste Landfill	9,719,061	0.1000	0.1000	9,719	
	Health	9,719,061	0.2000	0.2000	19,438	
Iron County Library District	General Revenue	226,991,301	0.2076	0.2076	471,234	
Quad County FPD	General Revenue	99,949,692	0.3507	0.3507	350,524	
Southern Iron County FPD	General Revenue	41,061,543	0.2304	0.2304	94,606	
Pilot Knob FPD	General Revenue	75,478,157	0.2784	0.2784	210,131	
Iron County Health Department	General Revenue	226,991,301	0.0933	0.0933	211,783	
South Iron County R-I SD	Operating Funds-Schools	38,121,517	3.9021	3.9021	1,487,540	^D
Arcadia Valley R-II School District	Operating Funds-Schools	67,208,041	2.7500	2.7500	1,848,221	^E
	Debt Service	67,208,041	0.6726	0.6200	416,690	
Bellevue R-III School District	Operating Funds-Schools	10,921,580	3.5294	3.4500	376,795	^{BD}
Iron County C-4 School District	Operating Funds-Schools	92,018,622	3.4300	3.4300	3,156,239	^D
Iron County	General Revenue	226,991,301	0.3953	0.3070	696,863	
	Developmental Dis. Board	226,991,301	0.0933	0.0933	211,783	
<u>Jackson</u>						
PWSD 17 Jackson County	General Revenue	112,339,130	0.0510	0.0510	57,293	
City of Blue Springs	General Revenue	998,479,438	0.5141	0.5317	5,308,915	^C
	Debt Service	998,479,438	0.1965	0.1500	1,497,719	
City of Buckner	General Revenue	29,005,506	0.5489	0.5489	159,211	
City of Grain Valley	General Revenue	242,195,084	0.4967	0.4967	1,202,983	
	Parks & Recreation	242,195,084	0.1097	0.1097	265,688	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Jackson						
City of Grain Valley	Health	242,195,084	0.0437	0.0437	105,839	
	Debt Service	242,195,084	0.9493	0.9493	2,299,158	
City of Grandview	General Revenue	348,130,681	0.8652	0.8652	3,012,027	
	Parks & Recreation	348,130,681	0.1038	0.1038	361,360	
	Debt Service	348,130,681	0.3800	0.3800	1,322,897	
City of Greenwood	General Revenue	96,331,347	0.3874	0.3874	373,188	
	Fire	96,331,347	0.7344	0.5258	506,510	A 2023
	Hydrant	96,331,347	0.0204	0.0168	16,184	A 2023
	Debt Service	96,331,347	0.2877	0.2877	277,145	
City of Independence	General Revenue	1,279,871,287	0.4337	0.4535	5,804,216	C
	Health & Recreation	1,279,871,287	0.2043	0.2137	2,735,085	C
	Indep. Sq. Spec. Benefit	4,529,194	0.5826	0.5826	26,387	
City of Kansas City	General Revenue	9,276,976,593	0.6342	0.6573	60,977,567	C
	Museum	9,276,976,593	0.0176	0.0182	1,688,410	C
	Health	9,276,976,593	0.4406	0.4566	42,358,675	C
	Health-Temp	9,276,976,593	0.1938	0.2008	18,628,169	C 2022
	Debt Service	9,276,976,593	1.0959	0.4200	38,963,302	
City of Lake Lotawana	General Revenue	123,474,143	0.3347	0.3347	413,268	
City of Lake Tapawingo	General Revenue	21,343,638	0.7999	0.7999	170,728	
	Debt Service	21,343,638	2.5535	1.5000	320,155	
City of Levasy	General Revenue	577,966	1.0000	1.0000	5,780	
City of Lone Jack	General Revenue	28,071,623	0.6474	0.6458	181,287	
	Debt Service	28,071,623	0.4962	0.3784	106,223	
City of Oak Grove	General Revenue	116,075,645	0.5799	0.5662	657,220	
	Debt Service	116,075,645	0.9149	0.1985	230,410	
City of Raytown	General Revenue	363,273,819	0.3196	0.3196	1,161,023	
	Parks & Recreation	363,273,819	0.1595	0.1595	579,422	
Village of Sibley	General Revenue	4,405,496	0.3666	0.3666	16,151	
City of Sugar Creek	General Revenue	54,987,811	0.8770	0.8770	482,243	
	Health	54,987,811	0.1140	0.1140	62,686	
City of Lee's Summit	General Revenue	2,323,727,412	0.8119	0.8384	19,482,131	C
	Parks & Recreation	2,323,727,412	0.1435	0.1482	3,443,764	C
	Debt Service	2,323,727,412	0.4701	0.4697	10,914,548	
Village of River Bend	General Revenue	3,351,499	0.5000	0.5000	16,757	B
Mid Continent Library District	General Revenue	15,433,092,743	0.3696	0.3696	57,040,711	
Kansas City Public Library District	General Revenue	4,118,180,285	0.5644	0.5644	23,243,010	
Central Jackson County FPD	General Revenue	1,282,185,392	0.9471	0.8110	10,398,524	C
	Ambulance	1,282,185,392	0.1353	0.1396	1,789,931	C
	Dispatch	1,282,185,392	0.0174	0.0180	230,793	C
	Debt Service	1,282,185,392	0.1667	0.1200	1,538,622	
Lone Jack Community FPD	General Revenue	117,559,661	0.7314	0.7314	859,831	
	Ambulance	117,559,661	0.2587	0.2587	304,127	
Prairie Township FPD	General Revenue	179,759,730	0.6589	0.6589	1,184,437	
	Ambulance	179,759,730	0.2671	0.2671	480,138	
Raytown FPD	General Revenue	363,273,819	0.6929	0.6929	2,517,124	
	Ambulance	363,273,819	0.3000	0.3000	1,089,821	
	Pension	363,273,819	0.0444	0.0444	161,294	
	Debt Service	363,273,819	0.3009	0.3000	1,089,821	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Jackson						
Lotawana FPD	General Revenue	128,613,657	0.3719	0.3719	478,314	
	Ambulance	128,613,657	0.1766	0.1766	227,132	
	Debt Service	128,613,657	0.1500	0.1500	192,920	
Fort Osage FPD	General Revenue	201,857,681	0.8079	0.8079	1,630,808	
	Ambulance	201,857,681	0.6230	0.6230	1,257,573	B
	Dispatch	201,857,681	0.0280	0.0280	56,520	
	Debt Service	201,857,681	0.3495	0.2800	565,202	
Inter City FPD	General Revenue	13,111,146	0.6092	0.0731	9,584	
	Ambulance	13,111,146	0.3215	0.3215	42,152	
	Ambulance/EMS	13,111,146	0.4287	0.4287	56,207	
	Debt Service	13,111,146	0.3613	0.3613	47,371	
Jackson County Health Department	General Revenue	12,342,886,135	0.2740	0.2095	25,858,346	
Metropolitan Community College	General Revenue	16,587,105,187	0.2128	0.2128	35,297,360	
Fort Osage R-I School District	Operating Funds-Schools	312,451,647	4.8282	4.8282	15,085,790	D
	Debt Service	312,451,647	2.3251	1.5418	4,817,379	
Blue Springs R-IV School District	Operating Funds-Schools	1,657,092,385	4.8577	4.4635	73,964,319	
	Debt Service	1,657,092,385	1.5373	1.2651	20,963,876	
Grain Valley R-V School District	Operating Funds-Schools	362,291,206	3.4059	3.4059	12,339,276	D
	Debt Service	362,291,206	2.0316	1.7000	6,158,951	
Oak Grove R-VI School District	Operating Funds-Schools	158,344,099	3.4243	3.4243	5,422,177	D
	Debt Service	158,344,099	1.7850	1.7140	2,714,018	
Lee's Summit R-VII School District	Operating Funds-Schools	2,319,728,063	4.5476	4.4005	102,079,633	E
	Debt Service	2,319,728,063	1.4177	1.0700	24,821,090	
Hickman Mills C-1 School District	Operating Funds-Schools	486,224,015	4.6555	4.7891	23,285,754	DC
	Debt Service	486,224,015	1.2755	1.1000	5,348,464	
Raytown C-2 School District	Operating Funds-Schools	731,300,638	5.1600	5.1600	37,735,113	D
	Debt Service	731,300,638	1.8054	1.1600	8,483,087	
Grandview C-4 School District	Operating Funds-Schools	561,429,549	4.3057	4.3057	24,173,472	D
	Debt Service	561,429,549	1.1234	1.0500	5,895,010	
Lone Jack C-6 School District	Operating Funds-Schools	71,817,320	3.5612	3.4737	2,494,718	D
	Debt Service	71,817,320	2.4676	1.8747	1,346,359	
Independence 30 School District	Operating Funds-Schools	1,113,434,311	4.2832	4.3236	48,140,446	DC
	Debt Service	1,113,434,311	1.6931	1.2145	13,522,660	
Kansas City 33 School District	Operating Funds-Schools	3,734,994,071	2.9015	2.6237	97,995,039	
	Article X, Section 11(g)	3,734,994,071	2.3362	2.3362	87,256,931	F
Center 58 School District	Operating Funds-Schools	504,947,142	5.0796	5.2501	26,510,230	DC
	Debt Service	504,947,142	1.0917	0.9000	4,544,524	
Jackson County	General Revenue	12,342,886,135	0.2562	0.2123	26,203,947	
	Parks & Recreation	12,342,886,135	0.1380	0.1204	14,860,835	
	Road & Bridge	12,342,886,135	0.2562	0.0688	8,491,906	
	Developmental Dis. Board	12,342,886,135	0.0649	0.0649	8,010,533	
	Mental Health	12,342,886,135	0.1056	0.1056	13,034,088	
Jasper						
Carl Junction SRD Jasper County	Road & Bridge	73,345,852	0.3051	0.3051	223,778	
Carthage SRD Jasper County	Road & Bridge	348,983,066	0.2431	0.2431	848,378	
Joplin SRD Newton-Jasper County	Road & Bridge	1,318,299,158	0.2284	0.2284	3,010,995	
City of Alba	General Revenue	4,156,822	0.6244	0.6244	25,955	
	Parks & Recreation	4,156,822	0.1646	0.1646	6,842	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Jasper						
City of Asbury	General Revenue	2,288,695	0.4885	0.4885	11,180	
Village of Avilla	General Revenue	992,557	0.1884	0.1884	1,870	
City of Carl Junction	General Revenue	92,494,811	0.4908	0.4908	453,965	
	Debt Service	92,494,811	0.4194	0.4194	387,923	
City of Cartersville	General Revenue	10,365,731	0.6396	0.6396	66,299	
	Debt Service	10,365,731	0.0000	0.0000	0	
City of Carthage	General Revenue	129,437,870	0.3528	0.3528	456,657	
	Parks & Recreation	129,437,870	0.1522	0.1522	197,004	
	Library	129,437,870	0.1762	0.1762	228,070	
	Health	129,437,870	0.0802	0.0802	103,809	
City of Duenweg	General Revenue	10,319,367	0.7270	0.7270	75,022	
City of Jasper	General Revenue	7,960,622	0.7763	0.7763	61,798	
City of La Russell	General Revenue	969,583	0.0000	0.0000	0	
City of Neck City	General Revenue	1,345,090	0.2558	0.2558	3,441	
City of Oronogo	General Revenue	23,789,993	0.2729	0.2728	64,899	
	Streets	23,789,993	0.1302	0.1302	30,975	
City of Purcell	General Revenue	3,560,758	0.2771	0.2771	9,867	
Village of Reeds	General Revenue	931,575	0.1625	0.1625	1,514	
City of Sarcoxie	General Revenue	10,805,909	0.5782	0.5782	62,480	
	Parks & Recreation	10,805,909	0.1105	0.1105	11,941	
	Health	10,805,909	0.0000	0.0000	0	
City of Waco	General Revenue	673,895	0.2500	0.2500	1,685	
City of Webb City	General Revenue	120,282,570	0.3796	0.3796	456,593	
	Parks & Recreation	120,282,570	0.0861	0.0861	103,563	
	Library	120,282,570	0.2556	0.2556	307,442	
City of Joplin	Parks & Recreation	678,680,439	0.0602	0.0602	408,566	
	Library	602,981,714	0.2545	0.2545	1,534,588	
	Solid Waste Landfill	678,680,439	0.0602	0.0602	408,566	
	Health	678,680,439	0.0602	0.0602	408,566	
Carthage FPD	General Revenue	164,582,928	0.2662	0.2600	427,916	
Duenweg Volunteer FPD	General Revenue	115,195,100	0.2934	0.2934	337,982	
Carl Junction FPD	General Revenue	232,445,441	0.5176	0.5176	1,203,138 ^B	
Oronogo FPD	General Revenue	53,411,301	0.5862	0.5862	313,097	
Central Jasper County FPD	General Revenue	33,418,947	0.2845	0.2845	95,077	
Tri-Cities FPD	General Revenue	35,116,860	0.6224	0.6224	218,567	
Asbury FPD	General Revenue	15,246,189	0.3000	0.3000	45,739	
Jasper Volunteer FPD	General Revenue	38,550,103	0.2926	0.2926	112,798	
Sarcoxie Rural FPD	General Revenue	37,980,462	0.2299	0.2299	87,317	
Carl Junction R-I School District	Operating Funds-Schools	259,863,854	3.0358	3.0358	7,888,947 ^D	
	Debt Service	259,863,854	1.0440	0.9842	2,557,580	
Avilla R-XIII School District	Operating Funds-Schools	21,730,989	3.5647	3.5625	774,166 ^D	
Jasper County R-V School District	Operating Funds-Schools	45,124,549	3.4561	3.4561	1,559,550 ^D	
Sarcoxie R-II School District	Operating Funds-Schools	38,332,690	3.3395	3.3000	1,264,979 ^D	
	Debt Service	38,332,690	0.6729	0.0000	0	
Carthage R-IX School District	Operating Funds-Schools	325,008,047	2.8700	2.8474	9,254,279 ^D	
	Operating Funds-Temp	325,008,047	0.3026	0.3026	983,474	2024
	Debt Service	325,008,047	0.9285	0.8300	2,697,567	
Webb City R-VII School District	Operating Funds-Schools	274,589,692	2.7500	2.7500	7,551,217 ^D	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jasper</u>						
Webb City R-VII School District	Debt Service	274,589,692	0.9359	0.6800	1,867,210	
Joplin R-VIII School District	Operating Funds-Schools	987,039,228	2.8210	2.7864	27,502,861	D
	Debt Service	987,039,228	1.1936	0.9100	8,982,057	
Jasper County	General Revenue	1,810,274,788	0.3194	0.1061	1,920,702	
	Common Road District	459,435,291	0.2101	0.2101	965,274	
	Developmental Dis. Board	1,810,274,788	0.0870	0.0870	1,574,939	
	Mental Health	1,810,274,788	0.0870	0.0870	1,574,939	
<u>Jefferson</u>						
Big River Ambulance District	General Revenue	323,958,380	0.3958	0.3133	1,014,962	
Joachim-Plattin Ambulance District	General Revenue	921,658,243	0.3214	0.1520	1,400,921	
North Jefferson Ambulance District	General Revenue	393,042,589	0.4755	0.2846	1,118,599	
	Pension	393,042,589	0.0480	0.0480	188,660	
Valle Ambulance District	General Revenue	437,465,073	0.4369	0.3040	1,329,894	
Rock Township Ambulance District	General Revenue	1,347,409,391	0.2051	0.1255	1,690,999	
	Debt Service	1,347,409,391	0.0839	0.0839	1,130,476	
Festus SRD Jefferson County	Road & Bridge	561,072,014	0.1785	0.1785	1,001,514	
Hillsboro SRD Jefferson County	Road & Bridge	30,164,700	0.1926	0.1926	58,097	
City of Arnold	General Revenue	313,707,359	0.3837	0.3837	1,203,695	
Village of Cedar Hill Lakes	General Revenue	2,227,103	0.4848	0.4848	10,797	
City of Crystal City	General Revenue	83,522,472	0.5037	0.5037	420,703	
	Parks & Recreation	83,522,472	0.1330	0.1330	111,085	
	Library	83,522,472	0.1330	0.1330	111,085	
City of De Soto	General Revenue	74,465,151	0.4376	0.4376	325,860	
	Parks & Recreation	74,465,151	0.1117	0.1117	83,178	
	Library	74,465,151	0.3500	0.3500	260,628	
City of Festus	General Revenue	189,084,549	0.3577	0.3577	676,355	
	Parks & Recreation	189,084,549	0.1088	0.1088	205,724	
	Library	189,084,549	0.1088	0.1088	205,724	
	Health	189,084,549	0.0790	0.0790	149,377	
City of Herculaneum	General Revenue	79,135,956	0.7178	0.7178	568,038	
City of Hillsboro	General Revenue	45,575,794	0.4381	0.4381	199,668	
	Parks & Recreation	45,575,794	0.0785	0.0785	35,777	
City of Kimmswick	General Revenue	2,720,447	0.0000	0.0000	0	
City of Olympian Village	General Revenue	4,721,824	0.2458	0.2458	11,606	
	Streets	4,721,824	0.1277	0.1277	6,030	
Village of Parkdale	General Revenue	1,638,873	0.1932	0.1932	3,166	
City of Pevely	General Revenue	103,848,556	0.8869	0.8869	921,033	
Village of Scotsdale	General Revenue	3,494,881	0.3270	0.3270	11,428	
City of Byrnes Mill	General Revenue	45,278,306	0.3941	0.3941	178,442	
Village of Lake Tekakwitha	General Revenue	1,935,790	0.4803	0.4803	9,298	
Northwest Library Subdistrict	General Revenue	671,563,809	0.2788	0.2788	1,872,320	
Windsor-Fox Library Subdistrict	General Revenue	1,322,238,005	0.2773	0.2773	3,666,566	
Antonia FPD	General Revenue	241,922,303	1.0117	0.9507	2,299,955	
	Pension	241,922,303	0.0432	0.0432	104,510	
	Dispatch	241,922,303	0.0258	0.0258	62,416	
Cedar Hill FPD	General Revenue	187,950,442	1.3013	1.3013	2,445,799	
	Pension	187,950,442	0.0459	0.0459	86,269	
Dunklin FPD	General Revenue	184,073,843	0.6475	0.6475	1,191,878	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Jefferson</u>						
Dunklin FPD	Pension	184,073,843	0.0485	0.0485	89,276	
Goldman FPD	General Revenue	70,328,770	1.1517	1.1517	809,976	
	Dispatch	70,328,770	0.0458	0.0458	32,211	
Hematite FPD	General Revenue	81,243,092	0.7333	0.7333	595,756	
High Ridge FPD	General Revenue	467,871,373	1.0319	0.8248	3,859,003	
	Pension	467,871,373	0.0738	0.0738	345,289	
	Dispatch	467,871,373	0.0461	0.0461	215,689	
Hillsboro FPD	General Revenue	152,866,443	0.6147	0.5247	802,090	
Jefferson R-7 FPD	General Revenue	205,042,323	0.5989	0.5989	1,227,998	
Rock Community FPD	General Revenue	832,772,877	1.2839	1.0026	8,349,381	
	Pension	832,772,877	0.0914	0.0914	761,154	
	Dispatch	832,772,877	0.0452	0.0452	376,413	
	Debt Service	832,772,877	0.0801	0.0801	667,051	
De Soto Rural FPD	General Revenue	225,507,975	1.1392	1.1392	2,568,987	
Mapaville FPD	General Revenue	62,156,422	0.9890	0.9890	614,727	
Saline Valley FPD	General Revenue	289,160,053	1.4058	1.4058	4,065,012	
	Pension	289,160,053	0.0835	0.0835	241,449	
	Dispatch	289,160,053	0.0372	0.0372	107,568	
Jefferson County Health Department	General Revenue	3,531,206,626	0.1073	0.1073	3,788,985	
Jefferson College	General Revenue	3,451,602,745	0.3298	0.3298	11,383,386	
Northwest R-I School District	Operating Funds-Schools	632,236,756	3.9004	3.9004	24,659,762	D
	Debt Service	632,236,756	0.7974	0.5896	3,727,668	
Grandview R-II School District	Operating Funds-Schools	58,285,447	3.6003	3.5982	2,097,227	D
	Debt Service	58,285,447	1.3679	1.0795	629,191	
Hillsboro R-III School District	Operating Funds-Schools	297,957,964	3.6389	3.6389	10,842,392	D
	Debt Service	297,957,964	1.2161	0.9796	2,918,796	
Dunklin R-V School District	Operating Funds-Schools	167,811,719	4.0712	4.0712	6,831,951	D
	Debt Service	167,811,719	1.3542	0.8500	1,426,400	
Festus R-VI School District	Operating Funds-Schools	291,434,548	4.3457	4.3457	12,664,871	D
Jefferson County R-VII SD	Operating Funds-Schools	199,224,034	3.8853	3.8853	7,740,451	D
	Debt Service	199,224,034	0.7621	0.7114	1,417,280	
Sunrise R-IX School District	Operating Funds-Schools	39,337,362	3.3099	3.3099	1,302,027	D
	Debt Service	39,337,362	1.2690	1.2065	474,605	
Windsor C-1 School District	Operating Funds-Schools	239,551,936	3.4468	3.4468	8,256,876	D
	Debt Service	239,551,936	1.5388	1.3167	3,154,180	
Fox C-6 School District	Operating Funds-Schools	1,031,644,396	4.1170	4.1170	42,472,800	D
	Debt Service	1,031,644,396	0.4294	0.3901	4,024,445	
Crystal City 47 School District	Operating Funds-Schools	63,861,703	4.9790	4.8573	3,101,954	BD
De Soto 73 School District	Operating Funds-Schools	207,199,316	3.6035	3.6035	7,466,427	D
	Debt Service	207,199,316	1.0128	0.7897	1,636,253	
Jefferson County	General Revenue	3,531,206,626	0.1820	0.0045	158,904	
	Parks & Recreation	3,531,206,626	0.0272	0.0272	960,488	
	Road & Bridge	2,939,963,728	0.2404	0.2404	7,067,673	
	Developmental Dis. Board	3,531,206,626	0.0910	0.0910	3,213,398	
	Mental Health	3,531,206,626	0.0910	0.0910	3,213,398	
	Police	1,962,223,044	0.3500	0.3500	6,867,781	
<u>Johnson</u>						
Johnson County Ambulance District	General Revenue	676,960,352	0.2934	0.2934	1,986,202	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Johnson</u>						
Western Missouri Medical Center	General Revenue	684,448,880	0.1464	0.1464	1,002,033	
South Fork of Blackwater WSD	General Revenue	44,465,723	0.4000	0.3000	133,397	
City of Centerview	General Revenue	1,530,538	0.8483	0.8483	12,984	
City of Chilhowee	General Revenue	1,511,231	1.0000	1.0000	15,112	
City of Holden	General Revenue	20,516,255	0.7292	0.7292	149,605	
	Debt Service	20,516,255	0.1710	0.1682	34,508	
City of Kingsville	General Revenue	4,265,405	0.7500	0.7500	31,991	
City of Knob Noster	General Revenue	24,336,521	0.6905	0.6905	168,044	
	Fire	24,336,521	0.3005	0.3005	73,131	2020
	Debt Service	24,336,521	0.4164	0.4164	101,337	
City of Leeton	General Revenue	3,645,335	0.8881	0.8880	32,371	
City of Warrensburg	General Revenue	228,021,070	0.3608	0.3608	822,700	
	Parks & Recreation	228,021,070	0.1960	0.1960	446,921	
	Debt Service	185,313,299	0.8814	0.5900	1,093,348	
Trails Consolidated PLD	General Revenue	1,127,905,007	0.2581	0.2581	2,911,123	
Johnson County FPD 2	General Revenue	143,965,107	0.3557	0.3557	512,084	
Johnson County FPD	General Revenue	257,873,382	0.6220	0.6220	1,603,972	
	Debt Service	257,873,382	0.2411	0.1800	464,172	
Johnson County Community Health	General Revenue	684,448,880	0.0978	0.0978	669,391	
Kingsville R-I School District	Operating Funds-Schools	26,637,284	4.2337	4.1500	1,105,447	^D
	Debt Service	26,637,284	0.7168	0.6662	177,458	
Holden R-III School District	Operating Funds-Schools	107,855,656	3.7500	3.7500	4,044,587	^D
	Debt Service	107,855,656	1.2562	0.8400	905,988	
Chilhowee R-IV School District	Operating Funds-Schools	10,761,785	5.6500	5.5081	592,770	^D
Johnson County R-VII SD	Operating Funds-Schools	45,579,026	3.7500	3.7500	1,709,213	^D
	Debt Service	45,579,026	1.2646	1.0000	455,790	
Knob Noster R-VIII School District	Operating Funds-Schools	66,452,383	3.4792	3.4792	2,312,011	^D
Leeton R-X School District	Operating Funds-Schools	17,634,370	3.9523	3.9523	696,963	^D
	Debt Service	17,634,370	1.0187	0.8600	151,656	
Warrensburg R-VI School District	Operating Funds-Schools	307,519,987	4.5479	4.5479	13,985,701	^D
	Debt Service	307,519,987	1.1290	0.7200	2,214,144	
Johnson County	General Revenue	684,448,880	0.3242	0.1300	889,784	
	Road & Bridge	684,448,880	0.2433	0.2400	1,642,677	
	Developmental Dis. Board	684,448,880	0.1174	0.1174	803,543	
<u>Knox</u>						
Knox County Ambulance District	General Revenue	101,484,289	0.3031	0.3031	307,599	
	Dispatch	101,413,576	0.0260	0.0260	26,368	
Knox County NHD	General Revenue	100,529,783	0.2604	0.2604	261,780	
City of Baring	General Revenue	1,197,961	0.8977	0.8977	10,754	
City of Edina	General Revenue	10,901,842	0.7500	0.7500	81,764	
	Lights	10,896,485	0.1500	0.1500	16,345	
City of Hurdland	General Revenue	989,753	0.8745	0.8745	8,655	
	Fire	989,753	0.3233	0.3233	3,200	
City of Knox City	General Revenue	1,425,118	0.9991	0.9991	14,238	
	Streets	1,425,118	0.5157	0.5157	7,349	2021
Village of Newark	General Revenue	652,464	0.5781	0.5781	3,772	
Village of Novelty	General Revenue	772,715	1.0000	1.0000	7,727	
	Streets	772,715	0.2674	0.2674	2,066	^A 2023

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Knox</u>						
Knox County Library District	General Revenue	101,484,289	0.0866	0.0866	87,885	
Knox County Health Department	General Revenue	101,484,289	0.2233	0.2233	226,614	
Knox County R-I School District	Operating Funds-Schools	71,751,361	3.6923	3.6923	2,649,276 ^D	
	Debt Service	71,751,361	0.2716	0.2000	143,503	
Knox County	General Revenue	101,484,289	0.3770	0.3769	382,494	
	Road & Bridge	101,484,289	0.2735	0.2735	277,560	
	Special Road and Bridge	101,484,289	0.3126	0.3126	317,240	2022
<u>Laclede</u>						
Lebanon SRD 1 Laclede County	Road & Bridge	287,163,932	0.3327	0.3327	955,394	
	Special Road and Bridge	287,163,932	0.2040	0.2040	585,814	2021
Phillipsburg SRD 3 Laclede County	Road & Bridge	18,977,093	0.2651	0.2651	50,308	
	Special Road and Bridge	18,977,093	0.2332	0.2332	44,255	2021
Laclede County SRD	Road & Bridge	140,816,600	0.2439	0.0000	0	
Conway SRD 2 Laclede County	Road & Bridge	13,326,002	0.2397	0.2397	31,942	
	Special Road and Bridge	13,326,002	0.3525	0.3525	46,974 ^A	2023
City of Conway	General Revenue	5,157,516	0.0000	0.0000	0	
City of Lebanon	General Revenue	217,773,199	0.2609	0.2609	568,170	
	Parks & Recreation	217,773,199	0.2609	0.2609	568,170	
Village of Phillipsburg	General Revenue	1,494,985	0.4843	0.4843	7,240	
Village of Evergreen	Buildings Maint.	1,492,567	0.3105	0.3105	4,634	2021
	Fire Equipment Maint.	1,492,567	0.3105	0.3105	4,634	2021
	Fire Truck Maint.	1,492,567	0.3105	0.3105	4,634	2021
	Police Vehicle Maint.	1,492,567	0.3105	0.3105	4,634	2021
Lebanon-Laclede County PLD	General Revenue	460,386,274	0.1356	0.1356	624,284	
Lebanon Rural FPD	General Revenue	124,206,214	0.3638	0.3638	451,862	
Bennett Spring FPD	General Revenue	11,936,547	0.2960	0.2960	35,332	
Competition Volunteer FPD	General Revenue	11,686,960	0.3000	0.3000	35,061	
Nebo Falcon FPD	General Revenue	13,042,748	0.3000	0.3000	39,128	
Lebanon SBD	General Revenue	3,491,780	0.7576	0.7576	26,454	
Lebanon Marketplace CID	General Revenue	727,740	0.9999	0.9999	7,277	
Laclede County Health Department	General Revenue	460,386,274	0.1000	0.1000	460,386	
Laclede County R-I School District	Operating Funds-Schools	41,089,117	2.7500	2.7500	1,129,951 ^E	
	Debt Service	41,089,117	0.7899	0.4900	201,337	
Gasconade C-4 School District	Operating Funds-Schools	10,030,959	3.7122	3.7122	372,369 ^D	
Lebanon R-III School District	Operating Funds-Schools	335,243,844	3.7070	3.7070	12,427,489 ^{BD}	
	Debt Service	335,243,844	1.3928	0.7830	2,624,959	
Laclede County C-5 School District	Operating Funds-Schools	28,793,913	3.3000	3.3000	950,199 ^D	
Laclede County	General Revenue	460,386,274	0.3027	0.1108	510,108	
	Developmental Dis. Board	460,386,274	0.0680	0.0680	313,063	
	Dev. Dis. Board-LEEP	460,386,274	0.0658	0.0658	302,934	
<u>Lafayette</u>						
Little Sni A Bar WSD	General Revenue	7,833,413	0.4000	0.4000	31,334	
Tabo Creek Watershed Subdistrict	General Revenue	18,205,134	0.3154	0.3154	57,419	
Wellington Napoleon WSD	General Revenue	5,045,124	0.4000	0.4000	20,180	
Alma SRD Lafayette County	Special Road and Bridge	16,934,368	0.2769	0.2769	46,891	2020
Corder SRD Lafayette County	Special Road and Bridge	13,603,605	0.3500	0.3500	47,613	2020
Concordia SRD Lafayette County	Special Road and Bridge	55,726,719	0.3300	0.3300	183,898	2020
Dover SRD Lafayette County	Special Road and Bridge	12,264,694	0.3533	0.3533	43,331 ^A	2023

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lafayette</u>						
Higginsville SRD Lafayette County	Special Road and Bridge	65,229,738	0.3624	0.3624	236,393 ^A	2023
Mayview SRD Lafayette County	Special Road and Bridge	14,543,503	0.3562	0.3562	51,804	2021
Odessa SRD Lafayette County	Special Road and Bridge	117,648,664	0.3310	0.3310	389,417	2022
Waverly SRD Lafayette County	Special Road and Bridge	21,371,053	0.2967	0.2967	63,408	2022
Wellington Napoleon SRD Lafayette	Special Road and Bridge	32,328,821	0.3067	0.3000	96,986	2021
City of Alma	General Revenue	4,678,101	0.5031	0.5031	23,536	
	Streets	4,678,101	0.4000	0.4000	18,712	2020
	General Revenue - Temp	4,678,101	0.3018	0.3018	14,119	2021
Village of Aullville	General Revenue	769,549	0.4696	0.4696	3,614	
City of Bates City	General Revenue	5,507,077	0.3155	0.3155	17,375	
City of Concordia	General Revenue	30,651,188	0.5397	0.5397	165,424	
City of Corder	General Revenue	2,977,782	0.6106	0.6106	18,182	
	Parks & Recreation	2,977,782	0.1503	0.1503	4,476	
Village of Dover	General Revenue	980,381	0.2943	0.2943	2,885	
City of Higginsville	General Revenue	45,190,217	0.4553	0.4553	205,751	
	Parks & Recreation	45,190,217	0.3759	0.3759	169,870	
	Library	33,785,379	0.1874	0.1874	63,314	
City of Lexington	General Revenue	48,014,228	0.5450	0.5450	261,678	
	Parks & Recreation	48,014,228	0.2768	0.2768	132,903	
	Health	48,014,228	0.1477	0.1477	70,917	
City of Mayview	General Revenue	1,612,328	0.7546	0.7546	12,167	
City of Napoleon	General Revenue	2,667,326	0.8732	0.8732	23,291	
City of Odessa	General Revenue	57,414,404	0.5658	0.5658	324,851	
	Parks & Recreation	57,414,404	0.1493	0.1493	85,720	
City of Waverly	General Revenue	8,059,871	0.5641	0.5641	45,466	
	Streets	8,059,871	0.2277	0.2277	18,352	
City of Wellington	General Revenue	7,162,634	0.5005	0.5005	35,849	
City of Lake Lafayette	General Revenue	1,860,184	1.0000	1.0000	18,602	
	Streets	1,548,767	0.3000	0.3000	4,646	2020
Corder FPD	General Revenue	22,111,723	0.2912	0.2912	64,389	
Sni Valley FPD	General Revenue	217,764,804	0.8525	0.8525	1,856,445 ^B	
	Dispatch	217,764,804	0.0268	0.0268	58,361	
	Fire & Ambulance	217,764,804	0.1343	0.1343	292,458	
	Debt Service	217,764,804	0.3669	0.3669	798,979	
Concordia FPD	General Revenue	69,879,266	0.2924	0.2924	204,327	
	Ambulance	69,879,266	0.3024	0.3000	209,638	
Alma FPD	General Revenue	22,241,579	0.3752	0.3716	82,650	
Wellington-Napoleon FPD	General Revenue	34,706,040	0.2603	0.2603	90,340	
	Ambulance	34,706,040	0.3440	0.3440	119,389	
Odessa Fire & Rescue Protection	General Revenue	112,772,781	0.6122	0.6122	690,395	
	Ambulance	112,772,781	0.3105	0.3105	350,159	
Mayview FPD	General Revenue	13,329,667	0.3257	0.3257	43,415	
Higginsville FPD	General Revenue	69,264,574	0.2797	0.2797	193,733	
	Debt Service	69,264,574	0.3463	0.3300	228,573	
Wellington-Napoleon R-IX RRD	Parks & Recreation	30,036,905	0.1958	0.1958	58,812	
Lafayette County Health Department	General Revenue	477,165,131	0.0721	0.0721	344,036	
Concordia R-II School District	Operating Funds-Schools	52,091,993	4.1128	4.1128	2,142,439 ^D	
	Debt Service	52,091,993	0.4591	0.4087	212,900	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lafayette</u>						
Lafayette County C-1 SD	Operating Funds-Schools	77,749,445	3.6972	3.6939	2,871,987	^D
	Debt Service	77,749,445	1.3619	1.1131	865,429	
Odessa R-VII School District	Operating Funds-Schools	145,095,541	3.5465	3.5465	5,145,813	^D
	Debt Service	145,095,541	1.3219	1.1623	1,686,445	
Santa Fe R-X School District	Operating Funds-Schools	35,226,672	4.3793	4.3793	1,542,682	^D
	Debt Service	35,226,672	0.8056	0.6041	212,804	
Wellington-Napoleon R-IX SD	Operating Funds-Schools	30,038,115	3.5873	3.5873	1,077,557	^D
	Debt Service	30,038,115	1.2772	0.8859	266,108	
Lexington R-V School District	Operating Funds-Schools	63,373,932	4.0580	4.0580	2,571,714	^D
	Debt Service	63,373,932	2.2425	1.1500	728,800	
Lafayette County	General Revenue	477,165,131	0.2886	0.1925	918,543	
	Road & Bridge	477,165,131	0.2128	0.2128	1,015,407	
	Developmental Dis. Board	477,165,131	0.0633	0.0633	302,046	
	Common Road District 2-W	39,286,782	0.3300	0.3300	129,646	2020
	Noxious Weed	477,165,131	0.0117	0.0117	55,828	
	Common Road District	487,253	0.3581	0.3581	1,745	^A 2023
	Common Road District I-E	19,577,438	0.3597	0.3597	70,420	^A 2023
<u>Lawrence</u>						
Mt. Vernon Ambulance District	General Revenue	180,102,863	0.1413	0.1413	254,485	
Lawrence County NHD	General Revenue	505,422,869	0.1063	0.1063	537,265	
Aurora SRD Lawrence County	Special Road and Bridge	114,114,732	0.1700	0.1700	193,995	2020
Buck Prairie SRD Lawrence County	Special Road and Bridge	43,204,983	0.3177	0.3177	137,262	2021
Freistatt SRD Lawrence County	Special Road and Bridge	9,740,289	0.3602	0.3602	35,085	2022
Green Benefit SRD Lawrence County	Special Road and Bridge	9,654,089	0.2188	0.2188	21,123	2020
Midway Benefit SRD Lawrence County	Special Road and Bridge	3,338,022	0.2174	0.2174	7,257	2021
Miller Benefit SRD Lawrence County	Special Road and Bridge	25,863,322	0.1954	0.1954	50,537	2021
Mt. Pleasant Benefit SRD Lawrence	Special Road and Bridge	5,990,665	0.1799	0.1799	10,777	2021
Mt. Vernon Benefit SRD Lawrence	Special Road and Bridge	111,452,843	0.1613	0.1613	179,773	2021
Pierce Benefit SRD Lawrence County	Special Road and Bridge	31,998,601	0.1841	0.1841	58,909	2020
Red Oak Benefit SRD Lawrence County	Special Road and Bridge	5,295,027	0.2059	0.2059	10,902	2021
Verona Benefit SRD Lawrence County	Special Road and Bridge	35,964,480	0.1958	0.1958	70,418	2021
Vineyard Benefit SRD Lawrence County	Special Road and Bridge	5,344,809	0.2200	0.2200	11,759	2020
Monett SRD Lawrence County	Special Road and Bridge	48,063,118	0.2762	0.2762	132,750	2022
City of Aurora	General Revenue	77,392,246	0.3868	0.3868	299,353	
Village of Freistatt	General Revenue	1,338,326	0.2769	0.2769	3,706	
City of Marionville	General Revenue	18,421,516	0.5927	0.5927	109,184	
City of Miller	General Revenue	5,402,594	0.9949	0.9856	53,248	
City of Pierce City	General Revenue	10,923,973	0.4512	0.4512	49,289	
	Parks & Recreation	10,923,973	0.1150	0.1150	12,563	
City of Stotts City	General Revenue	1,287,497	0.5087	0.5087	6,549	
City of Verona	General Revenue	9,890,985	0.9320	0.9320	92,184	
Aurora Rural FPD	General Revenue	82,953,734	0.2975	0.2975	246,787	
Pierce City FPD	General Revenue	46,590,687	0.2791	0.2791	130,035	
Miller Rural FPD	General Revenue	32,313,707	0.1659	0.1659	53,608	
Mt. Vernon FPD	General Revenue	103,640,666	0.3000	0.3000	310,922	
Freistatt FPD	General Revenue	14,403,518	0.2995	0.2995	43,139	
Stotts City FPD	General Revenue	8,821,506	0.2662	0.2662	23,483	
Avilla FPD	General Revenue	16,764,933	0.3082	0.3082	51,670	^A

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Lawrence</u>						
Miller R-II School District	Operating Funds-Schools	52,920,241	3.4334	3.3988	1,798,653	D 2026
	Operating Funds-Temp	52,920,241	0.0000	0.0000	0	
	Debt Service	52,920,241	0.8406	0.6600	349,274	
Pierce City R-VI School District	Operating Funds-Schools	44,130,102	2.7500	2.7500	1,213,578	E
	Debt Service	44,130,102	0.8595	0.7900	348,628	
Marionville R-IX School District	Operating Funds-Schools	42,339,404	2.9183	2.7500	1,164,334	E
	Debt Service	42,339,404	1.1785	0.9800	414,926	
Mt. Vernon R-V School District	Operating Funds-Schools	118,726,580	2.7500	2.7500	3,264,981	D
	Debt Service	118,726,580	1.5200	0.9200	1,092,285	
Aurora R-VIII School District	Operating Funds-Schools	121,798,176	2.3486	2.3486	2,860,552	E 2024
	Operating Funds-Temp	121,798,176	0.4014	0.4014	488,898	
	Debt Service	121,798,176	1.3497	1.0500	1,278,881	
Verona R-VII School District	Operating Funds-Schools	30,503,029	3.1420	2.9427	897,613	D
	Debt Service	30,503,029	1.1821	1.0073	307,257	
Lawrence County	General Revenue	505,422,869	0.2805	0.1216	614,594	
	Road & Bridge	505,422,869	0.1001	0.1000	505,423	
	Developmental Dis. Board	505,422,869	0.0868	0.0867	438,202	
	Senior Services	505,422,869	0.0477	0.0477	241,087	
	Common Road District 1	39,869,773	0.2178	0.2178	86,836	
	Common Road District 2	15,602,700	0.2055	0.2055	32,064	
<u>Lewis</u>						
Lewis County Ambulance District	General Revenue	156,387,059	0.2333	0.1168	182,660	
Lewis County NHD	General Revenue	156,387,059	0.1389	0.1389	217,222	
Buck & Doe Run Creeks WSD	General Revenue	5,044,600	0.4000	0.4000	20,178	
Durgens Creek Watershed Subdistrict	General Revenue	3,541,800	0.3515	0.3515	12,449	
Troublesome Creek WSD	General Revenue	12,503,955	0.3564	0.3564	44,564	
Grassy Creek Watershed Subdistrict	General Revenue	8,768,250	0.3907	0.3907	34,258	
Canton SRD Lewis County	Road & Bridge	39,540,001	0.2916	0.2916	115,299	
Dickerson SRD Lewis County	Road & Bridge	976,410	0.3317	0.3317	3,239	
La Grange SRD Lewis County	Road & Bridge	22,093,866	0.3333	0.3333	73,639	
City of Canton	General Revenue	24,959,355	0.6616	0.6616	165,131	
	Parks & Recreation	24,959,355	0.1842	0.1842	45,975	
	Library	24,959,355	0.2302	0.2302	57,456	
	Levee	24,959,355	0.1842	0.1842	45,975	
	Debt Service	24,959,355	0.6983	0.6983	174,291	
City of Ewing	General Revenue	3,576,503	0.7109	0.7109	25,425	
City of La Belle	General Revenue	5,373,805	0.7237	0.7237	38,890	2020 2023
	Streets	5,373,805	0.0936	0.0936	5,030	
	Streets-Temp	5,373,805	0.3500	0.3500	18,808	
City of La Grange	General Revenue	12,444,384	0.4807	0.4807	59,820	
	Cemetery	12,444,384	0.1318	0.1318	16,402	
	Streets	12,444,384	0.2650	0.2650	32,978	
City of Lewistown	General Revenue	4,671,062	0.6903	0.6903	32,244	
Village of Monticello	General Revenue	1,087,336	0.6288	0.6288	6,837	
Lewis County Library District	General Revenue	131,403,354	0.0928	0.0928	121,942	
Canton R-V FPD	General Revenue	60,621,866	0.3028	0.3028	183,563	
	Debt Service	60,621,866	0.0881	0.0881	53,408	
Ewing-Maywood R-4 FPD	General Revenue	33,736,502	0.4210	0.4210	142,031	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

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<u>Lewis</u>						
Western Lewis County FPD	General Revenue	39,270,894	0.3890	0.3890	152,764	
	Debt Service	39,270,894	0.0588	0.0588	23,091	
Lewis Co Health Department & HHA	General Revenue	156,387,059	0.2442	0.2442	381,897	
Canton R-V School District	Operating Funds-Schools	45,166,016	3.2207	3.2207	1,454,662	D
	Debt Service	45,166,016	0.9076	0.5500	248,413	
Lewis County C-1 School District	Operating Funds-Schools	89,412,075	4.4065	4.3319	3,873,242	BD
Lewis County	General Revenue	156,387,059	0.3861	0.2771	433,349	
	Road & Bridge	89,156,652	0.2632	0.2632	234,660	
	Common Road District	89,156,652	0.2038	0.2038	181,701	2021
<u>Lincoln</u>						
Lincoln County Ambulance District	General Revenue	922,126,857	0.2609	0.1056	973,766	
Clarence Cannon Memorial WSD	General Revenue	11,850,302	0.1820	0.1820	21,568	
City of Elsberry	General Revenue	16,743,779	0.5176	0.5176	86,666	
	Cemetery	16,743,779	0.1552	0.1552	25,986	
City of Foley	General Revenue	995,959	0.8155	0.8155	8,122	
City of Hawk Point	General Revenue	5,659,757	0.3470	0.3470	19,639	
City of Moscow Mills	General Revenue	39,637,828	0.2554	0.2554	101,235	
	General Revenue & Water	39,637,828	0.4999	0.4999	198,150	
City of Old Monroe	General Revenue	4,328,305	0.3823	0.3823	16,547	
City of Silex	General Revenue	2,145,124	0.2850	0.2850	6,114	
	Debt Service	2,145,124	1.5882	1.5882	34,069	
City of Troy	General Revenue	222,612,082	0.1753	0.1753	390,239	
City of Winfield	General Revenue	15,666,406	0.3359	0.3359	52,623	
Village of Truxton	General Revenue	353,678	0.4912	0.4912	1,737	
Village of Chain of Rocks	General Revenue	1,257,820	0.4162	0.4162	5,235	
Village of Fountain 'N Lakes	General Revenue	431,832	0.5000	0.5000	2,159	
Winfield-Foley FPD	General Revenue	120,872,111	0.2362	0.2362	285,500	
Lincoln County FPD	General Revenue	562,410,834	0.4958	0.4958	2,788,433	
Elsberry FPD	General Revenue	59,737,115	0.2815	0.2815	168,160	
Northwest FPD Lincoln County	General Revenue	42,989,607	0.3045	0.3045	130,903	A
Hawk Point FPD	General Revenue	52,457,560	0.2528	0.2528	132,613	
Old Monroe FPD	General Revenue	46,681,091	0.2666	0.2666	124,452	
Lincoln County Health Department	General Revenue	922,126,857	0.1820	0.1820	1,678,271	
Silex R-I School District	Operating Funds-Schools	39,055,905	3.2577	3.2577	1,272,324	D
	Debt Service	39,055,905	1.0529	0.9629	376,069	
Elsberry R-II School District	Operating Funds-Schools	54,971,621	3.0059	3.0059	1,652,392	D
	Debt Service	54,971,621	1.1774	1.1300	621,179	
Troy R-III School District	Operating Funds-Schools	604,900,958	3.2815	3.2815	19,849,825	D
	Debt Service	604,900,958	1.6361	1.4785	8,943,461	
Winfield R-IV School District	Operating Funds-Schools	122,418,760	2.9928	2.9891	3,659,219	D
	Debt Service	122,418,760	1.7161	1.3503	1,653,021	
Lincoln County	General Revenue	913,284,047	0.3167	0.2000	1,826,568	
	Road & Bridge	913,284,047	0.2421	0.2421	2,211,061	
	Hospital	913,284,047	0.1583	0.1583	1,445,729	
	Developmental Dis. Board	922,126,857	0.0910	0.0910	839,135	
<u>Linn</u>						
Linn County Ambulance District	General Revenue	170,695,203	0.2810	0.1029	175,645	
East Yellow Creek WSD	General Revenue	11,797,916	0.3609	0.3609	42,579	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Linn</u>						
Marceline SRD Linn County	General Revenue	24,935,152	0.1000	0.0993	24,761	
	Road & Bridge	24,935,152	0.3794	0.3684	91,861	
Purdin SRD Linn County	General Revenue	1,976,439	0.0000	0.0000	0	
	Road & Bridge	1,976,439	0.5000	0.5000	9,882	
	Special Road and Bridge	1,976,439	0.3592	0.3592	7,099	2022
City of Brookfield	General Revenue	42,105,776	0.8734	0.8734	367,752	
	Parks & Recreation	42,105,776	0.1989	0.1989	83,748	
	Cemetery	42,105,776	0.0995	0.0995	41,895	
	Library	42,105,776	0.3718	0.3718	156,549	
City of Browning	General Revenue	839,400	1.0000	1.0000	8,394	
City of Bucklin	General Revenue	3,131,856	1.0000	1.0000	31,319	
	Streets	3,131,856	0.5000	0.5000	15,659	
	Special Road and Bridge	3,131,856	0.6000	0.6000	18,791	2022
City of Laclede	General Revenue	2,416,430	0.9541	0.9541	23,055	
	Cemetery	2,416,430	0.1000	0.1000	2,416	
City of Linneus	General Revenue	1,532,119	0.5966	0.5966	9,141	
	Streets	1,532,119	0.3977	0.3977	6,093	
City of Marceline	General Revenue	23,785,896	0.5181	0.5181	123,235	
	Library	23,785,896	0.2531	0.2531	60,202	
	Debt Service	23,785,896	0.3748	0.3748	89,150	
City of Meadville	General Revenue	3,737,017	0.3704	0.3704	13,842	
City of Purdin	General Revenue	581,887	1.0000	1.0000	5,819	
Baker Township Linn County	General Revenue	4,246,889	0.1000	0.1000	4,247	
	Road & Bridge	4,246,889	0.5000	0.5000	21,234	
	Special Road and Bridge	4,246,889	0.3552	0.3552	15,085	2022
North Benton Township Linn County	General Revenue	2,460,777	0.0985	0.0985	2,424	
	Road & Bridge	2,460,777	0.4930	0.4930	12,132	
	Special Road and Bridge	2,460,777	0.3500	0.3500	8,613	2022
Brookfield Township Linn County	General Revenue	58,318,654	0.0985	0.0985	57,444	
	Road & Bridge	58,318,654	0.3931	0.3931	229,251	
Bucklin Township Linn County	General Revenue	11,976,679	0.0909	0.0909	10,887	
	Road & Bridge	11,976,679	0.4364	0.4364	52,266	
	Special Road and Bridge	11,976,679	0.3500	0.3500	41,918	2022
Clay Township Linn County	General Revenue	6,147,027	0.0962	0.0962	5,913	
	Road & Bridge	6,147,027	0.4806	0.4806	29,543	
	Special Road and Bridge	6,147,027	0.3500	0.3500	21,515	2022
Enterprise Township Linn County	General Revenue	1,944,860	0.1000	0.1000	1,945	
	Road & Bridge	1,944,860	0.5000	0.5000	9,724	
	Special Road and Bridge	1,944,860	0.3542	0.3542	6,889	2022
Grantsville Township Linn County	General Revenue	4,316,283	0.1000	0.1000	4,316	
	Road & Bridge	4,316,283	0.5000	0.5000	21,581	
	Special Road and Bridge	4,316,283	0.3545	0.3545	15,301	2022
Jackson Township Linn County	General Revenue	3,930,774	0.0980	0.0980	3,852	
	Road & Bridge	3,930,774	0.4901	0.4901	19,265	
	Special Road and Bridge	3,930,774	0.3503	0.3503	13,770	2022
Jefferson Township Linn County	General Revenue	13,701,871	0.0916	0.0916	12,551	
	Road & Bridge	13,701,871	0.3572	0.3572	48,943	
	Special Road and Bridge	13,701,871	0.3500	0.3500	47,957	2022

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Linn</u>						
Locust Creek Township Linn County	General Revenue	7,229,679	0.1000	0.1000	7,230	
	Road & Bridge	7,229,679	0.5000	0.5000	36,148	
	Special Road and Bridge	7,229,679	0.3500	0.3500	25,304	2022
Marceline Township Linn County	General Revenue	6,647,330	0.0935	0.0935	6,215	
	Road & Bridge	6,647,330	0.4674	0.4674	31,070	
	Special Road and Bridge	6,647,330	0.3500	0.3500	23,266	2022
North Salem Township Linn County	General Revenue	2,972,280	0.1000	0.1000	2,972	
	Road & Bridge	2,972,280	0.5000	0.5000	14,861	
	Special Road and Bridge	2,972,280	0.3538	0.3538	10,516	2022
Parson Creek Township Linn County	General Revenue	10,577,586	0.0975	0.0975	10,313	
	Road & Bridge	10,577,586	0.4670	0.4670	49,397	
	Special Road and Bridge	10,577,586	0.3511	0.3511	37,138	2022
Yellow Creek Township Linn County	General Revenue	9,312,923	0.0762	0.0762	7,096	
	Road & Bridge	9,312,923	0.3481	0.3481	32,418	
	Special Road and Bridge	9,312,923	0.3500	0.3500	32,595	2022
Laclede Community FPD	General Revenue	13,701,871	0.2340	0.2340	32,062	
Linneus FPD	General Revenue	10,838,806	0.3000	0.3000	32,516	
Meadville FPD	General Revenue	15,417,003	0.2962	0.2962	45,665	
Linn County Health Department	General Revenue	170,695,203	0.2326	0.2326	397,037	
Linn County R-I School District	Operating Funds-Schools	19,524,296	4.1118	4.1118	802,800	^D
Bucklin R-II School District	Operating Funds-Schools	12,515,370	5.3328	5.3328	667,420	^D
Meadville R-IV School District	Operating Funds-Schools	19,671,802	3.7705	3.7705	741,725	^D
	Debt Service	19,671,802	1.1206	1.0500	206,554	
Marceline R-V School District	Operating Funds-Schools	44,670,660	3.8717	3.8717	1,729,514	^D
	Debt Service	44,670,660	1.1804	0.8000	357,365	
Brookfield R-III School District	Operating Funds-Schools	66,821,186	4.0272	4.0272	2,691,023	^D
	Operating Funds-Temp	66,821,186	0.4247	0.4247	283,790	2023
	Debt Service	66,821,186	1.0077	0.6600	441,020	
Linn County	General Revenue	170,695,203	0.2930	0.0725	123,754	
	Developmental Dis. Board	170,695,203	0.1938	0.1938	330,807	
	Senior Services	170,695,203	0.0488	0.0488	83,299	
<u>Livingston</u>						
Livingston Ambulance District	General Revenue	196,557,098	0.3000	0.1504	295,622	
Livingston County NHD	General Revenue	196,557,098	0.1500	0.1500	294,836	
City of Chillicothe	General Revenue	101,606,438	0.6917	0.6917	702,812	
	Parks & Recreation	101,606,438	0.1945	0.1945	197,625	
	Industrial Improvements	101,606,438	0.0000	0.0000	0	
City of Chula	General Revenue	1,900,457	1.0000	1.0000	19,005	
Village of Ludlow	General Revenue	644,720	0.9858	0.9858	6,356	
Village of Mooresville	General Revenue	571,386	0.5300	0.5300	3,028	
City of Wheeling	General Revenue	1,118,633	0.7500	0.7500	8,390	
Livingston County Memorial PLD	General Revenue	196,557,098	0.2700	0.2700	530,704	
	Debt Service	196,557,098	0.1662	0.1662	326,678	
Blue Mound Township Livingston Co	General Revenue	7,242,166	0.1000	0.1000	7,242	
	Road & Bridge	7,242,166	0.5000	0.5000	36,211	
	Special Road and Bridge	7,242,166	0.3599	0.3599	26,065	2022
Chillicothe Township Livingston County	General Revenue	121,109,615	0.1000	0.1000	121,110	
	Road & Bridge	121,109,615	0.2878	0.2878	348,553	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Livingston</u>						
Cream Ridge Township Livingston Co	General Revenue	8,844,048	0.0921	0.0921	8,145	2021
	Road & Bridge	8,844,048	0.3916	0.3916	34,633	
	Special Road and Bridge	8,844,048	0.3500	0.3500	30,954	
Grand River Township Livingston Co	General Revenue	5,258,001	0.0990	0.0990	5,205	2020
	Road & Bridge	5,258,001	0.4951	0.4951	26,032	
	Special Road and Bridge	5,258,001	0.3485	0.3485	18,324	
Green Township Livingston County	General Revenue	4,991,028	0.0935	0.0935	4,667	
	Road & Bridge	4,991,028	0.4666	0.4666	23,288	
Jackson Township Livingston County	General Revenue	10,270,548	0.0946	0.0946	9,716	2022
	Road & Bridge	10,270,548	0.2852	0.2852	29,292	
	Special Road and Bridge	10,270,548	0.3538	0.3538	36,337	
Medicine Township Livingston County	General Revenue	2,734,423	0.1000	0.1000	2,734	2022
	Road & Bridge	2,734,423	0.4381	0.4381	11,980	
	Special Road and Bridge	2,734,423	0.3500	0.3500	9,570	
Monroe Township Livingston County	General Revenue	5,509,095	0.0898	0.0898	4,947	2020
	Road & Bridge	5,509,095	0.4193	0.4193	23,100	
	Special Road and Bridge	5,509,095	0.3373	0.3373	18,582	
Mooresville Township Livingston Co	General Revenue	4,042,418	0.1000	0.1000	4,042	2020
	Road & Bridge	4,042,418	0.5000	0.5000	20,212	
	Special Road and Bridge	4,042,418	0.3532	0.3532	14,278	
Rich Hill Township Livingston County	General Revenue	10,588,046	0.0983	0.0983	10,408	2022
	Road & Bridge	10,588,046	0.4488	0.4488	47,519	
	Special Road and Bridge	10,588,046	0.3500	0.3500	37,058	
Sampsel Township Livingston County	General Revenue	5,082,681	0.1000	0.1000	5,083	2021
	Road & Bridge	5,082,681	0.4913	0.4913	24,971	
	Special Road and Bridge	5,082,681	0.3559	0.3559	18,089	
Wheeling Township Livingston County	General Revenue	4,568,592	0.0975	0.0975	4,454	2020
	Road & Bridge	4,568,592	0.4878	0.4878	22,286	
	Special Road and Bridge	4,568,592	0.3591	0.3591	16,406	
Fairview Township Livingston County	General Revenue	6,316,436	0.0994	0.0994	6,279	2020
	Road & Bridge	6,316,436	0.4635	0.4635	29,277	
	Special Road and Bridge	6,316,436	0.3483	0.3483	22,000	
Green Township FPD	General Revenue	4,991,028	0.5147	0.5147	25,689	
Mooresville Township FPD	General Revenue	4,042,418	0.3000	0.3000	12,127	
Livingston County Health Center	General Revenue	196,557,098	0.3414	0.3414	671,046	
Southwest Livingston County R-I SD	Operating Funds-Schools	12,440,917	4.4700	4.4700	556,109 ^D	
Livingston County R-III SD	Operating Funds-Schools	8,600,442	5.5000	5.1069	439,216	
Chillicothe R-II School District	Capital Improvements	153,896,890	0.1200	0.1200	184,676	2023
	Operating Funds-Schools	153,896,890	3.6300	3.6300	5,586,457 ^D	
	Debt Service	153,896,890	1.2906	0.9660	1,486,644	
Livingston County	General Revenue	196,557,098	0.3354	0.0269	52,874	
	Developmental Dis. Board	196,557,098	0.1000	0.1000	196,557	
	Senior Services	196,557,098	0.0510	0.0510	100,244	
<u>McDonald</u>						
City of Anderson	General Revenue	16,664,303	0.2490	0.2490	41,494	2021
	General Revenue-Temp	16,664,303	0.3658	0.3658	60,958	
City of Goodman	General Revenue	7,832,507	0.7198	0.7198	56,378	
City of Lanagan	General Revenue	1,264,822	0.9490	0.9490	12,003	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>McDonald</u>						
City of Pineville	General Revenue	7,963,745	0.5078	0.5078	40,440	
City of Southwest City	General Revenue	14,641,354	0.6500	0.6500	95,169	
McDonald County Library District	General Revenue	271,123,773	0.1000	0.1000	271,124	
Goodman Area FPD	General Revenue	32,651,880	0.3000	0.3000	97,956	
White Rock FPD	General Revenue	71,971,122	0.3057	0.3000	215,913	
Stella FPD	General Revenue	28,721,150	0.3113	0.3000	86,163	A
McDonald County R-I School District	Operating Funds-Schools	235,000,085	2.8500	2.7500	6,462,502	E
	Debt Service	235,000,085	0.7888	0.6700	1,574,501	
McDonald County	Road & Bridge	271,123,773	0.0000	0.0000	0	
<u>Macon</u>						
Macon County Ambulance District	General Revenue	249,270,387	0.1409	0.1409	351,222	
Samaritan Memorial Hospital	General Revenue	249,270,387	0.1879	0.1879	468,379	
La Plata NHD	General Revenue	52,717,114	0.1392	0.1392	73,382	
Macon County NHD	General Revenue	201,123,477	0.3500	0.3500	703,932	
Hudson SRD Macon County	Road & Bridge	97,073,758	0.2833	0.2833	275,010	
	Special Road and Bridge	97,073,758	0.2000	0.2000	194,148	2020
	Road & Bridge	17,357,877	0.3004	0.3004	52,143	
La Plata SRD Macon County	Special Road and Bridge	17,357,877	0.3487	0.3487	60,527	2020
	Road & Bridge	17,357,877	0.3487	0.3487	60,527	
City of Atlanta	General Revenue	2,040,676	1.0000	1.0000	20,407	
City of Bevier	General Revenue	5,408,312	0.7938	0.7938	42,931	
	Lights	5,408,312	0.2215	0.2215	11,979	
City of Callao	General Revenue	1,429,686	0.9781	0.9781	13,984	
City of Elmer	General Revenue	628,711	0.9844	0.9844	6,189	
City of Ethel	General Revenue	547,325	0.7781	0.7781	4,259	
City of La Plata	General Revenue	10,147,779	0.8348	0.8348	84,714	
	Parks & Recreation	10,147,779	0.1912	0.1912	19,403	
	Library	10,147,779	0.1912	0.1912	19,403	
City of Macon	General Revenue	74,269,475	0.5937	0.5937	440,938	
	Library	74,269,475	0.2375	0.2375	176,390	
City of New Cambria	General Revenue	1,193,097	0.8882	0.8882	10,597	
Village of South Gifford	General Revenue	111,554	0.5000	0.5000	558	
La Plata Community FPD	General Revenue	40,488,409	0.4003	0.4003	162,075	
Bevier FPD	General Revenue	27,959,234	0.2880	0.2880	80,523	
Callao Town & Country Volunteer FPD	General Revenue	13,501,163	0.3583	0.3583	48,375	
Macon County Health Department	General Revenue	249,270,387	0.1409	0.1409	351,222	
Atlanta C-3 School District	Operating Funds-Schools	18,008,734	4.0359	3.9000	702,341	D
Bevier C-4 School District	Operating Funds-Schools	15,385,143	3.7838	3.7838	582,143	D
La Plata R-II School District	Operating Funds-Schools	27,877,334	3.1107	3.1107	867,180	D
Macon County R-I School District	Operating Funds-Schools	122,622,517	3.0552	3.0552	3,746,363	D
	Operating Funds-Temp	122,622,517	0.3963	0.3963	485,953	2032
Callao C-8 School District	Operating Funds-Schools	7,188,891	4.3236	4.3000	309,122	D
Macon County R-IV School District	Operating Funds-Schools	13,390,545	4.5147	4.5000	602,575	D
Macon County	General Revenue	249,270,387	0.4066	0.2496	622,179	
	Common Road District	134,902,063	0.2986	0.2986	402,818	
	Special Road and Bridge	134,902,063	0.3500	0.3500	472,157	2022
	Developmental Dis. Board	249,270,387	0.0940	0.0940	234,314	
<u>Madison</u>						
Madison County Ambulance District	General Revenue	122,638,720	0.3000	0.3000	367,916	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Madison</u>						
Village of Cobalt City	General Revenue	990,284	0.2267	0.2267	2,245	
City of Fredericktown	General Revenue	36,540,433	0.7432	0.7432	271,568	
	Parks & Recreation	36,540,433	0.1289	0.1289	47,101	
Village of Junction City	General Revenue	1,924,870	0.2500	0.2500	4,812	
City of Marquand	General Revenue	886,040	1.0000	1.0000	8,860	
	Debt Service	886,040	2.1253	2.1253	18,831	
Madison County Health Department	General Revenue	122,638,720	0.2550	0.2550	312,729	
Marquand-Zion R-VI School District	Operating Funds-Schools	11,513,880	4.1385	4.1385	476,502	D
	Debt Service	11,513,880	0.5726	0.5726	65,928	
Fredericktown R-I School District	Operating Funds-Schools	107,299,125	3.9702	3.9000	4,184,666	BD
Madison County	General Revenue	122,638,720	0.4026	0.1788	219,278	
	Library	122,638,720	0.2043	0.2043	250,551	
	Road & Bridge	122,638,720	0.2928	0.2928	359,086	
	Developmental Dis. Board	122,638,720	0.1986	0.1986	243,560	
<u>Maries</u>						
Maries-Osage Ambulance District	General Revenue	97,620,893	0.1966	0.1966	191,923	
Ozark Central Ambulance District	General Revenue	89,577,520	0.2741	0.2741	245,532	
Belle SRD 6 Maries-Osage County	Road & Bridge	12,884,674	0.2416	0.2416	31,129	
Maries County SRD 8	Road & Bridge	8,765,008	0.2351	0.2351	20,607	
City of Vienna	General Revenue	8,462,751	0.6303	0.6303	53,341	
City of Belle	General Revenue	12,889,052	0.6492	0.6492	83,676	
	Parks & Recreation	12,889,052	0.1589	0.1589	20,481	
Maries County Library District	General Revenue	145,889,181	0.1607	0.1607	234,444	
Vienna Volunteer FPD	General Revenue	30,240,127	0.3000	0.3000	90,720	
Belle FPD	General Revenue	45,585,511	0.3000	0.3000	136,757	
Maries County R-I School District	Operating Funds-Schools	59,729,760	3.3112	3.3112	1,977,772	D
	Debt Service	59,729,760	0.7619	0.4400	262,811	
Maries County R-II School District	Operating Funds-Schools	71,468,704	3.3318	3.3318	2,381,194	D
Maries County	General Revenue	145,889,181	0.4718	0.3719	542,562	
	Common Road District 1	67,670,538	0.2746	0.2746	185,823	
	Common Road District 2	58,720,242	0.2422	0.2422	142,220	
<u>Marion</u>						
Marion County Ambulance District	General Revenue	474,641,528	0.0000	0.0000	0	
	Pension	474,641,528	0.0500	0.0500	237,321	
Marion County NHD	General Revenue	462,914,303	0.1455	0.1455	673,540	
City of Hannibal	General Revenue	230,680,584	0.7979	0.7979	1,840,600	
	Library	230,680,584	0.3000	0.3000	692,042	
	Police & Fire	230,680,584	0.1402	0.1402	323,414	
City of Palmyra	General Revenue	42,644,443	0.6621	0.6621	282,349	
Marion County Library Subdistrict 1	General Revenue	162,523,384	0.1534	0.1534	249,311	
Palmyra FPD	General Revenue	159,699,439	0.3000	0.3000	479,098	
Marion County Health Department	General Revenue	462,914,303	0.1129	0.1000	462,914	
Marion County R-II School District	Operating Funds-Schools	17,988,322	3.7669	3.7669	677,602	D
	Debt Service	17,988,322	0.5992	0.5786	104,080	
Palmyra R-I School District	Operating Funds-Schools	135,699,125	3.4613	3.4080	4,624,626	D
	Debt Service	135,699,125	0.8394	0.6200	841,335	
Hannibal 60 School District	Operating Funds-Schools	332,712,339	3.2560	3.1114	10,352,012	D
	Debt Service	332,712,339	1.6942	1.0700	3,560,022	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Marion</u>						
Marion County	General Revenue	462,914,303	0.4431	0.1350	624,934	
	Road & Bridge	462,914,303	0.3323	0.3323	1,538,264	
	Developmental Dis. Board	462,914,303	0.1370	0.1370	634,193	
<u>Mercer</u>						
Mercer County Ambulance District	General Revenue	80,769,511	0.2998	0.2998	242,147	
City of Mercer	General Revenue	2,231,276	0.8602	0.8602	19,193	
	Streets	2,231,276	0.4794	0.4794	10,697	
	Debt Service	2,231,276	1.2320	1.2320	27,489	
City of Princeton	General Revenue	11,440,281	0.8490	0.8490	97,128	
	Band	11,440,281	0.0924	0.0924	10,571	
Village of South Lineville	General Revenue	587,251	0.4082	0.4082	2,397	
Mercer County Library District	General Revenue	80,769,511	0.1818	0.1818	146,839	
Harrison Township Mercer County	General Revenue	4,012,965	0.0914	0.0914	3,668	
	Road & Bridge	4,012,965	0.4567	0.4567	18,327	
	Special Road and Bridge	4,012,965	0.3596	0.3596	14,431	2022
Lindley Township Mercer County	General Revenue	3,002,972	0.0915	0.0915	2,748	
	Road & Bridge	3,002,972	0.4576	0.4576	13,742	
	Special Road and Bridge	3,002,972	0.3528	0.3528	10,594	2022
Madison Township Mercer County	General Revenue	4,136,249	0.0902	0.0902	3,731	
	Road & Bridge	4,136,249	0.4508	0.4508	18,646	
	Special Road and Bridge	4,136,249	0.3528	0.3528	14,593	2022
Marion Township Mercer County	General Revenue	13,591,070	0.0877	0.0877	11,919	
	Road & Bridge	13,591,070	0.3781	0.3781	51,388	
	Special Road and Bridge	13,591,070	0.3686	0.3686	50,097	2022
Medicine Township Mercer County	General Revenue	3,721,544	0.0940	0.0940	3,498	
	Road & Bridge	3,721,544	0.4699	0.4699	17,488	
	Special Road and Bridge	3,721,544	0.3536	0.3536	13,159	2022
Morgan Township Mercer County	General Revenue	27,898,368	0.0903	0.0903	25,192	
	Road & Bridge	27,898,368	0.3166	0.3166	88,326	
Ravanna Township Mercer County	General Revenue	8,612,161	0.1000	0.1000	8,612	
	Road & Bridge	8,612,161	0.5000	0.5000	43,061	
	Special Road and Bridge	8,612,161	0.3537	0.3537	30,461	2022
Somerset Township Mercer County	General Revenue	6,216,952	0.0932	0.0932	5,794	
	Road & Bridge	6,216,952	0.4659	0.4659	28,965	
	Special Road and Bridge	6,216,952	0.3543	0.3543	22,027	2022
Washington Township Mercer County	General Revenue	9,577,230	0.0837	0.0837	8,016	
	Road & Bridge	9,577,230	0.4185	0.4185	40,081	
	Special Road and Bridge	9,577,230	0.3553	0.3553	34,028	2022
Mercer County FPD	General Revenue	48,842,895	0.2720	0.2720	132,853	
Mercer FPD	General Revenue	21,933,857	0.2707	0.2707	59,375	
Mercer County Health Department	General Revenue	80,769,511	0.2726	0.2726	220,178	
Mercer County Extension District	General Revenue	69,144,941	0.0517	0.0517	35,748	
North Mercer County R-III SD	Operating Funds-Schools	17,802,054	4.9260	4.9260	876,929	D
Princeton R-V School District	Operating Funds-Schools	46,844,435	4.2117	4.2117	1,972,947	D
	Debt Service	46,844,435	1.8919	0.9532	446,521	
Mercer County	General Revenue	80,769,511	0.3635	0.2482	200,470	
	Road & Bridge	80,769,511	0.1362	0.1362	110,008	
	Senior Services	80,769,511	0.0454	0.0454	36,669	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Miller</u>						
Miller County Ambulance District	General Revenue	292,929,867	0.0000	0.0000	0	
Miller County NHD	General Revenue	438,111,423	0.1179	0.1179	516,533	
	Debt Service	438,111,423	0.0449	0.0449	196,712	
Bagnell SRD Miller County	Road & Bridge	130,151,645	0.1842	0.1842	239,739	
Kaiser SRD Miller County	Road & Bridge	76,396,666	0.2138	0.2138	163,336	
City of Bagnell	General Revenue	701,800	0.4958	0.4958	3,480	
Village of Brumley	General Revenue	776,271	0.4978	0.4978	3,864	
City of Iberia	General Revenue	5,888,254	0.5960	0.5960	35,094	
Village of Olean	General Revenue	601,804	0.3497	0.3497	2,105	
Village of St. Elizabeth	General Revenue	5,339,877	0.2254	0.2254	12,036	
Village of Tuscumbia	General Revenue	1,578,767	0.3784	0.3784	5,974	
City of Lake Ozark	General Revenue	106,721,951	0.2425	0.2425	258,801	
Miller County Library District	General Revenue	438,111,423	0.1299	0.1299	569,107	
Lake Ozark FPD	General Revenue	462,523,102	0.5931	0.5931	2,743,225	
	Ambulance	462,523,102	0.6017	0.6017	2,783,002	
	Debt Service	462,523,102	0.1112	0.0800	370,018	
Brumley FPD	General Revenue	23,590,273	0.3000	0.3000	70,771	
Tuscumbia FPD	General Revenue	12,258,136	0.2888	0.2888	35,401	
Moreau FPD	General Revenue	126,952,433	0.5454	0.5454	692,399	
St. Elizabeth FPD	General Revenue	15,888,784	0.2888	0.2888	45,887	
Iberia Rural FPD	General Revenue	35,513,846	0.6130	0.6000	213,083	^B
Miller County Health Center	General Revenue	438,111,423	0.1238	0.1238	542,382	
Eldon R-I School District	Operating Funds-Schools	194,288,846	3.2170	3.2170	6,250,272	^D
	Debt Service	194,288,846	0.6652	0.5100	990,873	
Miller County R-III School District	Operating Funds-Schools	12,735,514	4.1483	4.1000	522,156	^D
	Debt Service	12,735,514	1.0647	0.4500	57,310	
St. Elizabeth R-IV School District	Operating Funds-Schools	18,570,809	4.1430	4.1430	769,389	^D
School of the Osage R-II SD	Operating Funds-Schools	570,170,714	2.6000	2.6000	14,824,439	
	Debt Service	570,170,714	1.2302	0.6990	3,985,493	
Iberia R-V School District	Operating Funds-Schools	39,063,246	3.7500	3.7500	1,464,872	^D
	Debt Service	39,063,246	0.5113	0.3300	128,909	
Miller County	General Revenue	438,102,393	0.2685	0.0169	74,039	
	Road & Bridge	231,283,364	0.2638	0.2638	610,126	
	Developmental Dis. Board	438,102,393	0.0860	0.0860	376,768	
	Senior Services	438,102,393	0.0497	0.0497	217,737	
<u>Mississippi</u>						
Mississippi Ambulance District	General Revenue	172,879,264	0.2977	0.2977	514,662	
City of Anniston	General Revenue	1,342,875	0.6416	0.6416	8,616	
City of Bertrand	General Revenue	5,420,015	0.5443	0.5443	29,501	
City of Charleston	General Revenue	32,827,326	0.6464	0.6464	212,196	
	Parks & Recreation	32,827,326	0.1639	0.1639	53,804	
City of East Prairie	General Revenue	20,271,817	0.7923	0.7923	160,614	
Village of Wilson City	General Revenue	374,272	0.4823	0.4823	1,805	
City of Wyatt	General Revenue	1,512,721	0.9092	0.9092	13,754	
Mississippi County Library District	General Revenue	172,879,264	0.2115	0.2115	365,640	
Mississippi/Scott County FPD	General Revenue	85,163,771	0.1650	0.1650	140,520	
Mississippi County Health Department	General Revenue	172,879,264	0.0993	0.0993	171,669	
East Prairie R-II School District	Operating Funds-Schools	73,566,500	3.0450	2.7500	2,023,079	^E

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Mississippi</u>						
East Prairie R-II School District	Debt Service	73,566,500	1.4650	0.9000	662,099	
Charleston R-I School District	Operating Funds-Schools	87,692,580	3.0539	3.0539	2,678,044 ^D	
Mississippi County	General Revenue	172,879,264	0.4867	0.3458	597,816	
	Johnson Grass	172,879,264	0.0496	0.0496	85,748	
	Road & Bridge	172,879,264	0.3473	0.3473	600,410	
	Developmental Dis. Board	172,879,264	0.1270	0.1270	219,557	
<u>Moniteau</u>						
Mid Mo Ambulance District	General Revenue	585,042,846	0.0000	0.0000	0	
City of California	General Revenue	54,501,803	0.4246	0.4246	231,415	
	Parks & Recreation	54,501,803	0.1676	0.1676	91,345	
City of Clarksburg	General Revenue	1,812,531	1.0000	1.0000	18,125	
City of Jamestown	General Revenue	3,363,434	0.9095	0.9095	30,590	
City of Lupus	General Revenue	400,340	0.6699	0.6587	2,637	
City of Tipton	General Revenue	25,928,854	0.7609	0.7609	197,293	
	Library	25,928,854	0.2437	0.2400	62,229	
Moniteau County Library District	General Revenue	171,193,484	0.1200	0.1200	205,432	
California Rural FPD	General Revenue	56,844,443	0.1976	0.1976	112,325	
Fortuna FPD	General Revenue	46,395,667	0.2831	0.2831	131,346	
Tipton Rural FPD	General Revenue	16,855,264	0.2416	0.2416	40,722	
Jamestown Rural FPD	General Revenue	23,828,641	0.4313	0.4313	102,773	
Moniteau County Health Center	General Revenue	217,380,490	0.1522	0.1522	330,853	
Moniteau County R-I School District	Operating Funds-Schools	97,950,364	2.8670	2.8670	2,808,237 ^D	
	Debt Service	97,950,364	1.4577	1.1311	1,107,917	
High Point R-III School District	Operating Funds-Schools	11,931,320	4.0721	4.0721	485,855 ^D	
	Operating Funds-Temp	11,931,320	0.2917	0.2917	34,804	2021
Moniteau County R-V School District	Operating Funds-Schools	12,226,828	3.5361	3.5361	432,353 ^D	
Tipton R-VI School District	Operating Funds-Schools	52,039,096	2.9192	2.9192	1,519,125 ^D	
	Debt Service	52,039,096	1.3001	1.0934	568,995	
Jamestown C-I School District	Operating Funds-Schools	18,674,906	4.2492	4.2492	793,534 ^D	
	Operating Funds-Temp	18,674,906	0.4018	0.4018	75,036	2030
Clarksburg C-2 School District	Operating Funds-Schools	8,144,035	4.0378	3.9385	320,753 ^D	
	Debt Service	8,144,035	0.7661	0.7500	61,080	
Moniteau County	General Revenue	217,380,490	0.3405	0.1838	399,545	
	Common Road District	217,380,490	0.2505	0.2505	544,538	
	Developmental Dis. Board	217,380,490	0.1200	0.1200	260,857	
<u>Monroe</u>						
Monroe County Ambulance District	General Revenue	96,415,562	0.4023	0.4023	387,880	
Monroe City Ambulance District	General Revenue	116,941,190	0.2524	0.1461	170,851	
Monroe County NHD	General Revenue	116,254,524	0.1408	0.1408	163,686	
Madison SRD Monroe County	Special Road and Bridge	11,324,323	0.3500	0.3500	39,635	2021
Monroe City SRD Monroe County	Special Road and Bridge	30,960,675	0.3567	0.3567	110,437	2022
Village of Holliday	General Revenue	1,163,165	0.3511	0.3511	4,084	
City of Madison	General Revenue	4,085,561	0.6778	0.6778	27,692	
City of Paris	General Revenue	10,226,778	0.3423	0.3423	35,006	
	Cemetery	10,226,778	0.2676	0.2676	27,367	
	Streets	10,226,778	0.1185	0.1185	12,119	
Village of Stoutsville	General Revenue	647,819	0.1866	0.1866	1,209	
City of Monroe City	General Revenue	30,122,995	0.7537	0.7537	227,037	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Monroe</u>						
City of Monroe City	Library	28,078,467	0.1989	0.1989	55,848	
Monroe County Library District	General Revenue	124,796,923	0.1570	0.1570	195,931	
Paris Rural FPD	General Revenue	45,693,156	0.2424	0.2424	110,760	
Madison-West Monroe FPD	General Revenue	32,655,554	0.2844	0.2844	92,872	
Monroe County Health Department	General Revenue	143,152,654	0.0942	0.0942	134,850	
Middle Grove C-1 School District	Operating Funds-Schools	5,124,671	5.3226	5.3226	272,766	^D
Monroe City R-I School District	Operating Funds-Schools	91,539,262	3.7874	3.7874	3,466,958	^D
	Debt Service	91,539,262	1.3979	0.9900	906,239	
Holliday C-2 School District	Operating Funds-Schools	9,099,437	4.0099	4.0099	364,878	^D
Madison C-3 School District	Operating Funds-Schools	15,016,154	3.7358	3.7358	560,973	^D
Paris R-II School District	Operating Funds-Schools	51,125,350	3.4664	3.4664	1,772,209	^D
	Debt Service	51,125,350	0.5383	0.4900	250,514	
Monroe County	General Revenue	143,152,654	0.3852	0.2846	407,412	
	Road & Bridge	143,152,654	0.2810	0.2810	402,259	
	Developmental Dis. Board	143,152,654	0.0942	0.0942	134,850	
<u>Montgomery</u>						
Montgomery Ambulance District	General Revenue	206,185,115	0.5031	0.5031	1,037,317	
Rhineland Bottom SRD Montgomery Co	Special Road and Bridge	9,360,993	0.2536	0.2536	23,739	2021
Wellsville SRD Montgomery County	Special Road and Bridge	26,197,574	0.2956	0.2956	77,440	2021
City of Bellflower	General Revenue	2,302,614	0.9095	0.9095	20,942	
City of High Hill	General Revenue	3,760,102	0.3508	0.3508	13,190	
City of Jonesburg	General Revenue	18,973,185	0.4800	0.4800	91,071	
City of McKittrick	General Revenue	520,169	0.7300	0.7300	3,797	
City of Middletown	General Revenue	1,507,808	0.8049	0.8049	12,136	
City of Montgomery	General Revenue	41,137,287	0.5632	0.5632	231,685	
	Library	41,137,287	0.4000	0.4000	164,549	
City of New Florence	General Revenue	7,898,926	0.8512	0.8512	67,236	
Village of Rhineland	General Revenue	2,552,847	0.8931	0.8931	22,799	
City of Wellsville	General Revenue	8,603,774	0.8201	0.8201	70,560	
	Library	8,603,774	0.2247	0.2247	19,333	
Bellflower FPD	General Revenue	22,250,009	0.2314	0.2314	51,487	
Big Spring FPD	General Revenue	16,567,164	0.3000	0.3000	49,701	
Jonesburg-High Hill FPD	General Revenue	60,272,187	0.2453	0.2453	147,848	
New Florence FPD	General Revenue	24,094,218	0.3000	0.3000	72,283	
Montgomery Volunteer FPD	General Revenue	75,848,198	0.2670	0.2670	202,515	
Wellsville FPD	General Revenue	27,991,038	0.2465	0.2465	68,998	
Middletown Community FPD	General Revenue	22,492,764	0.2989	0.2989	67,231	
Montgomery County Health Department	General Revenue	237,480,292	0.1453	0.1453	345,059	
Wellsville-Middletown R-I SD	Operating Funds-Schools	30,405,507	4.0128	4.0128	1,220,112	^D
	Debt Service	30,405,507	0.5291	0.4800	145,946	
Montgomery County R-II SD	Operating Funds-Schools	138,510,066	3.3363	3.3363	4,621,111	^D
	Debt Service	138,510,066	0.9426	0.6500	900,315	
Montgomery County	General Revenue	237,480,292	0.3824	0.2651	629,560	
	Johnson Grass	237,480,292	0.0000	0.0000	0	
	Road & Bridge	233,307,504	0.2738	0.2738	638,796	
	Special Road and Bridge	199,844,899	0.3075	0.3075	614,523	2021
	Developmental Dis. Board	237,480,292	0.0965	0.0965	229,168	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Morgan</u>						
Golden Age NHD 1	General Revenue	112,564,302	0.1902	0.1902	214,097	
Good Shepherd NHD	General Revenue	801,220,994	0.1453	0.1453	1,164,174	
Barnett SRD 3 Morgan County	Road & Bridge	12,860,883	0.3107	0.3107	39,959	
Gravois SRD 8 Morgan County	Road & Bridge	206,475,637	0.1335	0.1335	275,645	
	Special Road and Bridge	206,475,637	0.0998	0.0998	206,063	2021
City of Barnett	General Revenue	1,115,377	0.8147	0.6562	7,319	
	Water	1,115,377	0.4268	0.3438	3,835	
City of Stover	General Revenue	8,005,624	0.6906	0.6906	55,287	
City of Syracuse	General Revenue	2,465,133	0.8592	0.8592	21,180	
City of Versailles	General Revenue	29,048,233	0.9487	0.9487	275,581	
Morgan County Library District	General Revenue	545,412,271	0.0763	0.0763	416,150	
Rocky Mount FPD	General Revenue	123,237,687	0.3872	0.3872	477,176	
Versailles Rural FPD	General Revenue	50,215,970	0.4767	0.4767	239,380	
Gravois FPD	General Revenue	254,804,851	0.6986	0.6986	1,780,067	
	Debt Service	254,804,851	0.1972	0.1972	502,475	
Stover Rural FPD	General Revenue	43,074,559	0.2636	0.2636	113,545	
Morgan County Health Center	General Revenue	545,412,271	0.0780	0.0780	425,422	
Morgan County R-I School District	Operating Funds-Schools	92,944,587	3.4290	3.4235	3,181,958	D
Morgan County R-II School District	Operating Funds-Schools	287,174,963	2.9961	2.9961	8,604,049	D
Morgan County	General Revenue	545,412,271	0.2119	0.1100	599,953	
	Johnson Grass	545,412,271	0.0000	0.0000	0	
	Road & Bridge	325,489,125	0.1677	0.1327	431,924	C
	Developmental Dis. Board	545,412,271	0.0423	0.0423	230,709	
	Senior Services	545,412,271	0.0423	0.0423	230,709	
<u>New Madrid</u>						
New Madrid Ambulance District	General Revenue	433,046,336	0.0000	0.0000	0	
City of Canalou	General Revenue	1,162,857	0.7592	0.7522	8,747	
Village of Catron	General Revenue	1,244,152	0.4968	0.4968	6,181	
	General Revenue 1	1,244,152	0.2483	0.2483	3,089	
City of Gideon	General Revenue	5,971,450	0.6479	0.6479	38,689	
	Parks & Recreation	5,971,450	0.1648	0.1648	9,841	
City of Howardville	General Revenue	1,236,311	1.0000	1.0000	12,363	
City of Lilbourn	General Revenue	8,009,472	0.6570	0.6493	52,006	
	Parks & Recreation	8,009,472	0.1823	0.1802	14,433	
	Library	6,520,276	0.2000	0.1802	11,750	
	Health	8,009,472	0.1823	0.1802	14,433	
	Debt Service	8,009,472	2.2854	0.3213	25,734	
City of Marston	General Revenue	4,834,357	0.6965	0.6965	33,671	
City of Matthews	General Revenue	10,321,300	0.2628	0.2500	25,803	
City of Morehouse	General Revenue	5,228,030	0.7606	0.7606	39,764	
City of New Madrid	General Revenue	29,654,871	0.6168	0.6168	182,911	
	General Revenue 1	29,654,871	0.0000	0.0000	0	
Village of North Lilbourn	General Revenue	111,360	0.4992	0.4992	556	
City of Parma	General Revenue	4,451,783	0.7254	0.7254	32,293	
City of Portageville	General Revenue	33,589,456	0.6830	0.6830	229,416	
	Parks & Recreation	33,589,456	0.1500	0.1500	50,384	
	Health	33,589,456	0.1805	0.1805	60,629	
City of Risco	General Revenue	2,288,470	0.7983	0.7983	18,269	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>New Madrid</u>						
Village of Tallapoosa	General Revenue	404,315	1.0000	1.0000	4,043	
New Madrid County Library District	General Revenue	402,720,022	0.1448	0.1448	583,139	
New Madrid County Health Department	General Revenue	433,046,335	0.1000	0.1000	433,046	
Risco R-II School District	Operating Funds-Schools	10,798,868	5.0500	5.0500	545,343	D
Portageville School District	Operating Funds-Schools	51,356,257	2.9389	2.9389	1,509,309	D
	Debt Service	51,356,257	0.5611	0.5611	288,160	
Gideon 37 School District	Operating Funds-Schools	15,309,447	3.6844	3.6844	564,061	D
New Madrid County R-I SD	Operating Funds-Schools	271,430,301	3.5750	3.5500	9,635,776	D
	Debt Service	271,430,301	0.3095	0.2900	787,148	
New Madrid County	General Revenue	433,046,336	0.4034	0.2237	968,725	
	Johnson Grass	433,046,336	0.0100	0.0100	43,305	
	Road & Bridge	433,046,336	0.3152	0.1576	682,481	
	Developmental Dis. Board	433,046,336	0.0200	0.0200	86,609	
<u>Newton</u>						
Newton County Ambulance District	General Revenue	813,410,689	0.1878	0.1878	1,527,585	
Lost Creek Watershed Subdistrict	General Revenue	37,564,235	0.2248	0.2248	84,444	
Diamond SRD Newton County	Road & Bridge	41,968,774	0.3158	0.3158	132,537	
	Special Road and Bridge	41,968,774	0.1718	0.1718	72,102	2023
Fairview SRD Newton County	Road & Bridge	11,754,234	0.2212	0.2212	26,000	
	Special Road and Bridge	11,754,234	0.1595	0.1595	18,748	2023
Midway SRD Newton County	Road & Bridge	13,644,581	0.2218	0.2218	30,264	
	Special Road and Bridge	13,644,581	0.1750	0.1750	23,878	2023
Neosho SRD Newton County	Road & Bridge	217,327,463	0.1928	0.1928	419,007	
	Special Road and Bridge	217,327,463	0.1541	0.1541	334,902	2023
Seneca SRD Newton County	Road & Bridge	75,607,537	0.1993	0.1993	150,686	
	Special Road and Bridge	75,607,537	0.1559	0.1559	117,872	2023
Stella SRD Newton County	Road & Bridge	8,673,865	0.2699	0.2699	23,411	
	Special Road and Bridge	8,673,865	0.1376	0.1376	11,935	2023
City of Diamond	General Revenue	6,237,494	0.3031	0.3031	18,906	
	Debt Service	6,237,494	0.0000	0.0000	0	
City of Fairview	General Revenue	2,416,110	0.3888	0.3888	9,394	
	Streets	2,416,110	0.3401	0.3401	8,217	
City of Granby	General Revenue	11,455,806	0.3384	0.3384	38,766	
	Cemetery	11,455,806	0.0854	0.0854	9,783	A 2023
Village of Leawood	General Revenue	8,938,971	0.2157	0.2157	19,281	
City of Neosho	General Revenue	123,095,117	0.4290	0.3639	447,943	
	Parks & Recreation	123,095,117	0.0000	0.0000	0	
Village of Newtonia	General Revenue	1,431,591	0.2180	0.2180	3,121	
Village of Ritchey	General Revenue	554,927	0.4509	0.4509	2,502	
Village of Saginaw	General Revenue	4,813,973	0.2493	0.2493	12,001	
City of Seneca	General Revenue	20,355,028	0.4529	0.4529	92,188	
	Parks & Recreation	20,355,028	0.0496	0.0496	10,096	
Village of Shoal Creek Drive	General Revenue	3,019,286	0.2038	0.2038	6,153	
Village of Stella	General Revenue	1,182,096	0.8000	0.8000	9,457	
Village of Wentworth	General Revenue	1,198,420	0.2658	0.2658	3,185	
Village of Shoal Creek Estates	General Revenue	1,228,804	0.4711	0.4711	5,789	
Town of Loma Linda	General Revenue	15,608,383	0.4664	0.4664	72,797	
	Sewer	15,608,383	0.0000	0.0000	0	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Newton</u>						
Town of Loma Linda	Health & Sewer	15,608,383	0.1866	0.1866	29,125	2023
	General Revenue-Temp	15,608,383	0.3035	0.3035	47,371 ^A	
Neosho-Newton County PLD	General Revenue	723,900,879	0.1000	0.1000	723,901	2057
Neosho Area FPD	General Revenue	129,062,144	0.3842	0.3842	495,857	
Redings Mill FPD	General Revenue	191,496,344	1.0611	1.0611	2,031,968	
Diamond Area FPD	General Revenue	58,569,132	0.2489	0.2489	145,779	
	Debt Service	58,569,132	0.0000	0.0000	0	
Seneca Area FPD	General Revenue	49,582,567	0.2775	0.2775	137,592	
East Newton Area FPD	General Revenue	29,969,805	0.2591	0.2591	77,652	
Midway FPD	General Revenue	18,045,111	0.2811	0.2811	50,725	
Neosho Developers CID	General Revenue	42,800	1.0000	1.0000	428	
Newton County Health Department	General Revenue	924,055,659	0.0491	0.0491	453,711	
Crowder College	General Revenue	932,176,567	0.4270	0.4270	3,980,394	2057
East Newton County R-VI SD	Operating Funds-Schools	80,376,704	2.7500	2.7500	2,210,359 ^D	
	Debt Service	80,376,704	0.5716	0.4691	377,047	
Diamond R-IV School District	Operating Funds-Schools	77,547,954	3.1292	3.1292	2,426,631 ^D	2057
	Debt Service	77,547,954	0.9734	0.5900	457,533	
Westview C-6 School District	Operating Funds-Schools	10,147,286	3.5068	3.4300	348,052 ^D	2057
Seneca R-VII School District	Operating Funds-Schools	101,844,987	2.7500	2.7500	2,800,737 ^E	
	Debt Service	101,844,987	1.0751	0.8500	865,682	
Neosho R-V School District	Operating Funds-Schools	332,947,365	3.2078	3.2078	10,680,286 ^{BD}	2057
	Debt Service	332,947,365	0.7159	0.6000	1,997,684	
Newton County	Common Road District	163,563,163	0.2476	0.2476	404,982	2057
	Developmental Dis. Board	924,055,659	0.0591	0.0591	546,117	
	Mental Health	924,055,659	0.0819	0.0819	756,802	
	County Fair	924,055,659	0.0098	0.0098	90,557	
<u>Nodaway</u>						
Hoover Frankum WSD	General Revenue	1,186,682	0.3800	0.3800	4,509	2020
Mozingo Creek Watershed Subdistrict	General Revenue	12,003,061	0.0000	0.0000	0	
102 River Tributaries Subdistrict	General Revenue	8,521,103	0.1000	0.1000	8,521	2020
City of Arkoe	General Revenue	374,497	1.0000	1.0000	3,745	
City of Barnard	General Revenue	1,078,334	0.9743	0.9743	10,506	2020
	Streets	1,078,334	1.3150	1.3150	14,180	
City of Burlington Junction	General Revenue	3,455,456	1.0000	1.0000	34,555	2022
	Streets	3,455,456	1.0176	1.0176	35,163	
	Debt Service	3,455,456	0.4772	0.4772	16,489	
City of Clearmont	General Revenue	1,173,297	0.7355	0.7355	8,630	2022
Village of Clyde	General Revenue	657,843	0.4966	0.4966	3,267	
City of Conception Junction	General Revenue	1,419,825	0.9868	0.9868	14,011	2020
City of Elmo	General Revenue	729,272	1.0000	1.0000	7,293	
	Streets	729,272	0.6759	0.6759	4,929	
City of Graham	General Revenue	941,927	1.0000	1.0000	9,419	2022
	Streets	941,927	0.0000	0.0000	0	
	Streets-Temp	941,927	1.1658	1.1658	10,981 ^A	
Village of Guilford	General Revenue	789,402	0.9255	0.9255	7,306	2020
	Streets	789,402	0.5203	0.5203	4,107	
City of Hopkins	General Revenue	3,440,956	0.3734	0.3734	12,849	2020
	Lights	3,440,956	0.2103	0.2103	7,236	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
City of Hopkins	Streets	3,440,956	0.2500	0.2500	8,602	
	Street Improvements	3,440,956	0.7553	0.7553	25,990	2021
	General Revenue-Temp	3,440,956	0.2042	0.2042	7,026 ^A	2023
City of Maryville	General Revenue	136,948,641	0.3650	0.3650	499,863	
	Parks & Recreation	136,948,641	0.4085	0.4085	559,435	
	Library	136,948,641	0.2852	0.2852	390,578	
	Debt Service	136,948,641	0.1113	0.1113	152,424	
City of Parnell	General Revenue	605,010	1.0000	1.0000	6,050	
	Parks & Recreation	605,010	0.3140	0.3140	1,900	2020
	General Revenue-Temp	605,010	0.4186	0.4186	2,533	2020
City of Pickering	General Revenue	804,177	0.8754	0.8754	7,040	
	Streets	804,177	1.0338	1.0338	8,314	2021
City of Ravenwood	General Revenue	2,964,841	0.7876	0.7876	23,351	
	Streets	2,964,841	1.4000	1.4000	41,508	2020
City of Skidmore	General Revenue	1,799,346	1.0000	1.0000	17,993	
	Streets	1,799,346	1.0000	1.0000	17,993	
Atchison Township Nodaway County	General Revenue	10,521,704	0.0473	0.0473	4,977	
	Road & Bridge	10,521,704	0.4719	0.4719	49,652	
	Special Road and Bridge	10,521,704	0.3572	0.3572	37,584	2020
	Debt Service	10,521,704	0.5584	0.5584	58,753	
Grant Township Nodaway County	General Revenue	12,134,180	0.0433	0.0433	5,254	
	Road & Bridge	12,134,180	0.4320	0.4320	52,420	
	Special Road and Bridge	12,134,180	0.3373	0.3373	40,929	2020
Green Township Nodaway County	General Revenue	6,517,863	0.0489	0.0489	3,187	
	Road & Bridge	6,517,863	0.4892	0.4892	31,885	
	Special Road and Bridge	6,517,863	0.3666	0.3666	23,894	2020
	Debt Service	6,517,863	1.0509	1.0509	68,496	
Hopkins Township Nodaway County	General Revenue	11,117,448	0.0500	0.0500	5,559	
	Road & Bridge	11,117,448	0.5000	0.5000	55,587	
	Special Road and Bridge	11,117,448	0.3628	0.3628	40,334	2020
Hughes Township Nodaway County	General Revenue	14,584,843	0.0477	0.0477	6,957	
	Road & Bridge	14,584,843	0.4768	0.4768	69,541	
	Special Road and Bridge	14,584,843	0.3338	0.3338	48,684	2020
	Debt Service	14,584,843	0.3209	0.3209	46,803	
Independence Township Nodaway Co	General Revenue	4,940,727	0.0500	0.0500	2,470	
	Road & Bridge	4,940,727	0.5000	0.5000	24,704	
	Special Road and Bridge	4,940,727	0.4041	0.4041	19,965	2021
	Debt Service	4,940,727	1.0059	1.0059	49,699	
Jackson Township Nodaway County	General Revenue	14,592,505	0.0499	0.0499	7,282	
	Road & Bridge	14,592,505	0.4992	0.4992	72,846	
	Special Road and Bridge	14,592,505	0.3510	0.3510	51,220	2022
	Debt Service	14,592,505	0.4071	0.4071	59,406	
Jefferson Township Nodaway County	General Revenue	11,497,316	0.0499	0.0499	5,737	
	Road & Bridge	11,497,316	0.4982	0.4982	57,280	
	Special Road and Bridge	11,497,316	0.3568	0.3568	41,022	2020
Lincoln Township Nodaway County	General Revenue	7,291,758	0.0486	0.0486	3,544	
	Road & Bridge	7,291,758	0.4858	0.4858	35,423	
	Special Road and Bridge	7,291,758	0.3500	0.3500	25,521	2022

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
Lincoln Township Nodaway County	Debt Service	7,291,758	1.0080	1.0080	73,501	
Monroe Township Nodaway County	General Revenue	6,108,729	0.0486	0.0486	2,969	
	Road & Bridge	6,108,729	0.4744	0.4744	28,980	
	Special Road and Bridge	6,108,729	0.3562	0.3562	21,759	2020
	Debt Service	6,108,729	0.7240	0.7240	44,227	
Nodaway Township Nodaway County	General Revenue	13,403,599	0.0500	0.0500	6,702	
	Road & Bridge	13,403,599	0.5000	0.5000	67,018	
	Special Road and Bridge	13,403,599	0.3534	0.3534	47,368	2022
	Debt Service	13,403,599	0.5291	0.5291	70,918	
Polk Township Nodaway County	General Revenue	204,707,901	0.0500	0.0500	102,354	
	Road & Bridge	204,707,901	0.3087	0.3087	631,933	
	Special Road and Bridge	204,707,901	0.1530	0.1530	313,203	2020
Union Township Nodaway County	General Revenue	15,084,700	0.0497	0.0497	7,497	
	Road & Bridge	15,084,700	0.4974	0.4974	75,031	
	Special Road and Bridge	15,084,700	0.3607	0.3607	54,411	2022
	Debt Service	15,084,700	0.1780	0.1780	26,851	
Washington Township Nodaway County	General Revenue	10,612,424	0.0481	0.0481	5,105	
	Road & Bridge	10,612,424	0.4814	0.4814	51,088	
	Special Road and Bridge	10,612,424	0.3584	0.3584	38,035	2020
White Cloud Township Nodaway County	General Revenue	16,967,598	0.0471	0.0471	7,992	
	Road & Bridge	16,967,598	0.4700	0.4700	79,748	
	Special Road and Bridge	16,967,598	0.3467	0.3467	58,827	2022
	Debt Service	16,967,598	0.2982	0.2982	50,597	
Barnard FPD	General Revenue	26,083,318	0.1916	0.1916	49,976	
Graham FPD	General Revenue	15,467,447	0.1921	0.1921	29,713	
Hopkins FPD	General Revenue	18,118,944	0.2235	0.2235	40,496	
Polk Rural FPD	General Revenue	70,102,039	0.1547	0.1547	108,448	
Clearmont FPD	General Revenue	8,345,621	0.2788	0.2788	23,268	
Skidmore FPD	General Revenue	13,174,239	0.2413	0.2413	31,789	
West Nodaway FPD	General Revenue	19,095,948	0.2739	0.2739	52,304	
Jackson Township FPD	General Revenue	14,585,679	0.0000	0.0000	0	
	Fire	14,585,679	0.2996	0.2996	43,699	
Union Township FPD	General Revenue	11,302,979	0.3000	0.3000	33,909	
Elmo Area FPD	General Revenue	5,233,391	0.2810	0.2810	14,706	
Parnell FPD	General Revenue	6,279,006	0.3000	0.3000	18,837	
Nodaway County Health Center	General Revenue	358,519,923	0.0500	0.0500	179,260	
Nodaway-Holt R-VII School District	Operating Funds-Schools	28,085,295	3.4492	3.4492	968,718 ^D	
	Operating Funds-Temp	28,085,295	0.9000	0.9000	252,768	2037
West Nodaway County R-I SD	Operating Funds-Schools	27,065,556	3.5750	3.5750	967,594 ^D	
	Debt Service	27,065,556	0.8682	0.6542	177,063	
Northeast Nodaway County R-V SD	Operating Funds-Schools	16,634,940	4.9381	4.9381	821,450 ^D	
	Debt Service	16,634,940	0.8965	0.7707	128,205	
Jefferson C-123 School District	Operating Funds-Schools	14,459,184	5.9994	5.6489	816,785	
	Debt Service	14,459,184	1.1267	0.7500	108,444	
North Nodaway County R-VI SD	Operating Funds-Schools	30,660,827	4.1394	4.0605	1,244,983 ^D	
	Debt Service	30,660,827	0.6006	0.5900	180,899	
Maryville R-II School District	Operating Funds-Schools	195,996,190	4.6088	4.2973	8,422,544	
	Debt Service	195,996,190	0.9670	0.7900	1,548,370	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Nodaway</u>						
South Nodaway County R-IV SD	Operating Funds-Schools	16,530,468	5.3263	5.3263	880,462	D
	Debt Service	16,530,468	0.8225	0.5900	97,530	
Nodaway County	General Revenue	360,083,303	0.3477	0.1600	576,133	
	Ambulance	360,083,303	0.0000	0.0000	0	
	Developmental Dis. Board	360,083,303	0.0500	0.0500	180,042	
	Senior Services	360,083,303	0.0500	0.0500	180,042	
<u>Oregon</u>						
Oregon County Ambulance District	General Revenue	107,653,322	0.0000	0.0000	0	
Thayer SRD Oregon County	Road & Bridge	41,387,590	0.2073	0.2073	85,796	
City of Alton	General Revenue	5,779,491	0.5457	0.5457	31,539	
City of Koshkonong	General Revenue	841,171	0.9237	0.9237	7,770	
City of Thayer	General Revenue	17,577,744	0.4636	0.4636	81,490	
Oregon County Library District	General Revenue	107,653,322	0.1861	0.1861	200,343	
Oregon County Health Department	General Revenue	107,653,322	0.0930	0.0930	100,118	
Couch R-I School District	Operating Funds-Schools	12,519,533	3.6946	3.5239	441,176	
	Operating Funds-Temp	12,519,533	0.5842	0.5842	73,139	A 2039
Thayer R-II School District	Operating Funds-Schools	33,887,332	2.7500	2.7500	931,902	D
	Debt Service	33,887,332	1.1321	0.9202	311,831	
Oregon-Howell R-III School District	Operating Funds-Schools	15,289,495	2.5743	2.5743	393,597	D 2022
	Operating Funds-Temp	15,289,495	0.6632	0.6632	101,400	
	Debt Service	15,289,495	0.9054	0.8000	122,316	
Alton R-IV School District	Operating Funds-Schools	42,436,872	2.7500	2.7500	1,167,014	D
Oregon County	General Revenue	107,653,322	0.3392	0.1001	107,761	
	Common Road District	66,304,072	0.2652	0.2652	175,838	
	Developmental Dis. Board	107,653,322	0.0930	0.0930	100,118	
	Senior Services	107,653,322	0.0465	0.0465	50,059	
<u>Osage</u>						
Osage Ambulance District	General Revenue	151,480,308	0.3000	0.1821	275,846	
Chamois SRD Osage County	Road & Bridge	5,619,299	0.3428	0.3428	19,263	
Linn City SRD Osage County	Road & Bridge	19,874,745	0.2939	0.2939	58,412	
Westphalia SRD Osage County	Road & Bridge	5,175,017	0.2425	0.2425	12,549	
	Special Road and Bridge	5,175,017	0.1800	0.1800	9,315	A 2023
Village of Argyle	General Revenue	1,144,374	0.3425	0.3425	3,919	
City of Chamois	General Revenue	3,304,054	0.5774	0.5774	19,078	
City of Linn	General Revenue	18,884,400	0.6808	0.6808	128,565	
	Parks & Recreation	18,884,400	0.0500	0.0500	9,442	
City of Meta	General Revenue	5,437,792	0.4127	0.4127	22,442	
Osage County Library District	General Revenue	222,842,404	0.1819	0.1819	405,350	
Chamois Volunteer FPD	General Revenue	16,908,323	0.2566	0.2566	43,387	
Meta Fire & Rescue FPD	General Revenue	15,263,963	0.2997	0.2997	45,746	
Linn FPD	General Revenue	100,894,211	0.2741	0.2741	276,551	
Osage County R-I School District	Operating Funds-Schools	15,426,556	5.0901	5.0901	785,227	
Osage County R-II School District	Operating Funds-Schools	68,574,007	2.8189	2.8189	1,933,033	D
	Debt Service	68,574,007	1.0860	1.0500	720,027	
Osage County R-III School District	Operating Funds-Schools	94,567,733	3.6029	3.6029	3,407,181	D
Osage County	General Revenue	222,842,404	0.3318	0.0578	128,803	
	Common Road District	190,101,303	0.2229	0.2229	423,736	
	Developmental Dis. Board	222,842,404	0.1000	0.1000	222,842	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Ozark</u>						
Ozark County Ambulance District	Ambulance	122,617,164	0.2818	0.1850	226,842	
Village of Bakersfield	General Revenue	2,281,225	0.2256	0.2256	5,146	
	Health	2,281,225	0.1112	0.1112	2,537	
City of Gainesville	General Revenue	9,743,666	0.4340	0.4290	41,800	
Village of Theodosia	General Revenue	4,831,781	0.3057	0.3057	14,771	
Ozark County Health Center	General Revenue	122,617,164	0.0909	0.0909	111,459	
Thornfield R-I School District	Operating Funds-Schools	7,281,918	3.3085	3.3085	240,922	D
Bakersfield R-IV School District	Operating Funds-Schools	16,421,003	3.5270	3.5270	579,169	D
	Debt Service	16,421,003	1.0903	1.0500	172,421	
Gainesville R-V School District	Operating Funds-Schools	55,018,096	2.7500	2.7500	1,512,998	D
Dora R-III School District	Operating Funds-Schools	19,375,569	3.4737	3.4300	664,582	D
	Debt Service	19,375,569	0.1936	0.1936	37,511	
Lutie R-VI School District	Operating Funds-Schools	27,247,582	3.5344	3.5344	963,039	D
Ozark County	General Revenue	122,617,164	0.3088	0.1800	220,711	
	Road & Bridge	122,617,164	0.2337	0.2337	286,556	
<u>Pemiscot</u>						
City of Bragg City	General Revenue	305,533	0.5000	0.5000	1,528	
City of Caruthersville	General Revenue	43,286,535	0.6155	0.6155	266,429	
	Cemetery	43,286,535	0.0439	0.0439	19,003	
	Sewer	43,286,535	0.2088	0.2088	90,382	
	Library	43,286,535	0.0989	0.0989	42,810	
	Health	43,286,535	0.1759	0.1759	76,141	
Town of Cooter	General Revenue	3,136,421	1.0000	1.0000	31,364	
City of Hayti	General Revenue	20,238,596	0.6665	0.6665	134,890	
	Parks & Recreation	20,238,596	0.3007	0.3007	60,857	
	Cemetery	20,238,596	0.0500	0.0500	10,119	
	Library	20,238,596	0.2222	0.2222	44,970	
	Health	20,238,596	0.1831	0.1831	37,057	
City of Hayti Heights	General Revenue	918,248	1.0000	1.0000	9,182	
	Health	918,248	0.2000	0.2000	1,836	
Village of Holland	General Revenue	997,248	0.6658	0.6658	6,640	
City of Homestown	General Revenue	179,829	0.6000	0.6000	1,079	
City of Steele	General Revenue	12,173,040	0.6231	0.6231	75,850	
	Parks & Recreation	12,173,040	0.1798	0.1798	21,887	
	Library	12,173,040	0.1798	0.1798	21,887	
	Health	12,173,040	0.1798	0.1798	21,887	
Village of Wardell	General Revenue	1,726,586	0.7474	0.7474	12,905	
	Health	1,726,586	0.1000	0.1000	1,727	
Pemiscot County Health Center	General Revenue	197,647,875	0.1000	0.1000	197,648	
North Pemiscot County R-I SD	Operating Funds-Schools	19,629,861	3.1076	3.1000	608,526	D
Hayti R-II School District	Operating Funds-Schools	28,407,189	3.9832	3.9832	1,131,515	D
Pemiscot County R-III SD	Operating Funds-Schools	12,342,364	4.0000	4.0000	493,695	D
	Debt Service	12,342,364	0.5824	0.3500	43,198	
Cooter R-IV School District	Operating Funds-Schools	8,555,912	5.1023	5.1023	436,548	D
South Pemiscot County R-V SD	Operating Funds-Schools	30,627,354	3.9689	3.9689	1,215,569	BD
Pemiscot County C-7 School District	Operating Funds-Schools	12,478,832	4.8934	4.2934	535,766	D
Caruthersville 18 School District	Operating Funds-Schools	48,835,041	4.0100	4.0100	1,958,285	D
	Debt Service	48,835,041	0.6086	0.4108	200,614	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pemiscot</u>						
Pemiscot Co Special School District	Operating Funds-Schools	196,614,487	0.5000	0.5000	983,072	
	Debt Service	196,614,487	0.0620	0.0452	88,870	
Pemiscot County	General Revenue	197,647,875	0.3963	0.1798	355,371	
	Johnson Grass	197,647,875	0.0500	0.0500	98,824	
	Road & Bridge	197,647,875	0.3041	0.3041	601,047	
	Hospital	197,647,875	0.4266	0.4266	843,166	
	Developmental Dis. Board	197,647,875	0.1000	0.1000	197,648	
<u>Perry</u>						
City of Altenburg	General Revenue	4,825,550	0.6118	0.6118	29,523	
City of Frohna	General Revenue	5,283,213	0.6743	0.6743	35,625	
Village of Longtown	General Revenue	907,413	0.3223	0.3223	2,925	
City of Perryville	General Revenue	142,682,435	0.4019	0.4000	570,730	
	Parks & Recreation	142,682,435	0.1708	0.1700	242,560	
Perry County Library District	General Revenue	368,628,949	0.0920	0.0920	339,139	
Perry County Health Department	General Revenue	368,628,949	0.1840	0.1840	678,277	
Perry County 32 School District	Operating Funds-Schools	328,640,245	3.1888	3.1888	10,479,680	^D
	Operating Funds-Temp	328,640,245	0.3500	0.3500	1,150,241	2036
Altenburg 48 School District	Operating Funds-Schools	19,476,613	3.5803	3.5803	697,321	^D
Perry County	General Revenue	368,628,949	0.4229	0.2333	860,011	
	Road & Bridge	368,628,949	0.3064	0.3064	1,129,479	
	Hospital	368,628,949	0.0920	0.0920	339,139	
	Developmental Dis. Board	368,628,949	0.0920	0.0920	339,139	
	Mental Health	368,628,949	0.0920	0.0920	339,139	
<u>Pettis</u>						
City of Green Ridge	General Revenue	3,775,354	0.9211	0.9211	34,775	
City of Houstonia	General Revenue	1,151,099	0.9713	0.9713	11,181	
Village of Hughesville	General Revenue	1,300,707	0.4012	0.4012	5,218	
	General Revenue-Temp	1,300,707	0.3102	0.3102	4,035	^A 2023
City of La Monte	General Revenue	6,960,101	0.9118	0.9118	63,462	
	Parks & Recreation	6,960,101	0.0381	0.0381	2,652	
City of Sedalia	General Revenue	268,524,229	0.4789	0.4789	1,285,963	
	Parks & Recreation	268,524,229	0.1666	0.1666	447,361	
	Library	209,193,906	0.2344	0.2344	490,351	
	Police	268,524,229	0.0937	0.0937	251,607	
	Fire	268,524,229	0.0498	0.0498	133,725	
City of Smithton	Library-Temp	209,193,906	0.0696	0.0696	145,599	2037
	General Revenue	4,729,236	0.9027	0.9027	42,691	
Boonslick Regional Library District	General Revenue	959,902,581	0.1378	0.1378	1,322,746	
Pettis County FPD 1	General Revenue	254,330,253	0.2735	0.2735	695,593	
Sedalia SBD	General Revenue	4,657,400	0.8500	0.8500	39,588	
Pettis County Health Center	General Revenue	628,783,093	0.0900	0.0900	565,905	
State Fair Community College	General Revenue	915,367,591	0.4044	0.4044	3,701,747	
Pettis County R-V School District	Operating Funds-Schools	31,826,614	3.5444	3.5444	1,128,063	^D
	Debt Service	31,826,614	0.5784	0.4955	157,701	
La Monte R-IV School District	Operating Funds-Schools	21,695,826	2.9191	2.9191	633,323	^D
	Debt Service	21,695,826	0.9354	0.9246	200,600	
Smithton R-VI School District	Operating Funds-Schools	46,849,318	3.6465	3.6465	1,708,360	^D
Green Ridge R-VIII School District	Operating Funds-Schools	30,822,155	3.3256	3.3256	1,025,022	^D

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pettis</u>						
Green Ridge R-VIII School District	Debt Service	30,822,155	0.6720	0.6071	187,121	
Pettis County R-XII School District	Operating Funds-Schools	54,105,386	2.7989	2.7900	1,509,540	^D
Sedalia 200 School District	Operating Funds-Schools	377,626,874	3.1492	3.1492	11,892,226	^D
	Operating Funds-Temp	377,626,874	0.8628	0.8628	3,258,165	2026
Pettis County	General Revenue	628,783,093	0.3039	0.0788	495,481	
	Johnson Grass	628,783,093	0.0483	0.0070	44,015	
	Road & Bridge	628,783,093	0.2850	0.2850	1,792,032	
	Developmental Dis. Board	628,783,093	0.0900	0.0850	534,466	
<u>Phelps</u>						
St. James Ambulance District	General Revenue	132,927,573	0.1387	0.0025	3,323	
City of Doolittle	General Revenue	5,096,327	0.2746	0.2746	13,995	
City of Newburg	General Revenue	1,775,280	0.8392	0.8392	14,898	
	Library	1,775,280	0.2000	0.2000	3,551	
City of Rolla	General Revenue	225,835,128	0.4598	0.4598	1,038,390	
	Parks & Recreation	225,835,128	0.1132	0.1132	255,645	
	Library	225,835,128	0.1919	0.1919	433,378	
City of St. James	General Revenue	37,775,276	0.4018	0.4018	151,781	
	Parks & Recreation	37,775,276	0.0627	0.0627	23,685	
	Library	37,775,276	0.3053	0.3053	115,328	
City of Edgar Springs	General Revenue	1,709,867	0.5083	0.5083	8,691	
Doolittle Rural FPD	General Revenue	32,146,842	0.2257	0.2257	72,555	
Rolla Rural FPD	General Revenue	171,728,523	0.4819	0.4819	827,560	
Duke Rural FPD	General Revenue	6,102,040	0.2434	0.2434	14,852	
St. James FPD	General Revenue	124,067,744	0.2518	0.2518	312,403	
Edgar Springs Rural Volunteer FPD	General Revenue	17,118,835	0.3062	0.3062	52,418	
St. James R-I School District	Operating Funds-Schools	126,358,669	2.7500	2.7500	3,474,863	^D
	Debt Service	126,358,669	1.0411	0.9000	1,137,228	
Newburg R-II School District	Operating Funds-Schools	28,769,356	3.7100	3.7100	1,067,343	^D
	Debt Service	28,769,356	0.7675	0.4834	139,071	
Rolla 31 School District	Operating Funds-Schools	436,306,399	3.7639	3.3424	14,583,105	
	Debt Service	436,306,399	0.3783	0.3000	1,308,919	
Phelps County R-III School District	Operating Funds-Schools	20,177,828	2.7500	2.7500	554,890	^D
	Debt Service	20,177,828	0.1874	0.1800	36,320	
Phelps County	General Revenue	625,716,471	0.2797	0.1185	741,474	
	Road & Bridge	625,716,471	0.1998	0.1130	707,060	
	Developmental Dis. Board	625,716,471	0.0720	0.0720	450,516	
<u>Pike</u>						
Village of Annada	General Revenue	329,482	0.6500	0.6500	2,142	
City of Bowling Green	General Revenue	46,312,400	0.6382	0.6382	295,566	
	Parks & Recreation	46,312,400	0.0000	0.0000	0	
	Cemetery	46,312,400	0.0984	0.0984	45,571	
	Library	46,312,400	0.1970	0.1970	91,235	
City of Clarksville	General Revenue	4,704,805	0.7281	0.7281	34,256	
City of Curryville	General Revenue	1,595,351	0.9806	0.9806	15,644	
Village of Eolia	General Revenue	6,169,169	0.4011	0.4011	24,745	
City of Frankford	General Revenue	2,092,635	1.0000	1.0000	20,926	
	Streets	2,092,635	0.1316	0.1316	2,754	
City of Louisiana	General Revenue	36,019,411	0.7699	0.7330	264,022	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Pike</u>						
City of Louisiana	Library	36,019,411	0.1000	0.1000	36,019	
Buffalo Township FPD	General Revenue	46,678,562	0.3028	0.3028	141,343	
Curryville Volunteer FPD	General Revenue	13,005,145	0.3052	0.3052	39,692	
Pike County Health Department	General Revenue	296,377,998	0.2500	0.2500	740,945	
Bowling Green R-I School District	Operating Funds-Schools	121,160,270	3.3759	3.3759	4,090,250	D
	Debt Service	121,160,270	0.5853	0.5000	605,801	
Pike County R-III School District	Operating Funds-Schools	45,297,928	4.3364	4.3154	1,954,787	D
	Debt Service	45,297,928	1.1632	0.6863	310,880	
Boncl R-X School District	Operating Funds-Schools	12,023,928	4.9134	4.6500	559,113	
Louisiana R-II School District	Operating Funds-Schools	48,796,815	3.7500	3.7500	1,829,881	D
	Debt Service	48,796,815	1.0593	0.5000	243,984	
Pike County	General Revenue	296,377,998	0.4468	0.2927	867,498	
	Road & Bridge	296,377,998	0.3240	0.3240	960,265	
	Hospital	296,377,998	0.2200	0.2200	652,032	
	Developmental Dis. Board	296,377,998	0.2000	0.2000	592,756	
<u>Platte</u>						
Northland Regional AD	General Revenue	662,125,942	0.4221	0.4221	2,794,834	
Southern Platte Ambulance District	General Revenue	685,788,292	0.1148	0.1148	787,285	
Drainage District 1 Platte County	General Revenue	1,235,723	0.0894	0.0763	943	
Farley SRD Platte County	Road & Bridge	20,314,756	0.3095	0.3095	62,874	
	Special Road and Bridge	20,314,756	0.3526	0.3526	71,630	2020
Parkville SRD Platte County	Road & Bridge	942,934,866	0.2599	0.2599	2,450,688	
Platte City SRD Platte County	Road & Bridge	1,296,057,442	0.2829	0.2829	3,666,547	
Weston SRD Platte County	Road & Bridge	80,897,921	0.2428	0.2428	196,420	
	Special Road and Bridge	80,897,921	0.3563	0.3563	288,239	A 2023
City of Camden Point	General Revenue	6,129,415	0.6821	0.6821	41,809	
City of Dearborn	General Revenue	6,569,980	0.4805	0.4776	31,378	
City of Edgerton	General Revenue	6,555,749	0.6925	0.6925	45,399	
Village of Farley	General Revenue	3,507,881	0.4737	0.4737	16,617	
Village of Ferrelview	General Revenue	3,788,821	0.5469	0.5469	20,721	
Village of Iatan	General Revenue	311,596	0.4715	0.4715	1,469	
City of Platte City	General Revenue	84,851,618	0.5157	0.5157	437,580	
	Debt Service	84,851,618	0.7691	0.5601	475,254	
City of Platte Woods	General Revenue	12,333,103	0.7724	0.7724	95,261	
City of Tracy	General Revenue	5,830,102	0.6316	0.6316	36,823	
City of Weatherby Lake	General Revenue	65,690,096	0.7764	0.7764	510,018	
	Parks & Recreation	65,690,096	0.1657	0.1657	108,848	
City of Weston	General Revenue	29,128,017	0.4083	0.4083	118,930	
	Parks & Recreation	29,128,017	0.1487	0.1487	43,313	
	Lights	29,128,017	0.1155	0.1155	33,643	
City of Lake Waukomis	General Revenue	25,327,644	0.5004	0.5004	126,740	
	General Revenue - Temp	25,327,644	0.5393	0.5393	136,592	2021
City of Parkville	General Revenue	263,355,195	0.4623	0.4623	1,217,491	
	General Revenue-Temp	263,355,195	0.1748	0.1748	460,345	2024
City of Northmoor	General Revenue	9,643,379	0.4925	0.4925	47,494	
Town of Ridgely	General Revenue	1,259,956	0.3458	0.3458	4,357	
City of Houston Lake	General Revenue	3,066,834	0.7099	0.7099	21,771	
	Fire	3,066,834	0.7800	0.7800	23,921	2020

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Platte</u>						
Central Platte FPD	General Revenue	270,744,952	0.3046	0.3046	824,689	
Southern Platte FPD	General Revenue	566,518,469	0.8867	0.8867	5,023,319	
	Debt Service	566,518,469	0.0698	0.0698	395,430	
Weatherby Lake FPD	General Revenue	65,690,096	0.9635	0.9635	632,924	
West Platte FPD	General Revenue	210,694,589	0.3900	0.3900	821,709	
	Ambulance	210,694,589	0.3900	0.3900	821,709	
Camden Point FPD	General Revenue	26,094,330	0.4759	0.4759	124,183	
Smithville Area FPD	General Revenue	331,019,792	0.2821	0.2821	933,807	
	Debt Service	331,019,792	0.1440	0.1440	476,669	
Edgerton-Trimble FPD	General Revenue	44,887,613	0.5028	0.5028	225,695	
Dearborn Area FPD	General Revenue	35,835,448	0.5238	0.5238	187,706	
Platte County Health Department	General Revenue	2,873,876,546	0.0779	0.0779	2,238,750	
North Platte County R-I SD	Operating Funds-Schools	64,048,523	3.8992	3.8900	2,491,488	D
	Debt Service	64,048,523	1.0205	0.8500	544,412	
West Platte County R-II SD	Operating Funds-Schools	213,098,979	4.1000	4.1000	8,737,058	D
Platte County R-III School District	Operating Funds-Schools	597,339,537	3.7188	3.4624	20,682,284	
	Operating Funds-Temp	597,339,537	0.4186	0.4186	2,500,463	2034
	Debt Service	597,339,537	1.1545	1.1383	6,799,516	
Park Hill School District	Operating Funds-Schools	1,883,954,871	4.7608	4.7608	89,691,323	D
	Debt Service	1,883,954,871	0.6944	0.6347	11,957,462	
Platte County	General Revenue	2,873,876,546	0.3379	0.0600	1,724,326	
	Road & Bridge	533,610,178	0.3262	0.3239	1,728,363	
	Developmental Dis. Board	2,873,876,546	0.1267	0.1267	3,641,202	
	Mental Health	2,873,876,546	0.0974	0.0974	2,799,156	
	Senior Services	2,873,876,546	0.0488	0.0488	1,402,452	
<u>Polk</u>						
Blue Mound SRD Polk County	Road & Bridge	3,820,805	0.3500	0.3500	13,373	
Bolivar SRD Polk County	Road & Bridge	115,751,037	0.1948	0.1948	225,483	
Flemington SRD Polk County	Road & Bridge	2,058,590	0.3395	0.3395	6,989	
Humansville SRD Polk County	Road & Bridge	14,211,947	0.2536	0.2536	36,041	
	Special Road and Bridge	14,211,947	0.3085	0.3085	43,844	2020
Southwest SRD Polk County	Road & Bridge	1,105,353	0.3356	0.3356	3,710	
Polk County SRD	Road & Bridge	229,563,966	0.2652	0.2652	608,804	
Village of Aldrich	General Revenue	701,228	0.3566	0.3566	2,501	
City of Bolivar	General Revenue	110,217,725	0.0000	0.0000	0	
	Parks & Recreation	110,217,725	0.0000	0.0000	0	
City of Fair Play	General Revenue	2,830,130	0.8851	0.8851	25,049	
City of Humansville	General Revenue	6,330,175	0.5704	0.5704	36,107	
City of Morrisville	General Revenue	2,646,010	0.4691	0.4691	12,412	
Polk County Library District	General Revenue	366,571,492	0.2297	0.2297	842,015	
Pleasant Hope FPD	General Revenue	32,609,877	0.2535	0.2535	82,666	
Central Polk County FPD	General Revenue	85,336,649	0.2891	0.2891	246,708	
Morrisville FPD	General Revenue	45,736,674	0.2628	0.2628	120,196	
Polk County Health Center	General Revenue	366,571,492	0.1678	0.1678	615,107	
Bolivar R-I School District	Operating Funds-Schools	189,618,204	3.1751	3.1725	6,015,638	D
	Debt Service	189,618,204	0.9101	0.6475	1,227,778	
Fair Play R-II School District	Operating Funds-Schools	23,093,533	3.3985	3.3985	784,834	D
	Debt Service	23,093,533	0.8120	0.6667	153,965	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Polk</u>						
Halfway R-III School District	Operating Funds-Schools	25,135,280	3.4055	3.4055	855,982	D
	Debt Service	25,135,280	0.7325	0.7298	183,437	
Humansville R-IV School District	Operating Funds-Schools	25,089,174	2.8701	2.8701	720,084	D
	Debt Service	25,089,174	0.4367	0.4367	109,564	
Marion C. Early R-V School District	Operating Funds-Schools	42,729,962	3.3936	3.3936	1,450,084	D
	Debt Service	42,729,962	0.1583	0.1583	67,642	
Pleasant Hope R-VI School District	Operating Funds-Schools	50,570,138	3.2584	3.2584	1,647,777	D
	Debt Service	50,570,138	0.8533	0.5676	287,036	
Polk County	General Revenue	366,571,492	0.3094	0.3094	1,134,172	
	Developmental Dis. Board	366,571,492	0.0200	0.0200	73,314	
	Senior Services	366,571,492	0.0476	0.0476	174,488	
<u>Pulaski</u>						
Dixon Ambulance District	General Revenue	77,894,150	0.2851	0.2851	222,076	
Pulaski County Ambulance District	General Revenue	459,847,332	0.0000	0.0000	0	
City of Crocker	General Revenue	9,234,746	0.7009	0.7009	64,726	
	Parks & Recreation	9,234,746	0.1761	0.1761	16,262	
City of Dixon	General Revenue	16,064,271	0.4891	0.4891	78,570	
	Library	16,064,271	0.1500	0.1500	24,096	
	Debt Service	16,064,271	0.6160	0.6160	98,956	
City of St. Robert	General Revenue	104,043,347	0.3589	0.3589	373,412	
City of Waynesville	General Revenue	68,737,116	0.6360	0.6360	437,168	
City of Richland	General Revenue	15,017,725	0.6649	0.6648	99,838	
Pulaski County Library District	General Revenue	500,857,230	0.1366	0.1366	684,171	
Hazeltown FPD	General Revenue	26,989,168	0.2780	0.2780	75,030	
Crocker Rural FPD	General Revenue	38,939,571	0.2529	0.2529	98,478	
Waynesville Rural FPD	General Revenue	183,509,986	0.4588	0.4588	841,944	
Dixon Rural FPD	General Revenue	85,465,880	0.2554	0.2554	218,280	
Pulaski County Health Department	General Revenue	516,924,110	0.0726	0.0726	375,287	
Swedeborg R-III School District	Operating Funds-Schools	6,312,760	3.4398	3.4300	216,528	D
Pulaski County R-IV School District	Operating Funds-Schools	37,070,114	3.1502	3.0500	1,130,638	D
Laquey R-V School District	Operating Funds-Schools	39,259,810	2.7500	2.7500	1,079,645	D
	Debt Service	39,259,810	0.1632	0.1123	44,089	
Waynesville R-VI School District	Operating Funds-Schools	326,385,644	2.9949	2.9500	9,628,376	D
Dixon R-I School District	Operating Funds-Schools	69,311,964	2.7500	2.7500	1,906,079	D
	Debt Service	69,311,964	0.3578	0.2700	187,142	
Crocker R-II School District	Operating Funds-Schools	33,689,581	2.7500	2.7500	926,463	D
	Debt Service	33,689,581	0.6411	0.5764	194,187	
Pulaski County	General Revenue	516,924,110	0.0000	0.0000	0	
	Road & Bridge	516,924,110	0.1988	0.1988	1,027,645	
	Developmental Dis. Board	516,924,110	0.0722	0.0722	373,219	
	Senior Services	516,924,110	0.0451	0.0451	233,133	
<u>Putnam</u>						
Putnam County Ambulance District	General Revenue	98,838,488	0.3666	0.3666	362,342	
Putnam County Care Center	General Revenue	98,838,488	0.2838	0.2838	280,504	
Unionville SRD Putnam County	Road & Bridge	15,830,045	0.2843	0.2843	45,005	
	Special Road and Bridge	15,830,045	0.3644	0.3644	57,685	2021
Lake Thunderhead SRD Putnam County	Road & Bridge	23,167,488	0.2794	0.2794	64,730	
	Special Road and Bridge	23,167,488	0.3405	0.3405	78,885	2020

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Putnam</u>						
Village of Livonia	General Revenue	313,725	0.5000	0.5000	1,569	
Village of Lucerne	General Revenue	1,503,136	0.4814	0.4814	7,236	
Village of Powersville	General Revenue	430,670	0.4663	0.4663	2,008	
City of Unionville	General Revenue	15,455,512	0.8778	0.8778	135,668	
	Parks & Recreation	15,455,512	0.1777	0.1777	27,464	
	Fire	15,455,512	0.1777	0.1777	27,464	
Village of Worthington	General Revenue	232,122	0.5000	0.5000	1,161	
Elm Township Putnam County	Road & Bridge	8,624,110	0.4864	0.4864	41,948	
	Special Road and Bridge	8,624,110	0.3500	0.3500	30,184	2022
Grant Township Putnam County	Road & Bridge	2,665,241	0.5000	0.5000	13,326	
	Special Road and Bridge	2,665,241	0.3582	0.3582	9,547	2021
Jackson Township Putnam County	Road & Bridge	3,687,233	0.5000	0.5000	18,436	
	Special Road and Bridge	3,687,233	0.3558	0.3558	13,119	2022
Liberty Township Putnam County	Road & Bridge	4,571,705	0.4855	0.4855	22,196	
	Special Road and Bridge	4,571,705	0.3634	0.3634	16,614	2020
Lincoln Township Putnam County	Road & Bridge	6,671,843	0.5000	0.5000	33,359	
	Special Road and Bridge	6,671,843	0.3631	0.3631	24,225	2020
Medicine Township Putnam County	Road & Bridge	9,125,843	0.4876	0.4876	44,498	
	Special Road and Bridge	9,125,843	0.3485	0.3485	31,804	2020
Richland Township Putnam County	Road & Bridge	4,662,504	0.5000	0.5000	23,313	
	Special Road and Bridge	4,662,504	0.3513	0.3513	16,379	2020
Sherman Township Putnam County	Road & Bridge	2,787,521	0.5000	0.5000	13,938	
	Special Road and Bridge	2,787,521	0.3569	0.3569	9,949	2020
Union Township Putnam County	Road & Bridge	6,798,455	0.4931	0.4931	33,523	
	Special Road and Bridge	6,798,455	0.3468	0.3468	23,577	2022
Wilson Township Putnam County	Road & Bridge	4,952,258	0.5000	0.5000	24,761	
	Special Road and Bridge	4,952,258	0.3500	0.3500	17,333	2020
York Township Putnam County	Road & Bridge	5,358,301	0.4650	0.4650	24,916	
	Special Road and Bridge	5,358,301	0.3459	0.3459	18,534	2020
Elm Township FPD	General Revenue	8,624,110	0.2984	0.2984	25,734	
Liberty Township FPD	General Revenue	4,571,705	0.2898	0.2898	13,249	
Grant Township FPD	General Revenue	2,665,241	0.3000	0.3000	7,996	
York Township Volunteer FPD	General Revenue	5,603,766	0.2600	0.2600	14,570	
Putnam County Health Department	General Revenue	98,838,488	0.2749	0.2749	271,707	
Putnam County R-I School District	Operating Funds-Schools	91,985,454	3.2183	3.2183	2,960,368	D
	Debt Service	91,985,454	0.3931	0.3900	358,743	
Putnam County	General Revenue	98,838,488	0.4584	0.4584	453,076	
	Library	98,838,488	0.1990	0.1990	196,689	
	Hospital	98,838,488	0.4584	0.4584	453,076	
	Senior Services	98,838,488	0.0458	0.0458	45,268	
	Debt Service	98,838,488	0.4023	0.0000	0	
<u>Ralls</u>						
Ralls County Ambulance District 3	General Revenue	195,000,609	0.3967	0.3967	773,567	
City of Center	General Revenue	5,643,805	0.8034	0.8034	45,342	
	Fire	5,643,805	0.1867	0.1867	10,537	
City of New London	General Revenue	10,900,870	0.4355	0.4355	47,473	
City of Perry	General Revenue	10,017,216	0.4987	0.4987	49,956	
	Fire	10,017,216	0.2676	0.2676	26,806	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Ralls</u>						
Ralls County Library District	General Revenue	225,324,867	0.0949	0.0759	171,022	
Hannibal Rural FPD	General Revenue	117,181,388	0.1434	0.1434	168,038	
Ralls County Health Department	General Revenue	266,735,389	0.0936	0.0936	249,664	
Ralls County R-II School District	Operating Funds-Schools	94,714,997	2.9737	2.9500	2,794,092	BD
	Debt Service	94,714,997	0.9779	0.7100	672,476	
Ralls County	General Revenue	266,735,389	0.2778	0.2778	740,991	
	Road & Bridge	266,735,389	0.2637	0.2637	703,381	
<u>Randolph</u>						
Randolph County Ambulance District	General Revenue	516,963,538	0.0000	0.0000	0	
Moberly SRD Randolph County	Special Road and Bridge	214,184,941	0.0942	0.0942	201,762	A 2023
Village of Cairo	General Revenue	2,725,772	0.4953	0.4953	13,501	
City of Clark	General Revenue	2,439,457	1.0000	1.0000	24,395	
City of Clifton Hill	General Revenue	770,961	0.7500	0.7500	5,782	
City of Higbee	General Revenue	3,218,451	0.8615	0.8615	27,727	
	Parks & Recreation	3,218,451	0.1468	0.1468	4,725	
	Debt Service	3,218,451	1.8048	1.8048	58,087	
City of Huntsville	General Revenue	12,672,283	0.7762	0.7762	98,362	
	Parks & Recreation	12,672,283	0.1000	0.1000	12,672	
	Cemetery	12,672,283	0.1913	0.1913	24,242	
	Fire	12,672,283	0.1400	0.1400	17,741	
Village of Jacksonville	General Revenue	550,790	0.5000	0.5000	2,754	
	Parks & Recreation	550,790	0.4000	0.4000	2,203	
City of Moberly	General Revenue	166,610,099	0.7251	0.7251	1,208,090	
	Parks & Recreation	166,610,099	0.3365	0.3365	560,643	
Village of Renick	General Revenue	1,352,603	0.4943	0.4943	6,686	
Randolph County Library District	General Revenue	516,963,538	0.2419	0.2419	1,250,535	
Higbee Area FPD	General Revenue	28,230,220	0.2537	0.2537	71,620	
Southeastern Randolph FPD	General Revenue	31,051,452	0.2720	0.2720	84,460	
Eastern Randolph Rural FPD	General Revenue	23,376,714	0.2910	0.2910	68,026	
Northeast R-IV Rural FPD	General Revenue	50,407,988	0.2152	0.2152	108,478	
Westran FPD	General Revenue	218,877,386	0.2566	0.2566	561,639	
Downtown Moberly CID	Capital Improvements	3,234,320	7.2744	7.2744	235,277	2036
Randolph County Health Department	General Revenue	516,963,538	0.1450	0.1450	749,597	
Moberly Area Community College	General Revenue	211,669,610	0.3327	0.3327	704,225	
Northeast Randolph County R-IV SD	Operating Funds-Schools	29,402,890	3.7605	3.2105	943,980	D
	Debt Service	29,402,890	1.3362	0.8700	255,805	
Renick R-V School District	Operating Funds-Schools	17,148,680	3.8878	3.8878	666,706	D
	Operating Funds-Temp	17,148,680	0.4700	0.4700	80,599	2025
Higbee R-VIII School District	Operating Funds-Schools	13,787,584	4.0500	4.0500	558,397	D
	Debt Service	13,787,584	1.6235	1.0000	137,876	
Westran R-I School District	Operating Funds-Schools	166,688,279	3.7500	3.7500	6,250,810	
Moberly School District	Operating Funds-Schools	191,238,207	3.2956	3.2956	6,302,446	D
	Debt Service	191,238,207	1.5360	1.4423	2,758,229	
Randolph County	General Revenue	516,963,538	0.3629	0.2147	1,109,921	
	Road & Bridge	516,963,538	0.1939	0.1939	1,002,392	
	Developmental Dis. Board	516,963,538	0.1439	0.1439	743,911	
<u>Ray</u>						
Ray County Ambulance District	General Revenue	297,730,470	0.2830	0.1550	461,482	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Ray						
Ray County Ambulance District	Debt Service	297,730,470	0.0000	0.0000	0	
Senior Citizen's NHD	General Revenue	363,877,581	0.1380	0.1380	502,151	
Willow Creek Watershed Subdistrict	General Revenue	17,190,300	0.1985	0.1985	34,123	
Camden SRD Ray County	Road & Bridge	14,980,187	0.3346	0.3346	50,124	
	Special Road and Bridge	14,980,187	0.2400	0.2400	35,952 ^A	2023
Hardin SRD Ray County	Road & Bridge	16,265,387	0.2412	0.2412	39,232	
Henrietta SRD Ray County	Road & Bridge	9,311,647	0.3082	0.3082	28,698	
Lawson SRD Ray County	Road & Bridge	42,436,585	0.2470	0.2470	104,818	
	Special Road and Bridge	42,436,585	0.3025	0.3025	128,371 ^A	2023
Orrick SRD Ray County	Road & Bridge	26,274,720	0.4346	0.4346	114,190	
Richmond SRD Ray County	Road & Bridge	104,947,439	0.2613	0.2613	274,228	
Ray County SRD	Road & Bridge	143,608,800	0.2452	0.2452	352,129	
	Special Road and Bridge	143,608,800	0.2325	0.2325	333,890	2021
Crystal Lakes SRD Ray County	Special Road and Bridge	4,028,244	0.4800	0.4800	19,336	
City of Camden	General Revenue	1,825,108	0.6344	0.6344	11,578	
	Streets	1,825,108	0.0097	0.0097	177	
	Fire	1,825,108	0.0000	0.0000	0	
	Streets-Temp	1,825,108	0.3021	0.3021	5,514	2022
Village of Elmira	General Revenue	627,380	0.4683	0.4683	2,938	
City of Fleming	General Revenue	1,700,635	0.2466	0.2466	4,194	
City of Hardin	General Revenue	6,139,662	1.0000	1.0000	61,397	
City of Henrietta	General Revenue	3,751,397	1.0000	1.0000	37,514	
	Parks & Recreation	3,751,397	0.1055	0.1055	3,958	
	Streets	3,751,397	0.3034	0.3034	11,382	2022
City of Orrick	General Revenue	9,589,415	0.8010	0.8010	76,811	
City of Richmond	General Revenue	68,120,061	0.6795	0.6795	462,876	
	Parks & Recreation	68,120,061	0.1696	0.1696	115,532	
	Debt Service	68,120,061	0.3816	0.3816	259,946	
City of Wood Heights	General Revenue	8,731,247	0.3719	0.3719	32,472	
City of Homestead Village	General Revenue	1,019,391	0.4762	0.4762	4,854	
	General Revenue-Temp	1,019,391	0.5503	0.5503	5,610 ^A	2023
City of Excelsior Estates	General Revenue	608,527	0.9999	0.9999	6,085	
City of Crystal Lakes	General Revenue	4,058,667	0.9686	0.9686	39,312	
	Parks & Recreation	4,058,667	0.0200	0.0200	812	
	Streets	4,058,667	0.2956	0.2956	11,997	2021
City of Lawson	General Revenue	29,843,974	0.6857	0.6857	204,640	
	Debt Service	29,843,974	1.2342	1.2342	368,334	
Ray County Library District	General Revenue	365,365,297	0.1974	0.1974	721,231	
Orrick FPD	General Revenue	42,237,164	0.2609	0.2053	86,713	
Wood Heights FPD	General Revenue	51,895,070	0.2685	0.2685	139,338	
Lawson Community Fire & Rescue	General Revenue	92,688,666	0.5975	0.5975	553,815	
	Ambulance	92,688,666	0.6824	0.6824	632,507	
Hardin FPD	General Revenue	25,016,541	0.2701	0.2701	67,570	
Stet Rural FPD	General Revenue	17,540,523	0.3070	0.3070	53,849	
Richmond FPD	General Revenue	73,634,867	0.2634	0.2634	193,954	
Ray County Health Department	General Revenue	365,365,297	0.0924	0.0924	337,598	
Lawson R-XIV School District	Operating Funds-Schools	80,358,260	2.9547	2.9547	2,374,346 ^D	
	Debt Service	80,358,260	1.3570	0.9500	763,403	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Rav</u>						
Orrick R-XI School District	Operating Funds-Schools	26,705,845	3.8250	3.8250	1,021,499	D
	Debt Service	26,705,845	0.9733	0.9500	253,706	
Hardin-Central C-2 School District	Operating Funds-Schools	19,416,514	4.7682	4.7682	925,818	D
Richmond R-XVI School District	Operating Funds-Schools	123,653,177	4.5436	4.5436	5,618,306	D
Ray County	General Revenue	365,365,297	0.3989	0.0000	0	
	Capital Improvements	365,365,297	0.0774	0.0774	282,793	
	Hospital	365,365,297	0.1753	0.1753	640,485	
	Developmental Dis. Board	365,365,297	0.1753	0.1753	640,485	
	Mental Health	365,365,297	0.0923	0.0923	337,232	
	Senior Services	365,365,297	0.0472	0.0472	172,452	
	Noxious Weed	365,365,297	0.0242	0.0242	88,418	
<u>Reynolds</u>						
Reynolds County Ambulance District	General Revenue	177,000,063	0.1500	0.0750	132,750	
City of Bunker	General Revenue	2,186,528	0.6070	0.6070	13,272	
City of Centerville	General Revenue	887,567	0.4189	0.4189	3,718	
Reynolds County Library District	General Revenue	174,709,419	0.1154	0.1121	195,849	
Garwood FPD	General Revenue	3,483,026	0.3000	0.3000	10,449	
Northern Reynolds County FPD	General Revenue	63,604,272	0.2076	0.2000	127,209	
Reynolds County Health Center	General Revenue	174,709,419	0.1000	0.1000	174,709	
Centerville R-I School District	Operating Funds-Schools	6,308,207	4.3171	4.3171	272,332	D
Southern Reynolds County R-II SD	Operating Funds-Schools	54,343,257	2.7500	2.7500	1,494,440	
	Debt Service	54,343,257	1.1429	1.1100	603,210	
Bunker R-III School District	Operating Funds-Schools	49,513,450	2.9072	2.7500	1,361,620	
Lesterville R-IV School District	Operating Funds-Schools	55,996,014	3.6500	3.4300	1,920,663	D
Reynolds County	General Revenue	174,709,419	0.4913	0.4127	721,026	
	Road & Bridge	174,709,419	0.3500	0.3500	611,483	
	Developmental Dis. Board	174,709,419	0.1000	0.1000	174,709	
	Senior Services	174,709,419	0.0300	0.0300	52,413	
<u>Ripley</u>						
Ripley County Ambulance District	General Revenue	86,201,866	0.2876	0.2876	247,917	
Fourche Creek Watershed Subdistrict	General Revenue	4,993,940	0.1435	0.1435	7,166	
Bennett SRD Ripley County	Road & Bridge	356,693	0.2449	0.2449	874	
Current River SRD Ripley County	Road & Bridge	1,205,340	0.2486	0.2486	2,996	
Doniphan SRD Ripley County	Road & Bridge	48,483,051	0.2242	0.2242	108,699	
	Special Road and Bridge	48,483,051	0.1542	0.1542	74,761	2020
Fairdealing SRD Ripley County	Road & Bridge	5,989,262	0.1863	0.1863	11,158	
Flatwoods SRD Ripley County	Road & Bridge	2,764,563	0.3349	0.3349	9,259	
Jordan SRD Ripley County	Road & Bridge	9,138,067	0.1968	0.1968	17,984	
Little Black SRD Ripley County	Road & Bridge	2,000,439	0.3500	0.3500	7,002	
Logan Creek SRD Ripley County	Road & Bridge	4,929,127	0.1963	0.1963	9,676	
Mabrey Bay SRD Ripley County	Road & Bridge	224,110	0.2281	0.2281	511	
Naylor SRD Ripley County	Road & Bridge	5,590,862	0.3442	0.3442	19,244	
	Special Road and Bridge	5,590,862	0.5024	0.5024	28,088	2021
Oxly SRD Ripley County	Road & Bridge	3,386,507	0.3244	0.3244	10,986	
Pine Bardley SRD Ripley County	Road & Bridge	2,929,982	0.1828	0.1828	5,356	
Ponder Gatewood SRD Ripley County	Road & Bridge	7,139,895	0.1532	0.1532	10,938	
	Special Road and Bridge	7,139,895	0.3522	0.3522	25,147	2021
Poynor SRD Ripley County	Road & Bridge	2,440,924	0.1914	0.1914	4,672	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Ripley</u>						
Pratt SRD Ripley County	Road & Bridge	601,421	0.2732	0.2732	1,643	
Purman SRD Ripley County	Road & Bridge	3,250,976	0.1751	0.1751	5,692	
	Special Road and Bridge	3,250,976	0.3205	0.3205	10,419	2021
Running Water SRD Ripley County	Road & Bridge	357,094	0.2721	0.2721	972	
Tucker Bay SRD Ripley County	Road & Bridge	422,113	0.1782	0.1782	752	
Wolfe Creek SRD Ripley County	Road & Bridge	964,497	0.2726	0.2726	2,629	
	Special Road and Bridge	964,497	0.1000	0.1000	964	2021
City of Doniphan	General Revenue	18,433,222	0.3997	0.3997	73,678	
	Debt Service	18,433,222	0.1415	0.0000	0	
City of Naylor	General Revenue	1,858,406	0.9868	0.9868	18,339	
Doniphan-Ripley County PLD	General Revenue	102,174,921	0.1749	0.1749	178,704	
	Debt Service	102,174,921	0.0161	0.0161	16,450	
Ripley County Public Health Center	General Revenue	102,174,921	0.1442	0.1442	147,336	
Naylor R-II School District	Operating Funds-Schools	11,174,359	3.4984	3.4984	390,924	^D
Doniphan R-I School District	Operating Funds-Schools	76,120,457	2.7500	2.7500	2,093,313	^D
Ripley County R-IV School District	Operating Funds-Schools	6,602,825	2.8010	2.7500	181,578	^E
Ripley County R-III School District	Operating Funds-Schools	6,578,410	3.4488	3.4300	225,639	^D
Ripley County	General Revenue	102,174,921	0.3016	0.0000	0	
	Developmental Dis. Board	102,174,921	0.0961	0.0961	98,190	
	Senior Services	102,174,921	0.0481	0.0481	49,146	
<u>St. Charles</u>						
St. Charles County AD	General Revenue	9,737,447,656	0.2195	0.2195	21,373,698	
	Debt Service	9,737,447,656	0.0611	0.0400	3,894,979	
Town of Augusta	General Revenue	8,242,328	0.1949	0.1949	16,064	
	Lights	8,242,328	0.0973	0.0973	8,020	
City of Lake St. Louis	General Revenue	427,652,165	0.4986	0.4986	2,132,274	
	Debt Service	427,652,165	0.5479	0.4700	2,009,965	
City of O'Fallon	General Revenue	2,121,437,066	0.3354	0.3354	7,115,300	
	Parks & Recreation	2,121,437,066	0.0000	0.0000	0	
	Debt Service	2,121,437,066	0.2081	0.1808	3,835,558	
City of Portage Des Sioux	General Revenue	4,734,490	0.6852	0.6852	32,441	
	Debt Service	4,734,490	0.3399	0.3399	16,093	
City of St. Charles	General Revenue	1,656,348,101	0.4843	0.4843	8,021,694	
	Parks & Recreation	1,656,348,101	0.2088	0.2088	3,458,455	
	Debt Service	1,656,348,101	0.1858	0.1613	2,671,689	
City of St. Peters	General Revenue	1,406,359,041	0.5626	0.5626	7,912,176	
	Debt Service	1,406,359,041	0.4728	0.2074	2,916,789	
City of Wentzville	General Revenue	1,030,684,623	0.6123	0.6123	6,310,882	
	Parks & Recreation	1,030,684,623	0.0599	0.0599	617,380	
City of St. Paul	General Revenue	82,185,001	0.1965	0.1965	161,494	
Town of Weldon Springs Heights	General Revenue	2,734,825	0.3747	0.3747	10,247	
City of Flint Hill	General Revenue	14,820,975	0.2084	0.2084	30,887	
City of New Melle	General Revenue	19,384,191	0.4643	0.4643	90,001	
City of Cottleville	General Revenue	165,662,909	0.2819	0.2819	467,004	
City of Dardenne Prairie	General Revenue	316,110,514	0.1025	0.1025	324,013	
St. Charles City-County PLD	General Revenue	9,737,447,656	0.1996	0.1996	19,435,946	
Cottleville FPD	General Revenue	1,500,056,098	0.7254	0.7254	10,881,407	
	Pension	1,500,056,098	0.0815	0.0815	1,222,546	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Charles</u>						
Cottleville FPD	Debt Service	1,500,056,098	0.0859	0.0719	1,078,540	
Lake St. Louis FPD	General Revenue	308,815,193	0.6364	0.6364	1,965,300	
	Pension	308,815,193	0.0248	0.0248	76,586	
	Debt Service	308,815,193	0.2018	0.2000	617,630	
O'Fallon FPD	General Revenue	1,738,795,004	0.7818	0.7818	13,593,899	
	Pension	1,738,795,004	0.0375	0.0375	652,048	
	Debt Service	1,738,795,004	0.0432	0.0413	718,122	
Wentzville FPD	General Revenue	2,098,457,954	0.6734	0.6734	14,131,016	
	Debt Service	2,098,457,954	0.1619	0.1000	2,098,458	
Augusta FPD	General Revenue	62,901,562	0.4384	0.4384	275,760	
New Melle FPD	General Revenue	286,562,067	0.6372	0.6372	1,825,973	
	Pension	286,562,067	0.1000	0.1000	286,562	
Orchard Farm FPD	General Revenue	40,031,556	0.4222	0.4222	169,013	
Central County Fire & Rescue	General Revenue	1,967,982,319	0.9419	0.9419	18,536,425	
	Pension	1,967,982,319	0.0417	0.0417	820,649	
	Debt Service	1,967,982,319	0.0780	0.0780	1,535,026	
Rivers Pointe FPD	General Revenue	68,467,676	0.2206	0.2206	151,040	
BaratHaven CID	General Revenue	21,956,634	0.8367	0.8367	183,711	
St. Charles County Community College	General Revenue	9,681,257,841	0.1579	0.1579	15,286,706	
	Debt Service	9,681,257,841	0.0451	0.0440	4,259,753	
Fort Zumwalt R-II School District	Operating Funds-Schools	2,728,275,328	4.1537	4.1537	113,324,372	^D
	Debt Service	2,728,275,328	0.6900	0.6900	18,825,100	
Francis Howell R-III SD	Operating Funds-Schools	2,865,465,578	3.9768	3.9768	113,953,835	^D
	Debt Service	2,865,465,578	0.6713	0.6713	19,235,870	
Wentzville R-IV School District	Operating Funds-Schools	2,321,843,637	3.8959	3.8398	89,154,152	^{BD}
	Operating Funds-Temp	2,321,843,637	0.2561	0.2561	5,946,242	2030
	Operating Funds-Temp 1	2,321,843,637	0.2223	0.2223	5,161,458	2034
	Debt Service	2,321,843,637	1.0883	0.9304	21,602,433	
St. Charles R-VI School District	Operating Funds-Schools	1,118,330,744	4.4116	4.4116	49,336,279	^D
	Debt Service	1,118,330,744	0.7502	0.7500	8,387,481	
Orchard Farm R-V School District	Operating Funds-Schools	430,560,728	4.5105	4.3299	18,642,849	^B
	Debt Service	430,560,728	0.8211	0.7300	3,143,093	
St. Charles County	General Revenue	9,737,447,656	0.1434	0.0000	0	
	Johnson Grass	9,737,447,656	0.0000	0.0000	0	
	Road & Bridge	9,737,447,656	0.2080	0.2080	20,253,891	
	Developmental Dis. Board	9,737,447,656	0.1279	0.1279	12,454,196	
	Dispatch	9,737,447,656	0.0400	0.0400	3,894,979	
<u>St. Clair</u>						
Ellett Memorial Hospital District	General Revenue	46,344,752	0.4897	0.4897	226,950	
Chloe SRD St. Clair County	Special Road and Bridge	2,878,011	0.2885	0.2885	8,303	^A 2023
Collins SRD St. Clair County	Special Road and Bridge	8,097,997	0.2806	0.2806	22,723	2021
Hillsdale SRD St. Clair County	Special Road and Bridge	1,899,544	0.3672	0.3672	6,975	2020
Lowry City SRD St. Clair County	Special Road and Bridge	4,977,765	0.3514	0.3514	17,492	2022
Osceola SRD St. Clair County	Special Road and Bridge	17,644,161	0.3275	0.3275	57,785	2022
Vista SRD St. Clair County	Special Road and Bridge	4,863,545	0.4996	0.4815	23,418	^A 2023
City of Appleton City	General Revenue	8,943,447	0.7071	0.7071	63,239	
	Parks & Recreation	8,943,447	0.3500	0.3500	31,302	
	Library	8,943,447	0.2000	0.2000	17,887	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Clair</u>						
City of Appleton City	Police & Fire	8,943,447	0.2100	0.2100	18,781	
City of Lowry City	General Revenue	4,969,314	0.6658	0.6658	33,086	
	Lights	4,969,314	0.2067	0.2067	10,272	
	Health	4,969,314	0.0000	0.0000	0	
City of Osceola	General Revenue	6,370,922	0.7397	0.7397	47,126	
	Parks & Recreation	6,370,922	0.1000	0.1000	6,371	
Village of Roscoe	General Revenue	737,330	0.4637	0.4637	3,419	
St. Clair County Library District	General Revenue	112,335,595	0.1919	0.1919	215,572	
Iconium FPD	General Revenue	11,870,840	0.3000	0.3000	35,613	
Sac Osage FPD	General Revenue	32,643,386	0.2476	0.2476	80,825	
St. Clair County Health Center	General Revenue	121,276,361	0.2073	0.2073	251,406	
Appleton City R-II School District	Operating Funds-Schools	29,416,961	3.7909	3.7909	1,115,168	D
Roscoe C-1 School District	Operating Funds-Schools	7,394,926	3.5765	3.5765	264,480	D
Lakeland R-III School District	Operating Funds-Schools	34,586,960	3.1778	3.1778	1,099,104	D
	Debt Service	34,586,960	1.3518	0.8105	280,327	
Osceola School District	Operating Funds-Schools	32,754,247	3.9428	3.8331	1,255,503	BD
St. Clair County	General Revenue	121,276,361	0.4779	0.3332	404,093	
	Road & Bridge	121,276,361	0.2828	0.2828	342,970	
	Common Road District	65,783,580	0.3261	0.3261	214,520	2022
<u>St. Francois</u>						
St. Francois County SRD 2	Road & Bridge	34,706,254	0.2480	0.2480	86,072	
City of Bismarck	General Revenue	9,899,445	0.5151	0.5151	50,992	
	Health	9,899,445	0.1580	0.1580	15,641	
City of Bonne Terre	General Revenue	38,085,754	0.5834	0.5701	217,127	
City of Desloge	General Revenue	39,834,330	0.4223	0.4223	168,220	
City of Farmington	General Revenue	254,449,828	0.4075	0.4075	1,036,883	
City of Leadington	General Revenue	10,945,384	0.3803	0.3803	41,625	
City of Leadwood	General Revenue	5,615,110	0.9434	0.9434	52,973	
City of Iron Mountain Lake	General Revenue	3,116,940	0.7697	0.7697	23,991	
	Debt Service	3,116,940	1.2053	1.2053	37,568	
City of Park Hills	General Revenue	57,612,894	0.6209	0.6209	357,718	
Leadwood FPD	General Revenue	16,882,764	0.7851	0.7851	132,547	
Doe Run FPD	General Revenue	69,230,568	0.2743	0.2743	189,899	
St. Francois County Health Center	General Revenue	853,854,722	0.0884	0.0884	754,808	
Mineral Area College	General Revenue	1,025,380,075	0.3340	0.3340	3,424,769	
	Debt Service	1,025,380,075	0.1399	0.1300	1,332,994	
Bismarck R-V School District	Operating Funds-Schools	29,461,892	3.4824	3.4824	1,025,981	D
	Debt Service	29,461,892	1.2477	0.7400	218,018	
Farmington R-VII School District	Operating Funds-Schools	439,184,006	2.7500	2.7500	12,077,560	D
	Debt Service	439,184,006	1.1245	0.9000	3,952,656	
North St. Francois County R-I SD	Operating Funds-Schools	183,249,680	3.2124	3.2124	5,886,713	D
	Debt Service	183,249,680	1.8329	1.2134	2,223,552	
Central R-III School District	Operating Funds-Schools	109,634,925	3.2225	3.2225	3,532,985	D
	Debt Service	109,634,925	1.0597	1.0055	1,102,379	
West St. Francois County R-IV SD	Operating Funds-Schools	49,660,476	2.9908	2.9908	1,485,246	D
	Debt Service	49,660,476	1.1733	1.0592	526,004	
St. Francois County	General Revenue	853,854,722	0.3181	0.0501	427,781	
	Road & Bridge	818,613,069	0.2439	0.2439	1,996,597	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>St. Francois</u>						
St. Francois County	Ambulance	853,854,722	0.0000	0.0000	0	
	Developmental Dis. Board	853,854,722	0.0884	0.0884	754,808	
	Senior Services	853,854,722	0.0478	0.0478	408,143	
<u>Ste. Genevieve</u>						
City of Bloomsdale	General Revenue	13,132,941	0.3057	0.3057	40,147	
City of St. Mary	General Revenue	3,996,680	1.0000	1.0000	39,967	
City of Ste. Genevieve	General Revenue	69,075,363	0.4812	0.4812	332,391	
	Parks & Recreation	69,075,363	0.1251	0.1251	86,413	
	Cemetery	69,075,363	0.0480	0.0480	33,156	
	Band	69,075,363	0.0773	0.0773	53,395	
	Public Safety	69,075,363	0.2693	0.2684	185,398	
Ste. Genevieve County PLD	General Revenue	491,784,326	0.0473	0.0473	232,614	
Ste. Genevieve County Health	General Revenue	491,784,326	0.0964	0.0964	474,080	
Ste. Genevieve County R-II SD	Operating Funds-Schools	407,502,490	3.0217	3.0217	12,313,503	^D
	Debt Service	407,502,490	0.4900	0.4400	1,793,011	
Ste. Genevieve County	General Revenue	491,784,326	0.3588	0.2540	1,249,132	
	Road & Bridge	491,784,326	0.2519	0.2519	1,238,805	
	Hospital	491,784,326	0.1618	0.1618	795,707	
	Ambulance	491,968,196	0.1147	0.0253	124,468	
	Developmental Dis. Board	491,784,326	0.0550	0.0550	270,481	
	Mental Health	491,784,326	0.0964	0.0964	474,080	
	Senior Services	491,784,326	0.0301	0.0301	148,027	
<u>St. Louis</u>						
Eureka FPD	General Revenue	484,649,877	0.8607	0.8607	4,171,381	
	Ambulance	484,649,877	0.2451	0.2451	1,187,877	
	Pension	484,649,877	0.0821	0.0821	397,898	
	Dispatch	484,649,877	0.0244	0.0244	118,255	
	Debt Service	484,649,877	0.1927	0.1500	726,975	
Metropolitan SwrD St. Louis	General Revenue	32,227,438,128	0.0175	0.0175	5,639,802	
	Storm	31,261,767,698	0.0903	0.0903	28,229,376	
Metro Zoological Park & Museum Dist	Art Museum	32,070,495,825	0.0722	0.0723	23,186,968	^C
	Botanical Garden	32,070,495,825	0.0362	0.0362	11,609,519	
	Museum of Mo. History	32,070,495,825	0.0362	0.0362	11,609,519	
	Museum of Nat. History	32,070,495,825	0.0362	0.0362	11,609,519	
	Zoological Park	32,070,495,825	0.0722	0.0723	23,186,968	^C
Rockwood R-VI School District	Operating Funds-Schools	4,169,988,108	3.5493	3.6185	150,891,020	^{DC}
	Debt Service	4,169,988,108	1.0220	0.6800	28,355,919	
St. Louis County Special School District	Operating Funds-Schools	27,590,239,421	1.1077	1.1077	305,617,082	
<u>Saline</u>						
Saline County Ambulance District 3	General Revenue	255,673,356	0.1967	0.1967	502,909	
Slater Ambulance District 1	General Revenue	64,315,849	0.4686	0.4686	301,384	
Sweet Springs Ambulance District	General Revenue	73,655,221	0.3862	0.3862	284,456	
Blackburn Elmwood SRD Saline County	Road & Bridge	12,688,049	0.2602	0.2602	33,014	
	Special Road and Bridge	12,688,049	0.3504	0.3504	44,459	2021
	Sp. Road & Bridge-Temp	12,688,049	0.3541	0.3541	44,928	2022
Gilliam SRD Saline County	Road & Bridge	12,091,435	0.2899	0.2899	35,053	
	Special Road and Bridge	12,091,435	0.2900	0.2900	35,065	2020

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
Saline						
Grand Pass SRD Saline County	Road & Bridge	6,721,071	0.2814	0.2814	18,913	
	Special Road and Bridge	6,721,071	0.3642	0.3642	24,478	2022
Marshall SRD Saline County	Road & Bridge	168,381,153	0.2580	0.2580	434,423	
	Special Road and Bridge	168,381,153	0.2753	0.2753	463,553	2022
Slater SRD Saline County	Road & Bridge	37,831,762	0.2964	0.2964	112,133	
	Special Road and Bridge	37,831,762	0.3546	0.3546	134,151	2021
Sweet Springs SRD Saline County	Road & Bridge	27,403,371	0.3153	0.3153	86,403	
	Special Road and Bridge	27,403,371	0.3052	0.3052	83,635	2020
Malta Bend SRD Saline County	Road & Bridge	20,626,746	0.2664	0.2664	54,950	
	Special Road and Bridge	20,626,746	0.3698	0.3698	76,278	2020
Village of Arrow Rock	General Revenue	1,569,727	0.2573	0.2573	4,039	
	General Revenue-Temp	1,569,727	0.3076	0.3076	4,828 ^A	2023
City of Blackburn	General Revenue	2,342,247	0.5878	0.5878	13,768	
	Lights	2,342,247	0.1194	0.1194	2,797	
	General Revenue-Temp	2,342,247	0.2900	0.2900	6,793	2021
City of Gilliam	General Revenue	1,111,087	0.7488	0.7488	8,320	
	Lights	1,111,087	0.3993	0.3993	4,437	
Village of Grand Pass	General Revenue	512,123	0.5000	0.5000	2,561	
	General Revenue-Temp	512,123	0.0428	0.0428	219	2022
City of Malta Bend	General Revenue	2,125,653	1.0000	1.0000	21,257	
City of Marshall	General Revenue	140,128,815	0.6687	0.6687	937,041	
	Parks & Recreation	140,128,815	0.2892	0.2892	405,253	
	Band	140,128,815	0.0448	0.0448	62,778	
	Library	140,128,815	0.1718	0.1718	240,741	
City of Miami	General Revenue	1,245,831	0.5000	0.5000	6,229	
	Streets	1,245,831	0.6500	0.6500	8,098	
Village of Mount Leonard	General Revenue	316,604	0.9886	0.9886	3,130	
City of Nelson	General Revenue	1,207,466	0.7931	0.7931	9,576	
City of Slater	General Revenue	15,061,462	0.8071	0.8071	121,561	
	Parks & Recreation	15,061,462	0.2000	0.2000	30,123	
	Library	15,061,462	0.2500	0.2500	37,654	
City of Sweet Springs	General Revenue	13,295,241	0.7305	0.7305	97,122	
	Parks & Recreation	13,295,241	0.3472	0.3472	46,161	
	Library	13,295,241	0.1774	0.1774	23,586	
	Debt Service	13,295,241	0.5309	0.5309	70,584	
City of Emma	General Revenue	2,190,162	0.4936	0.4936	10,811	
Malta Bend FPD	General Revenue	24,181,455	0.1897	0.1897	45,872	
West Central FPD	General Revenue	57,713,765	0.2631	0.2631	151,845	
Slater Rural FPD	General Revenue	30,114,957	0.2269	0.2269	68,331	
Saline County Rural FPD	General Revenue	60,640,450	0.3001	0.3416	207,148 ^C	
Saline County Health Department	General Revenue	380,090,190	0.1261	0.1261	479,294	
Miami R-I School District	Operating Funds-Schools	11,607,526	3.9291	3.9291	456,071 ^D	
Orearville R-IV School District	Operating Funds-Schools	7,592,051	5.0123	5.0123	380,536 ^D	
	Operating Funds-Temp	7,592,051	0.3760	0.3760	28,546	2021
Malta Bend R-V School District	Operating Funds-Schools	12,609,815	4.7500	4.7500	598,966 ^D	
Hardeman R-X School District	Operating Funds-Schools	9,021,900	4.5447	4.5447	410,018 ^D	
Gilliam C-4 School District	Operating Funds-Schools	3,481,295	4.6447	4.6447	161,696 ^D	
Marshall School District	Operating Funds-Schools	174,060,995	2.7237	2.6911	4,684,155 ^D	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year	
<u>Saline</u>							
Marshall School District	Operating Funds-Temp	174,060,995	0.5089	0.5089	885,796	2026	
Slater School District	Operating Funds-Schools	21,716,773	4.1000	4.1000	890,388	D	
	Debt Service	21,716,773	1.0959	0.7132	154,884		
Sweet Springs R-VII School District	Operating Funds-Schools	33,211,911	3.1822	3.0524	1,013,760	D	
	Debt Service	33,211,911	1.8556	0.8769	291,235		
Saline County	General Revenue	380,090,190	0.1802	0.1553	590,280	2022	
	Common Road District	94,078,466	0.2402	0.2402	225,976		
	Special Road and Bridge	94,078,466	0.3586	0.3586	337,365		
	Developmental Dis. Board	380,090,190	0.0564	0.0564	214,371		
	Common Road-Temp	94,078,466	0.3513	0.3513	330,498		2021
<u>Schuyler</u>							
Schuyler County Ambulance District	General Revenue	74,282,241	0.3492	0.3492	259,394	2023	
Schuyler County NHD	General Revenue	74,282,241	0.1310	0.1310	97,310		
City of Downing	General Revenue	1,978,692	1.0000	1.0000	19,787		
Village of Glenwood	General Revenue	1,190,012	0.5000	0.5000	5,950		
City of Greentop	General Revenue	4,635,516	1.0000	1.0000	46,355		
City of Lancaster	General Revenue	5,405,807	0.9902	0.9902	53,528		
	Parks & Recreation	5,405,807	0.2000	0.2000	10,812		
City of Queen City	General Revenue	4,078,148	0.9932	0.9932	40,504		
	Debt Service	4,078,148	0.2483	0.2483	10,126		
Schuyler County Library District	General Revenue	74,282,241	0.1310	0.1310	97,310		
Schuyler County Health Department	General Revenue	74,282,241	0.2619	0.2619	194,545		
Schuyler County R-I School District	Operating Funds-Schools	59,103,748	3.4300	3.4300	2,027,259		D
	Debt Service	59,103,748	0.8965	0.7700	455,099		
Schuyler County	General Revenue	74,282,241	0.4365	0.3836	284,947		
	Common Road District	74,282,241	0.4193	0.4193	311,465		
	Senior Services	74,282,241	0.0437	0.0437	32,461		
	Special Road and Bridge	74,282,241	0.2600	0.2600	193,134		A
<u>Scotland</u>							
Scotland County Ambulance District	General Revenue	82,722,120	0.2472	0.2472	204,489	2023	
Scotland County Memorial Hospital	General Revenue	82,722,120	0.4953	0.4953	409,723		
Scotland County NHD	General Revenue	82,722,120	0.2972	0.2972	245,850		
Bear Creek Watershed Subdistrict	General Revenue	1,248,018	0.4000	0.4000	4,992		
Village of Arbela	General Revenue	180,913	0.5000	0.5000	905		
Village of Granger	General Revenue	217,060	0.7262	0.7200	1,563		
City of Memphis	General Revenue	15,666,644	0.3158	0.3158	49,475		
	Cemetery	15,666,644	0.0546	0.0546	8,554		
	Streets	15,666,644	0.3612	0.3612	56,588		
	Fire	15,666,644	0.1382	0.1382	21,651		
	Pool	15,666,644	0.1928	0.1928	30,205		
Village of Rutledge	General Revenue	840,026	0.4078	0.4078	3,426		
City of South Gorin	General Revenue	853,820	0.7576	0.7576	6,469		
	Fire	853,820	0.1893	0.1893	1,616		
Scotland County Library District	General Revenue	82,722,120	0.1883	0.1883	155,766		
Scotland County Health Department	General Revenue	82,722,120	0.3030	0.3030	250,648		
Scotland County R-I School District	Operating Funds-Schools	72,655,749	3.6213	3.6213	2,631,083		D
Scotland County	General Revenue	82,722,120	0.4953	0.4953	409,723		
	Road & Bridge	82,722,120	0.3468	0.3468	286,880		

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Scotland</u>						
Scotland County	Special Road and Bridge	82,722,120	0.3161	0.3161	261,485 A	2023
<u>Scott</u>						
Southern Scott Ambulance District	General Revenue	282,334,426	0.3000	0.3000	847,003	
North Scott Ambulance District	General Revenue	226,198,545	0.2977	0.2977	673,393	
Illmo SRD Scott County	Road & Bridge	69,981,679	0.3420	0.3420	239,337	
Sikeston SRD Scott County	Road & Bridge	235,047,598	0.1800	0.1800	423,086	
City of Benton	General Revenue	9,935,136	0.6351	0.6351	63,098	
	Parks & Recreation	9,935,136	0.1973	0.1973	19,602	
City of Blodgett	General Revenue	1,651,628	0.2869	0.2869	4,739	
City of Chaffee	General Revenue	20,316,998	0.8499	0.8499	172,674	
	Parks & Recreation	20,316,998	0.1812	0.1812	36,814	
	Library	20,316,998	0.1812	0.1812	36,814	
Village of Commerce	General Revenue	659,133	0.4999	0.4999	3,295	
Village of Diehlstadt	General Revenue	498,401	0.5000	0.3837	1,912	
Village of Haywood City	General Revenue	628,771	0.4999	0.4999	3,143	
Village of Kelso	General Revenue	7,028,433	0.5000	0.5000	35,142	
	Fire	7,028,433	0.1300	0.1300	9,137	2021
City of Miner	General Revenue	23,558,803	0.3013	0.3000	70,676	
City of Morley	General Revenue	4,567,754	0.6773	0.6773	30,937	
City of Oran	General Revenue	11,342,060	0.7608	0.7608	86,290	
	Parks & Recreation	11,345,060	0.2000	0.2000	22,690	
City of Scott City	General Revenue	50,639,199	0.5320	0.5320	269,401	
	Parks & Recreation	50,639,199	0.1900	0.1900	96,214	
	Cemetery	50,639,199	0.0500	0.0500	25,320	
	Debt Service	50,639,199	0.0000	0.0000	0	
Village of Vanduser	General Revenue	1,737,721	0.4944	0.4944	8,591	
	Fire	1,737,721	0.0000	0.0000	0	
City of Sikeston	General Revenue	236,736,089	0.4171	0.4171	987,426	
	Parks & Recreation	236,736,089	0.1818	0.1818	430,386	
	Library	146,288,686	0.2000	0.2000	292,577	
Scott County Library District	General Revenue	363,842,698	0.0954	0.0954	347,106	
Sikeston FPD	General Revenue	53,550,885	0.1259	0.1259	67,421	
NBC FPD	General Revenue	56,936,276	0.2990	0.2990	170,239	
Scott County Rural FPD	General Revenue	55,087,921	0.5822	0.5822	320,722	
Oran FPD	General Revenue	22,269,024	0.6644	0.6644	147,955 B	
Scott County Health Department	General Revenue	508,532,975	0.1000	0.1000	508,533	
Scott City R-I School District	Operating Funds-Schools	62,950,980	3.3083	3.3083	2,082,607 D	
	Debt Service	62,950,980	0.5763	0.4900	308,460	
Chaffee R-II School District	Operating Funds-Schools	27,060,830	2.8178	2.8178	762,520 D	
	Debt Service	27,060,830	1.4455	1.2500	338,260	
Scott County R-IV School District	Operating Funds-Schools	70,453,970	2.7500	2.7500	1,937,484 D	
	Debt Service	70,453,970	0.8160	0.7500	528,405	
Scott County R-V School District	Operating Funds-Schools	20,709,480	4.7173	4.7173	976,928 D	
	Debt Service	20,709,480	0.9528	0.7000	144,966	
Sikeston R-VI School District	Operating Funds-Schools	269,099,370	3.6545	3.6545	9,834,236 D	
	Debt Service	269,099,370	0.2782	0.2100	565,109	
Kelso C-7 School District	Operating Funds-Schools	30,492,060	2.9331	2.9331	894,363 D	
	Debt Service	30,492,060	0.8868	0.8500	259,183	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Scott</u>						
Oran R-III School District	Operating Funds-Schools	25,758,330	3.1393	3.1000	798,508	D
	Debt Service	25,758,330	1.3132	0.8500	218,946	
Scott County	General Revenue	508,532,975	0.3470	0.0000	0	
	Johnson Grass	508,532,975	0.0100	0.0100	50,853	
	Common Road District	203,503,700	0.3012	0.3012	612,953	
	Developmental Dis. Board	508,532,975	0.0403	0.0403	204,939	
<u>Shannon</u>						
Shannon County Ambulance District	General Revenue	65,819,704	0.1349	0.1349	88,791	
City of Birch Tree	General Revenue	3,840,203	0.5457	0.5457	20,956	
Timber Community FPD	General Revenue	5,476,540	0.2939	0.2939	16,096	
Shannon County Health Department	General Revenue	84,661,805	0.0985	0.0985	83,392	
Winona R-III School District	Operating Funds-Schools	20,346,190	2.7500	2.7500	559,520	E
Eminence R-I School District	Operating Funds-Schools	25,367,487	3.4450	3.4450	873,910	D
Shannon County	General Revenue	84,661,805	0.3202	0.1769	149,767	
	Road & Bridge	84,661,805	0.2400	0.2400	203,188	
	Developmental Dis. Board	84,661,805	0.0963	0.0963	81,529	
	Senior Services	84,661,805	0.0492	0.0492	41,654	
<u>Shelby</u>						
Salt River Ambulance District	General Revenue	123,008,259	0.2500	0.1624	199,765	
Clarence NHD	General Revenue	32,249,614	0.2045	0.2045	65,950	
Salt River NHD	General Revenue	110,857,220	0.3000	0.3000	332,572	
Shelbina SRD Shelby County	Road & Bridge	29,518,649	0.4700	0.4700	138,738	
Village of Bethel	General Revenue	811,029	0.7499	0.7499	6,082	
	Lights	811,029	0.2500	0.2500	2,028	
City of Clarence	General Revenue	5,548,699	1.0000	1.0000	55,487	
	Library	5,548,699	0.1000	0.1000	5,549	
	Streets	5,548,699	0.2000	0.2000	11,097	
City of Hunnewell	General Revenue	1,417,518	0.8375	0.8375	11,872	
Village of Leonard	General Revenue	896,168	0.5000	0.5000	4,481	
City of Shelbina	General Revenue	20,713,801	1.0000	0.9897	205,004	
	Library	20,713,801	0.2500	0.2500	51,785	
City of Shelbyville	General Revenue	4,004,428	0.9482	0.9482	37,970	
	General Revenue-Temp	4,004,428	0.3114	0.3114	12,470	2021
Shelbina FPD	General Revenue	70,622,041	0.2500	0.2500	176,555	
Shelby County Health Department	General Revenue	133,199,335	0.2500	0.2500	332,998	
North Shelby School District	Operating Funds-Schools	36,523,627	3.8343	3.8343	1,400,425	D
	Debt Service	36,523,627	0.2725	0.2550	93,135	
Shelby County R-IV School District	Operating Funds-Schools	64,107,872	3.8748	3.8484	2,467,127	D
	Operating Funds-Temp	64,107,872	0.6316	0.6316	404,905	2037
Shelby County	General Revenue	133,199,335	0.5000	0.3950	526,137	
	Road & Bridge	103,687,756	0.3500	0.3500	362,907	
<u>Stoddard</u>						
Stoddard County Ambulance District	General Revenue	487,377,589	0.2065	0.2065	1,006,435	
Bluff SRD Stoddard County	Johnson Grass	11,351,587	0.0500	0.0500	5,676	
	Road & Bridge	11,351,587	0.1766	0.1766	20,047	
	Special Road and Bridge	11,351,587	0.3585	0.3585	40,695	2021
Crowder Zeta SRD Stoddard County	Johnson Grass	3,803,133	0.0442	0.0442	1,681	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Stoddard</u>						
Crowder Zeta SRD Stoddard County	Road & Bridge	3,803,133	0.2725	0.2725	10,364	
Dudley SRD Stoddard County	Johnson Grass	23,980,384	0.0486	0.0486	11,654	
	Road & Bridge	23,980,384	0.2634	0.2634	63,164	
	Special Road and Bridge	23,980,384	0.3563	0.3563	85,442	2022
Essex SRD Stoddard County	Johnson Grass	20,076,203	0.0477	0.0477	9,576	
	Road & Bridge	20,076,203	0.2321	0.2321	46,597	
	Special Road and Bridge	20,076,203	0.3500	0.3500	70,267	2020
Gray Ridge SRD Stoddard County	Road & Bridge	13,094,702	0.3284	0.3284	43,003	
Lavalle SRD Stoddard County	Road & Bridge	3,071,972	0.3478	0.3478	10,684	
City of Bell City	General Revenue	2,632,328	0.7210	0.7210	18,979	
City of Bernie	General Revenue	15,357,515	0.5561	0.5561	85,403	
	Parks & Recreation	15,357,515	0.0900	0.0900	13,822	
City of Bloomfield	General Revenue	13,045,275	0.5347	0.5347	69,753	
	Library	13,045,275	0.1560	0.1560	20,351	
City of Dexter	General Revenue	101,291,056	0.6000	0.6000	607,746	
	Library	101,291,056	0.1679	0.1679	170,068	
City of Dudley	General Revenue	10,627,664	0.6352	0.6352	67,507	
City of Essex	General Revenue	3,800,004	0.4271	0.4271	16,230	
City of Puxico	General Revenue	8,852,376	0.5236	0.5236	46,351	
	Parks & Recreation	8,852,376	0.2245	0.2245	19,874	
	Cemetery	8,852,376	0.1068	0.1068	9,454	
	Library	8,852,376	0.0749	0.0749	6,630	
	Health	8,852,376	0.1068	0.1068	9,454	
Village of Pendermon	General Revenue	152,223	0.5000	0.5000	761	
Castor Township Stoddard County	General Revenue	70,859,326	0.0734	0.0734	52,011	
	Road & Bridge	59,507,738	0.5031	0.5031	299,383	
	Special Road and Bridge	59,507,738	0.3548	0.3548	211,133	2020
Duck Creek Township Stoddard County	General Revenue	56,349,910	0.0998	0.0998	56,237	
	Johnson Grass	56,349,910	0.0400	0.0400	22,540	
	Road & Bridge	32,369,527	0.2709	0.2709	87,689	
	Special Road and Bridge	32,369,527	0.3530	0.3530	114,264 ^A	2023
Elk Township Stoddard County	General Revenue	16,194,783	0.1000	0.1000	16,195	
	Road & Bridge	13,122,771	0.5056	0.5056	66,349	
	Special Road and Bridge	13,122,771	0.3539	0.3539	46,441	2022
Liberty Township Stoddard County	General Revenue	222,846,047	0.0818	0.0818	182,288	
	Johnson Grass	222,846,047	0.0500	0.0500	111,423	
	Road & Bridge	222,846,047	0.1533	0.1533	341,623	
	Special Road and Bridge	222,846,047	0.3585	0.3585	798,903	2022
New Lisbon Township Stoddard County	General Revenue	12,448,520	0.0869	0.0869	10,818	
	Johnson Grass	12,448,520	0.0492	0.0492	6,125	
	Road & Bridge	12,448,520	0.2498	0.2498	31,096	
	Special Road and Bridge	12,448,520	0.3551	0.3551	44,205	2020
Pike Township Stoddard County	General Revenue	73,175,493	0.1000	0.1000	73,175	
	Johnson Grass	73,175,493	0.0500	0.0500	36,588	
	Road & Bridge	69,372,360	0.2623	0.2623	181,964	
Richland Township Stoddard County	General Revenue	35,487,410	0.0807	0.0807	28,638	
	Road & Bridge	2,332,646	0.3500	0.3500	8,164	
Stoddard County Public Health	General Revenue	487,377,589	0.1000	0.1000	487,378	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Stoddard</u>						
Richland R-I School District	Operating Funds-Schools	28,614,782	4.3461	4.1633	1,191,319	D
	Debt Service	28,614,782	0.3579	0.1700	48,645	
Bell City R-II School District	Operating Funds-Schools	39,494,092	3.3860	3.1500	1,244,064	D
Advance R-IV School District	Operating Funds-Schools	34,481,880	3.0046	3.0046	1,036,043	D
	Debt Service	34,481,880	0.7837	0.6800	234,477	
Puxico R-VIII School District	Operating Funds-Schools	47,001,573	2.7500	2.7500	1,292,543	D
	Debt Service	47,001,573	0.9188	0.7900	371,312	
Bloomfield R-XIV School District	Operating Funds-Schools	51,620,715	3.1504	3.1000	1,600,242	D
	Debt Service	51,620,715	0.5405	0.2600	134,214	
Dexter R-XI School District	Operating Funds-Schools	199,790,389	2.7812	2.7812	5,556,570	D
	Debt Service	199,790,389	1.2890	0.8000	1,598,323	
Bernie R-XIII School District	Operating Funds-Schools	38,538,335	2.9991	2.9991	1,155,803	D
	Debt Service	38,538,335	0.3674	0.3000	115,615	
Stoddard County	General Revenue	487,377,589	0.0000	0.0000	0	
	Johnson Grass	487,377,589	0.0000	0.0000	0	
	Developmental Dis. Board	487,377,589	0.0811	0.0806	392,826	
<u>Stone</u>						
City of Crane	General Revenue	9,980,929	0.8335	0.8335	83,191	
	Parks & Recreation	9,980,929	0.1377	0.1377	13,744	
	Library	9,980,929	0.0000	0.0000	0	
City of Galena	General Revenue	3,426,139	0.5375	0.5375	18,415	
City of Hurley	General Revenue	959,379	0.7838	0.7838	7,520	
City of Kimberling City	General Revenue	45,285,759	0.4400	0.4400	199,257	
City of Reeds Spring	General Revenue	10,567,046	0.6096	0.6096	64,417	
Village of McCord Bend	General Revenue	816,407	0.5000	0.5000	4,082	
Stone County Library District	General Revenue	696,984,217	0.1000	0.1000	696,984	
Southern Stone County FPD	General Revenue	556,847,651	0.2669	0.0805	448,262	
Hurley FPD	General Revenue	19,228,840	0.3300	0.3300	63,455	
North Stone-Northeast Barry Co FPD	General Revenue	40,967,582	0.2776	0.2776	113,726	
Stone County Health Department	General Revenue	696,984,217	0.0785	0.0785	547,133	
Hurley R-I School District	Operating Funds-Schools	13,564,894	3.9606	3.9606	537,251	D
	Debt Service	13,564,894	0.7724	0.6600	89,528	
Galena R-II School District	Operating Funds-Schools	36,664,615	3.4570	3.4557	1,267,019	D
	Debt Service	36,664,615	0.9833	0.6154	225,634	
Crane R-III School District	Operating Funds-Schools	30,192,106	3.3000	3.3000	996,339	D
	Debt Service	30,192,106	1.3405	0.9900	298,902	
Reeds Spring R-IV School District	Operating Funds-Schools	434,433,965	3.0185	3.0185	13,113,389	D
	Debt Service	434,433,965	0.9753	0.7758	3,370,339	
Blue Eye R-V School District	Operating Funds-Schools	135,585,425	4.0328	4.0328	5,467,889	D
Stone County	General Revenue	696,984,217	0.2848	0.1052	733,227	
	Road & Bridge	696,984,217	0.1456	0.0000	0	
	Developmental Dis. Board	696,984,217	0.1014	0.1000	696,984	2026
	Senior Services	696,984,217	0.0482	0.0482	335,946	
<u>Sullivan</u>						
Sullivan County Ambulance District	General Revenue	96,225,650	0.4611	0.4611	443,696	
Locust Creek Watershed Subdistrict	General Revenue	29,690,248	0.4000	0.4000	118,761	
Harris SRD Sullivan County	Road & Bridge	813,429	0.2773	0.2773	2,256	
Milan SRD Sullivan County	Road & Bridge	11,851,180	0.3394	0.3394	40,223	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Sullivan</u>						
City of Green Castle	General Revenue	1,316,629	0.5744	0.5744	7,563	
City of Green City	General Revenue	4,537,401	0.5100	0.5100	23,141	
	Lights	4,537,401	0.1800	0.1800	8,167	
	Fire	4,537,401	0.3100	0.3100	14,066	
City of Harris	General Revenue	212,937	0.7635	0.7635	1,626	
Village of Humphreys	General Revenue	244,814	0.7500	0.7500	1,836	
	Parks & Recreation	244,814	0.5000	0.5000	1,224	
	Lights	244,814	1.5000	1.5000	3,672	
	Streets	244,814	1.0000	1.0000	2,448	
City of Milan	General Revenue	11,850,761	0.8234	0.8234	97,579	
	Parks	11,850,761	0.0969	0.0969	11,483	
	Recreation	11,850,761	0.0485	0.0485	5,748	
Village of Newtown	General Revenue	875,613	0.9664	0.9664	8,462	
	Parks & Recreation	875,613	0.1932	0.1932	1,692	
	General Revenue-Temp	875,613	0.3120	0.3120	2,732	2021
Village of Pollock	General Revenue	142,288	0.5448	0.5448	775	2020
Sullivan County Library District	General Revenue	96,225,650	0.1000	0.1000	96,226	
Medicine Creek FPD	General Revenue	26,433,914	0.3000	0.3000	79,302	
Sullivan County Health Department	General Revenue	96,225,650	0.2504	0.2504	240,949	
Green City R-I School District	Operating Funds-Schools	24,696,940	4.7175	4.2507	1,049,793	
	Debt Service	24,696,940	1.5511	0.6389	157,789	
Milan C-2 School District	Operating Funds-Schools	48,470,646	3.5694	3.5694	1,730,111	D 2038
	Operating Funds-Temp	48,470,646	0.3587	0.3587	173,864	
Newtown-Harris R-III SD	Operating Funds-Schools	10,751,504	6.9500	6.5605	705,352	
Sullivan County	General Revenue	96,225,650	0.5000	0.3700	356,035	
	Hospital	96,225,650	0.4300	0.4300	413,770	
	Senior Services	96,225,650	0.0503	0.0503	48,402	
<u>Taney</u>						
Taney County Ambulance District	General Revenue	1,096,689,745	0.0000	0.0000	0	
City of Branson	General Revenue	467,112,924	0.6128	0.6128	2,862,468	
City of Forsyth	General Revenue	30,759,826	0.5449	0.5449	167,610	
City of Hollister	General Revenue	54,391,208	0.6205	0.6205	337,497	
City of Rockaway Beach	General Revenue	6,828,962	0.7516	0.7516	51,326	
City of Merriam Woods	General Revenue	10,630,180	0.5000	0.5000	53,151	
Village of Bull Creek	General Revenue	912,157	0.5000	0.5000	4,561	
Western Taney County FPD	General Revenue	438,693,341	0.4634	0.4634	2,032,905	B
Central Taney County FPD	General Revenue	86,689,892	0.4001	0.4001	346,846	
Cedarcreek FPD	General Revenue	6,764,463	0.2802	0.2802	18,954	
Protem FPD	General Revenue	8,253,181	0.2946	0.2946	24,314	
Taney County Health Department	General Revenue	1,096,689,745	0.1404	0.1404	1,539,752	
Bradleyville R-I School District	Operating Funds-Schools	9,293,738	4.5985	4.5985	427,373	D
Taneyville R-II School District	Operating Funds-Schools	12,600,617	3.5341	3.5341	445,318	D
	Debt Service	12,600,617	1.4041	0.9492	119,605	
Forsyth R-III School District	Operating Funds-Schools	86,241,490	3.3482	3.3482	2,887,538	D
	Debt Service	86,241,490	0.9373	0.7500	646,811	
Branson R-IV School District	Operating Funds-Schools	677,628,065	3.5908	3.5908	24,332,269	D
	Debt Service	677,628,065	0.8422	0.7000	4,743,396	
Hollister R-V School District	Operating Funds-Schools	227,527,036	3.4673	3.4673	7,889,045	D

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Taney</u>						
Hollister R-V School District	Debt Service	227,527,036	1.1353	0.8207	1,867,314	
Kirbyville R-VI School District	Operating Funds-Schools	41,214,184	4.0252	4.0252	1,658,953	D
	Debt Service	41,214,184	0.4335	0.3500	144,250	
Mark Twain R-VIII School District	Operating Funds-Schools	8,243,686	3.9748	3.9748	327,670	D
Taney County	General Revenue	1,096,689,745	0.1667	0.0000	0	
	Road & Bridge	1,096,689,745	0.2230	0.0000	0	
	Developmental Dis. Board	1,096,689,745	0.1000	0.1000	1,096,690	
	Senior Services	1,096,689,745	0.0500	0.0500	548,345	
<u>Texas</u>						
City of Cabool	General Revenue	26,793,590	0.8979	0.8979	240,580	
City of Houston	General Revenue	28,344,124	0.3178	0.3178	90,078	
City of Licking	General Revenue	14,042,300	0.4249	0.4249	59,666	
Village of Raymondville	General Revenue	2,136,047	0.4592	0.4592	9,809	
City of Summersville	General Revenue	3,884,115	0.6540	0.6540	25,402	
Texas County Library District	General Revenue	257,789,216	0.0960	0.0960	247,478	
Boone Township Texas County	General Revenue	2,785,422	0.0799	0.0799	2,226	
	Road & Bridge	2,785,422	0.2625	0.2625	7,312	
Burdine Township Texas County	General Revenue	41,783,749	0.0977	0.0977	40,823	
	Road & Bridge	41,783,749	0.3255	0.3255	136,006	
Carroll Township Texas County	General Revenue	9,929,130	0.0995	0.0995	9,879	
	Road & Bridge	9,929,130	0.3739	0.3739	37,125	
Cass Township Texas County	General Revenue	12,420,755	0.0979	0.0979	12,160	
	Road & Bridge	12,420,755	0.3369	0.3369	41,846	
Clinton Township Texas County	General Revenue	20,128,145	0.0941	0.0941	18,941	
	Road & Bridge	20,128,145	0.4709	0.4709	94,783	
Current Township Texas County	General Revenue	2,226,506	0.1000	0.1000	2,227	
	Road & Bridge	2,226,506	0.3093	0.3093	6,887	
Date Township Texas County	General Revenue	4,642,097	0.1000	0.1000	4,642	
	Road & Bridge	4,642,097	0.3252	0.3252	15,096	
Jackson Township Texas County	General Revenue	11,256,120	0.0984	0.0984	11,076	
	Road & Bridge	11,256,120	0.3564	0.3564	40,117	
Lynch Township Texas County	General Revenue	14,093,186	0.0941	0.0941	13,262	
	Road & Bridge	14,093,186	0.2957	0.2957	41,674	
Morris Township Texas County	General Revenue	8,207,761	0.1000	0.1000	8,208	
	Road & Bridge	8,207,761	0.5178	0.5178	42,500	
Ozark Township Texas County	General Revenue	4,195,712	0.1000	0.1000	4,196	
	Road & Bridge	4,195,712	0.3933	0.3933	16,502	
Pierce Township Texas County	General Revenue	4,272,858	0.0978	0.0978	4,179	
	Road & Bridge	4,272,858	0.3432	0.3432	14,664	
Piney Township Texas County	General Revenue	54,277,941	0.0927	0.0927	50,316	
	Road & Bridge	54,277,941	0.2896	0.2896	157,189	
Roubidoux Township Texas County	General Revenue	19,978,620	0.0877	0.0877	17,521	
	Road & Bridge	19,978,620	0.2623	0.2623	52,404	
Sargent Township Texas County	General Revenue	4,689,125	0.0634	0.0634	2,973	
	Road & Bridge	4,689,125	0.2538	0.2538	11,901	
Sherrill Township Texas County	General Revenue	35,923,415	0.0940	0.0940	33,768	
	Road & Bridge	35,923,415	0.3325	0.3325	119,445	
Upton Township Texas County	General Revenue	6,979,263	0.1000	0.1000	6,979	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Texas</u>						
Upton Township Texas County	Road & Bridge	6,979,263	0.3219	0.3219	22,466	
Texas County Health Department	General Revenue	257,789,216	0.0960	0.0960	247,478	
Success R-VI School District	Operating Funds-Schools	10,078,247	2.7500	2.7500	277,152	D
Houston R-I School District	Operating Funds-Schools	65,542,401	2.7500	2.7500	1,802,416	D
	Debt Service	65,542,401	0.9341	0.8000	524,339	
Summersville R-II School District	Operating Funds-Schools	31,957,613	2.9884	2.9884	955,021	D
Licking R-VIII School District	Operating Funds-Schools	46,718,833	2.7500	2.7500	1,284,768	D
Cabool R-IV School District	Operating Funds-Schools	58,858,478	2.8683	2.7677	1,629,026	D
	Operating Funds-Temp	58,858,478	0.4458	0.4458	262,391	2034
Plato R-V School District	Operating Funds-Schools	37,408,178	2.8739	2.8739	1,075,074	D
Raymondville R-VII School District	Operating Funds-Schools	10,190,341	3.8763	3.7945	386,672	D
Texas County	General Revenue	257,789,216	0.2660	0.0425	109,560	
	Developmental Dis. Board	257,789,216	0.0960	0.0960	247,478	
<u>Vernon</u>						
Vernon County Ambulance District	General Revenue	265,909,992	0.1500	0.1500	398,865	
City of Bronaugh	General Revenue	928,981	0.1793	0.1793	1,666	
	Streets	928,981	0.4032	0.4032	3,746	
Village of Deerfield	General Revenue	757,856	0.3100	0.3100	2,349	
Village of Harwood	General Revenue	502,016	1.0000	1.0000	5,020	
City of Metz	General Revenue	416,892	0.6000	0.6000	2,501	
Village of Milo	General Revenue	256,253	0.7499	0.7499	1,922	
Village of Moundville	General Revenue	805,538	0.5000	0.5000	4,028	
	Parks & Recreation	805,538	0.2000	0.2000	1,611	
City of Nevada	General Revenue	93,041,790	0.7398	0.7398	688,323	
	Parks & Recreation	93,041,790	0.0000	0.0000	0	
	Library	93,041,790	0.2000	0.2000	186,084	
City of Richards	General Revenue	354,476	0.5000	0.5000	1,772	
	Streets	354,476	0.2500	0.2500	886	
City of Schell City	General Revenue	1,065,924	0.9070	0.9070	9,668	
City of Sheldon	General Revenue	3,215,385	0.5626	0.5626	18,090	
	Streets	3,215,385	0.1802	0.1802	5,794	
Village of Stotesbury	General Revenue	62,528	0.3500	0.3500	219	
	Lights	62,528	0.1000	0.1000	63	
	Streets	62,528	0.0500	0.0500	31	
City of Walker	General Revenue	1,339,096	0.6500	0.6500	8,704	
	Lights	1,339,096	0.0500	0.0500	670	
	Streets	1,339,096	0.1500	0.1500	2,009	
Bacon Township Vernon County	General Revenue	6,554,622	0.1000	0.1000	6,555	
	Road & Bridge	6,554,622	0.4136	0.4136	27,110	
	Special Road and Bridge	6,554,622	0.1794	0.1794	11,759	2020
Badger Township Vernon County	General Revenue	6,527,977	0.1000	0.1000	6,528	
	Road & Bridge	6,527,977	0.3500	0.3500	22,848	
	Special Road and Bridge	6,527,977	0.3463	0.3463	22,606	2020
Blue Mound Township Vernon County	General Revenue	4,747,122	0.1000	0.1000	4,747	
	Road & Bridge	4,747,122	0.2906	0.2906	13,795	
	Special Road and Bridge	4,747,122	0.1928	0.1928	9,152	2020
Center Township Vernon County	General Revenue	117,447,126	0.1000	0.1000	117,447	
	Road & Bridge	117,447,126	0.3500	0.3500	411,065	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Vernon</u>						
Clear Creek Township Vernon County	General Revenue	7,336,508	0.0998	0.0998	7,322	
	Road & Bridge	7,336,508	0.3646	0.3646	26,749	
	Special Road and Bridge	7,336,508	0.3576	0.3576	26,235 ^A	2022
Coal Township Vernon County	General Revenue	8,541,890	0.1000	0.1000	8,542	
	Road & Bridge	8,541,890	0.3500	0.3500	29,897	
	Special Road and Bridge	8,541,890	0.3485	0.3485	29,768	2020
Deerfield Township Vernon County	General Revenue	13,059,265	0.0924	0.0924	12,067	
	Road & Bridge	13,059,265	0.3333	0.3333	43,527	
Dover Township Vernon County	General Revenue	6,242,426	0.1000	0.1000	6,242	
	Road & Bridge	6,242,426	0.2895	0.2895	18,072	
	Special Road and Bridge	6,242,426	0.3742	0.3742	23,359	2022
Drywood Township Vernon County	General Revenue	13,087,567	0.1000	0.1000	13,088	
	Road & Bridge	13,087,567	0.2969	0.2969	38,857	
	Special Road and Bridge	13,087,567	0.3542	0.3542	46,356	2020
Harrison Township Vernon County	General Revenue	5,612,267	0.1000	0.1000	5,612	
	Road & Bridge	5,612,267	0.3500	0.3500	19,643	
	Special Road and Bridge	5,612,267	0.3533	0.3533	19,828	2020
Henry Township Vernon County	General Revenue	5,127,642	0.1000	0.1000	5,128	
	Road & Bridge	5,127,642	0.3500	0.3500	17,947	
	Special Road and Bridge	5,127,642	0.3654	0.3654	18,736	2020
Lake Township Vernon County	General Revenue	3,219,419	0.1000	0.1000	3,219	
	Road & Bridge	3,219,419	0.5000	0.5000	16,097	
	Special Road and Bridge	3,219,419	0.3716	0.3716	11,963	2020
Metz Township Vernon County	General Revenue	5,070,116	0.1000	0.1000	5,070	
	Road & Bridge	5,070,116	0.3500	0.3500	17,745	
	Special Road and Bridge	5,070,116	0.3662	0.3662	18,567	2020
Montevallo Township Vernon County	General Revenue	5,443,254	0.1000	0.1000	5,443	
	Road & Bridge	5,443,254	0.3500	0.3500	19,051	
	Special Road and Bridge	5,443,254	0.2643	0.2643	14,387	2020
Moundville Township Vernon County	General Revenue	7,543,797	0.1000	0.1000	7,544	
	Road & Bridge	7,543,797	0.3500	0.3500	26,403	
	Special Road and Bridge	7,543,797	0.3612	0.3612	27,248	2020
Osage Township Vernon County	General Revenue	4,980,630	0.0932	0.0932	4,642	
	Road & Bridge	4,980,630	0.3261	0.3261	16,242	
	Special Road and Bridge	4,980,630	0.3588	0.3588	17,871 ^A	2022
Richland Township Vernon County	General Revenue	3,607,838	0.1000	0.1000	3,608	
	Road & Bridge	3,607,838	0.3500	0.3500	12,627	
	Special Road and Bridge	3,607,838	0.4272	0.4272	15,413 ^A	2022
Virgil Township Vernon County	General Revenue	5,229,812	0.0891	0.0891	4,660	
	Road & Bridge	5,229,812	0.3229	0.3229	16,887	
Walker Township Vernon County	General Revenue	6,641,461	0.0985	0.0985	6,542	
	Road & Bridge	6,641,461	0.3280	0.3280	21,784	
	Special Road and Bridge	6,641,461	0.3546	0.3546	23,551 ^A	2022
Washington Township Vernon County	General Revenue	29,877,393	0.0993	0.0993	29,668	
	Road & Bridge	29,877,393	0.3475	0.3475	103,824	
	Special Road and Bridge	29,877,393	0.3555	0.3555	106,214	2020
Vernon County Health Department	General Revenue	265,909,992	0.1000	0.1000	265,910	
Nevada R-V School District	Operating Funds-Schools	177,417,450	3.5474	3.5474	6,293,707 ^D	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Vernon</u>						
Nevada R-V School District	Debt Service	177,417,450	0.4851	0.3886	689,444	
Bronaugh R-VII School District	Operating Funds-Schools	14,112,053	4.4181	4.4181	623,485	^D
Sheldon R-VIII School District	Operating Funds-Schools	12,728,634	4.5257	4.5257	576,060	^D
Northeast Vernon County R-I SD	Operating Funds-Schools	18,086,035	4.6332	4.1934	758,420	^D
Vernon County	General Revenue	265,909,992	0.3789	0.1845	490,604	
<u>Warren</u>						
Marthasville Community AD	General Revenue	105,128,105	0.4069	0.4069	427,766	
Warren County Ambulance District	General Revenue	528,835,478	0.4991	0.4991	2,639,418	
City of Marthasville	General Revenue	17,394,121	0.5791	0.5791	100,729	
	Lights	17,394,121	0.1321	0.1321	22,978	
City of Truesdale	General Revenue	31,550,387	0.8617	0.8617	271,870	
City of Warrenton	General Revenue	109,444,100	0.2926	0.2926	320,233	
	Parks & Recreation	109,444,100	0.1732	0.1732	189,557	
	Debt Service	109,444,100	0.0388	0.0000	0	
City of Wright City	General Revenue	70,647,937	0.4970	0.4970	351,120	
	Parks & Recreation	70,647,937	0.0923	0.0923	65,208	
	Lights	70,647,937	0.1846	0.1846	130,416	
	Debt Service	70,647,937	0.2246	0.2000	141,296	
Village of Innsbrook	General Revenue	66,557,218	0.1272	0.1272	84,661	
Village of Pendleton	General Revenue	1,551,368	0.5000	0.5000	7,757	
Wright City FPD	General Revenue	244,670,951	0.5895	0.5895	1,442,335	
Marthasville Volunteer FPD	General Revenue	81,677,510	0.3965	0.3965	323,851	
	Debt Service	81,677,510	0.4199	0.3250	265,452	
Warrenton FPD	General Revenue	285,990,488	0.4497	0.4497	1,286,099	
Wright City R-II School District	Operating Funds-Schools	233,101,048	3.2155	3.2155	7,495,364	^D
	Debt Service	233,101,048	1.3460	1.2000	2,797,213	
Warren County R-III School District	Operating Funds-Schools	308,645,176	3.6170	3.6170	11,163,696	^D
	Debt Service	308,645,176	0.6494	0.6455	1,992,305	
Warren County	General Revenue	639,917,326	0.2452	0.0987	631,598	
	Road & Bridge	639,917,326	0.1767	0.1767	1,130,734	
	Developmental Dis. Board	642,325,467	0.1603	0.1603	1,029,648	
<u>Washington</u>						
Washington County AD	General Revenue	272,793,610	0.2375	0.0866	236,239	
Village of Caledonia	General Revenue	1,243,895	0.1773	0.1773	2,205	
City of Irondale	General Revenue	2,487,975	0.5118	0.5118	12,733	
Village of Mineral Point	General Revenue	1,204,175	0.3028	0.3028	3,646	
City of Potosi	General Revenue	27,385,293	0.6577	0.6577	180,113	
Washington County Library District	General Revenue	272,793,610	0.1901	0.1901	518,581	
Potosi FPD	General Revenue	180,941,197	0.2399	0.2399	434,078	
Richwoods FPD	General Revenue	18,381,543	0.2695	0.2695	49,538	
Irondale FPD	General Revenue	12,417,267	0.4747	0.4747	58,945	
Caledonia FPD	General Revenue	7,223,436	0.3757	0.3757	27,138	
Washington County Health Department	General Revenue	272,793,610	0.1425	0.1425	388,731	
Kingston K-14 School District	Operating Funds-Schools	33,381,102	3.0095	2.9008	968,319	^D
	Debt Service	33,381,102	1.0278	0.9895	330,306	
Potosi R-III School District	Operating Funds-Schools	97,133,110	2.7500	2.7500	2,671,161	^E
	Debt Service	97,133,110	0.5645	0.5000	485,666	
Richwoods R-VII School District	Operating Funds-Schools	14,821,376	3.2378	3.2378	479,887	^D

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Washington</u>						
Valley R-VI School District	Operating Funds-Schools	26,549,104	3.7410	3.7410	993,202	D
Washington County	General Revenue	272,793,610	0.3705	0.2012	548,861	
	Road & Bridge	272,793,610	0.2605	0.2605	710,627	
	Hospital	272,793,610	0.1901	0.1901	518,581	
	Developmental Dis. Board	272,793,610	0.1901	0.1901	518,581	
	Senior Services	272,793,610	0.0475	0.0475	129,577	
<u>Wayne</u>						
East Wayne Ambulance District	General Revenue	68,244,884	0.3000	0.3000	204,735	
Clearwater Ambulance District	General Revenue	75,954,733	0.2930	0.2930	222,547	
Village of Mill Spring	General Revenue	509,477	0.7323	0.7323	3,731	
City of Piedmont	General Revenue	17,565,974	0.2389	0.2200	38,645	
	Lights	17,565,974	0.1412	0.1300	22,836	
	Cemetery	17,565,974	0.0326	0.0300	5,270	
	Library	17,565,974	0.1086	0.1000	17,566	
Clearwater FPD	General Revenue	57,602,568	0.3000	0.3000	172,808	
Wayne County Health Center	General Revenue	147,092,130	0.1000	0.1000	147,092	
Greenville R-II School District	Operating Funds-Schools	52,147,842	2.7500	2.7500	1,434,066	D
	Debt Service	52,147,842	1.1545	0.3600	187,732	
Clearwater R-I School District	Operating Funds-Schools	67,855,027	2.7500	2.7500	1,866,013	D
	Debt Service	67,855,027	0.4854	0.4000	271,420	
Wayne County	General Revenue	147,092,130	0.3027	0.0000	0	
	Road & Bridge	147,092,130	0.1116	0.1100	161,801	
	Developmental Dis. Board	147,092,130	0.0812	0.0800	117,674	
<u>Webster</u>						
Village of Diggins	General Revenue	2,593,818	0.2244	0.2244	5,821	
City of Fordland	General Revenue	5,965,917	0.3810	0.3810	22,730	
City of Marshfield	Parks & Recreation	93,038,100	0.1109	0.1109	103,179	
	Cemetery	93,038,100	0.1311	0.1311	121,973	
	Debt Service	93,038,100	1.8622	0.3700	344,241	
City of Niangua	General Revenue	1,967,700	0.2721	0.2721	5,354	
City of Rogersville	General Revenue	42,992,006	0.3267	0.3267	140,455	
	Debt Service	42,992,006	0.4969	0.4969	213,627	
City of Seymour	General Revenue	20,211,998	0.3536	0.3536	71,470	
	Parks & Recreation	20,211,998	0.0785	0.0785	15,866	
	Cemetery	20,211,998	0.0495	0.0495	10,005	
	Library	7,991,998	0.0631	0.0631	5,043	
Webster County Library District	General Revenue	453,432,122	0.1133	0.1133	513,739	
Southern Webster County FPD	General Revenue	89,386,134	0.2819	0.2819	251,980	
Marshfield FPD	General Revenue	212,863,702	0.2867	0.2867	610,280	
Niangua FPD	General Revenue	18,263,786	0.2859	0.2859	52,216	
Webster County Health Unit	General Revenue	461,421,303	0.1324	0.1324	610,922	
Niangua R-V School District	Operating Funds-Schools	18,744,130	3.1323	3.1323	587,122	D
Fordland R-III School District	Operating Funds-Schools	40,521,322	3.1673	3.1673	1,283,432	BD
	Debt Service	40,521,322	1.2341	0.7589	307,516	
Marshfield R-I School District	Operating Funds-Schools	226,789,879	3.2424	3.2400	7,347,992	D
	Debt Service	226,789,879	0.9511	0.6000	1,360,739	
Seymour R-II School District	Operating Funds-Schools	59,024,975	3.5705	3.5000	2,065,874	BD
Webster County	General Revenue	461,421,303	0.0000	0.0000	0	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
<u>Webster</u>						
Webster County	Road & Bridge	461,421,303	0.1797	0.1797	829,174	
	Developmental Dis. Board	461,421,303	0.0757	0.0757	349,296	
	Senior Services	461,421,303	0.0477	0.0477	220,098	
<u>Worth</u>						
Worth County Ambulance District	General Revenue	33,919,681	0.3000	0.3000	101,759	
Worth Co Convalescent Ctr District	General Revenue	33,919,681	0.3500	0.3500	118,719	
East Fork of Grand River WSD	General Revenue	2,869,770	0.1945	0.1945	5,582	
Village of Allendale	General Revenue	708,835	0.4000	0.4000	2,835	
	General Revenue-Temp	708,835	0.2038	0.2038	1,445	2021
Village of Denver	General Revenue	267,666	0.7659	0.7659	2,050	
City of Grant City	General Revenue	5,051,485	1.0000	1.0000	50,515	
	Health	5,051,485	0.1800	0.1800	9,093	
	Special Fund	5,051,485	0.3000	0.3000	15,154	
	Debt Service	5,051,485	1.4828	1.0000	50,515	
City of Sheridan	General Revenue	1,244,237	1.0000	1.0000	12,442	
Village of Worth	General Revenue	227,307	0.8000	0.8000	1,818	
Sheridan FPD	General Revenue	6,538,585	0.1817	0.1817	11,881	
Worth County FPD	General Revenue	25,050,413	0.2000	0.2000	50,101	
Worth County R-III School District	Operating Funds-Schools	28,599,200	3.5200	3.5200	1,006,692	D
	Debt Service	28,599,200	0.3076	0.2500	71,498	
Worth County	General Revenue	33,919,681	0.5000	0.5000	169,598	
	Library	33,919,681	0.1000	0.1000	33,920	
	Road & Bridge	33,919,681	0.5000	0.5000	169,598	
	Special Road and Bridge	33,919,681	0.3603	0.3603	122,213	2021
	Senior Services	33,919,681	0.0500	0.0500	16,960	
	General Revenue-Temp	33,919,681	0.3516	0.3516	119,262	2022
	General Revenue-Temp 1	33,919,681	0.3516	0.3516	119,262	2022
<u>Wright</u>						
City of Hartville	General Revenue	4,216,804	0.5635	0.0000	0	
City of Mansfield	General Revenue	11,417,212	0.5392	0.5392	61,562	
	Cemetery	11,417,212	0.1000	0.1000	11,417	
	Streets	11,417,212	0.1640	0.1640	18,724	
	General Revenue	47,293,587	0.0000	0.0000	0	
City of Mountain Grove	Parks & Recreation	47,293,587	0.0000	0.0000	0	
	General Revenue	4,390,178	0.4078	0.4078	17,903	
City of Norwood	Water	4,390,178	0.6504	0.6504	28,554	
Wright County Library District	General Revenue	197,285,812	0.1439	0.1439	283,894	
Wright County Health Department	General Revenue	197,285,812	0.0822	0.0822	162,169	
Norwood R-I School District	Operating Funds-Schools	19,463,707	3.6715	3.6715	714,610	D
Hartville R-II School District	Operating Funds-Schools	41,353,450	3.1023	3.1023	1,282,908	D
Mountain Grove R-III SD	Operating Funds-Schools	101,376,347	2.7500	2.7500	2,787,850	D
Mansfield R-IV School District	Operating Funds-Schools	40,950,471	2.9211	2.9200	1,195,754	D
	Debt Service	40,950,471	1.1723	1.0700	438,170	
Manes R-V School District	Operating Funds-Schools	5,551,031	3.6626	3.6626	203,312	D
Wright County	General Revenue	197,285,812	0.3188	0.0835	164,734	
	Developmental Dis. Board	197,285,812	0.0822	0.0822	162,169	

Appendix VII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
St. Louis City						
St. Louis Public Library Districts	General Revenue	4,602,543,636	0.5439	0.5439	25,033,235	
Baden Market Centre SBD	General Revenue	1,409,800	0.8500	0.8500	11,983	
Locust Central SBD	General Revenue	43,384,920	0.8500	0.8500	368,772	
Central West End South SBD	General Revenue	52,038,101	0.5528	0.5528	287,667	
Central West End North SBD	General Revenue	61,524,620	0.8500	0.8500	522,959	2028
Soulard SBD	General Revenue	65,315,025	0.5619	0.5619	367,005	
Waterman/Lake SBD	General Revenue	6,962,140	0.8126	0.8126	56,574	2024
Westminister/Lake SBD	General Revenue	11,281,150	0.6795	0.6795	76,655	2024
Washington Place SBD	General Revenue	8,037,030	0.6773	0.6773	54,435	2024
Cathedral Square SBD	General Revenue	31,387,710	0.8500	0.8500	266,796	2028
Central West End Southeast SBD	General Revenue	70,472,040	0.8500	0.8500	599,012	2028
Cherokee-Lemp SBD	General Revenue	2,242,500	0.5373	0.5373	12,049	
Gardenside SBD	General Revenue	20,302,250	0.4010	0.4010	81,412	2022
Tower Grove S Concerned Citizen SBD	General Revenue	18,018,670	0.8500	0.6500	117,121	2033
DeBaliviere Place SBD	General Revenue	36,713,280	0.8500	0.8500	312,063	2024
St. Louis Community College	General Revenue	32,581,000,129	0.1987	0.1987	64,738,447	
St. Louis City School District	Operating Funds-Schools	4,486,821,697	4.3915	4.3915	197,038,775	^D
	Debt Service	4,486,821,697	0.8574	0.6211	27,867,650	
City of St. Louis	General Revenue	4,415,395,078	0.3388	0.3388	14,959,359	
	Parks & Recreation	4,415,395,078	0.0195	0.0195	861,002	
	Health	4,415,395,078	0.0195	0.0195	861,002	
	Hospital	4,415,395,078	0.0969	0.0969	4,278,518	
	Developmental Dis. Board	4,984,582,156	0.1341	0.1341	6,684,325	
	Mental Health	4,602,543,636	0.0872	0.0872	4,013,418	
	Senior Services	4,602,543,636	0.0488	0.0488	2,246,041	
	Community Child Service	4,602,543,636	0.1843	0.1843	8,482,488	
	General Revenue 1	4,602,543,636	0.1552	0.1552	7,143,148	
	General Revenue 2	4,415,395,078	0.8132	0.8132	35,905,993	
	Debt Service	4,415,395,078	0.1465	0.1465	6,468,554	
Total Revenue					<u>\$ 6,313,402,285</u>	

LEGEND:

- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase or decrease to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- E School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.
- F Article X, Section 11(g) of the Missouri Constitution allows the Kansas City 33 School District School Board to set its tax levy at a rate that is lower than the court-ordered rate for the 1995 tax year (which was \$4.96). The rate so established may be changed from year to year by the School Board.

NOTES:

Taxing authorities are listed by primary county and categorized by type of taxing authority. The counties are listed alphabetically (Adair through Wright followed by the City of St. Louis). When a taxing authority is in more than one county, it is listed under the primary county only.

Appendix VII
 2020 Property Tax Rates
 Listing of 2020 Tax Rates for Local Governments Levying a Single Tax Rate on All Property

Political Subdivision	Purpose	Assessed Value	Ceiling	Levied	Revenue	Expiration Year
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This Appendix does not list taxing authorities that levied a separate tax rate for each subclass of property. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Taxing authorities partially in St. Louis County, whether the primary county is St. Louis County or another county, are required to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VIII for a listing of taxing authorities that calculated separate tax rates for each subclass of property.

All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

The Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue amount shown is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

ACRONYMS:

AD	Ambulance District
CID	Community Improvement District
EMS	Emergency Medical Services
FPD	Fire Protection District
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
SBD	Special Business District
SD	School District
SwrD	Sewer District
SRD	Special Road District
TDD	Transportation Development District
TWSP	Township
WSD	Watershed Subdistrict

Appendix VIII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration					
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year				
<u>Clay</u>																			
City of Gladstone	General Revenue	269,432,490	0.8670	0.8670		30,020	0.9290	0.9290		68,639,133	0.8770	0.8770		62,128,358	0.9290	0.9290		3,515,396	
<u>St. Louis</u>																			
City of Bellefontaine Neighbors	General Revenue	52,310,960	0.2270	0.2270		26,200	0.0000	0.0000		13,668,045	0.2440	0.2440		13,876,158	0.2350	0.2350		184,705	
	Debt Service	52,310,960	1.2588	1.2588		26,200	1.2588	1.2588		13,668,045	1.2588	1.2588		13,876,158	1.2588	1.2588		1,005,546	
City of Bellerive Acres	General Revenue	3,746,750	0.6220	0.6220		0	0.0000	0.0000		1,978,517	0.1990	0.1990		866,833	0.7900	0.7900		34,090	
City of Bel Nor	General Revenue	17,222,100	0.3930	0.3930		0	0.0000	0.0000		1,193,513	0.1900	0.1900		2,779,518	0.5530	0.5530		85,322	
	Debt Service	17,222,100	0.4400	0.4400		0	0.4400	0.4400		1,193,513	0.4400	0.4400		2,779,518	0.4400	0.4400		93,258	
City of Bel Ridge	General Revenue	8,552,480	0.3500	0.3500		0	0.0000	0.0000		17,807,539	0.6010	0.6010		3,965,705	0.0000	0.0000		136,957	
City of Berkeley	General Revenue	36,310,690	0.9520	0.9520		15,920	0.9860	0.9860		115,186,741	0.9930	0.9930		52,946,016	0.9200	0.9200		1,976,742	
	Pension	36,310,690	0.3040	0.3040		15,920	0.3220	0.3220		115,186,741	0.3310	0.3310		52,946,016	0.3460	0.3460		674,896	
	Ambulance	36,310,690	0.2580	0.2580	A	15,920	0.2500	0.2500	A	115,186,741	0.2550	0.2550	A	52,946,016	0.2560	0.2560	A	522,990	
	Debt Service	36,310,690	0.1170	0.0950		15,920	0.1170	0.0950		115,186,741	0.1170	0.0950		52,946,016	0.1170	0.0950		194,236	
City of Beverly Hills	General Revenue	2,173,710	0.2240	0.2240		0	0.0000	0.0000		1,469,837	0.2200	0.2200		683,849	0.2320	0.2320		9,690	
City of Black Jack	Debt Service	59,456,360	0.4470	0.4470		7,630	0.4470	0.4470		3,095,810	0.4470	0.4470		13,073,097	0.4470	0.4470		338,079	
City of Breckenridge Hills	General Revenue	22,873,880	0.2030	0.2030		0	0.0000	0.0000		10,334,897	0.1910	0.1910		4,889,894	0.0000	0.0000		66,174	
City of Brentwood	General Revenue	180,383,960	0.0000	0.0000		0	0.0000	0.0000		124,209,726	0.1960	0.1960		35,924,490	0.2070	0.2070		317,815	
	Library	180,383,960	0.2510	0.2510		0	0.0000	0.0000		124,209,726	0.2850	0.2850		35,924,490	0.3090	0.3090		917,769	
	Pension	180,383,960	0.3040	0.3040		0	0.0000	0.0000		124,209,726	0.3770	0.3770		35,924,490	0.3850	0.3850		1,154,947	
City of Bridgeton	General Revenue	123,675,780	0.1460	0.1460		190,610	0.0000	0.0000		285,779,941	0.2380	0.2380		103,288,498	0.0000	0.0000		860,723	
City of Calverton Park	General Revenue	8,270,575	0.3480	0.3480		0	0.0000	0.0000		154,730	0.3670	0.3670		1,464,167	0.2980	0.2980		33,713	
City of Charlack	General Revenue	7,673,000	0.2040	0.2040		0	0.0000	0.0000		3,120,683	0.2110	0.2110		2,576,181	0.2570	0.2570		28,859	
City of Clarkson Valley	General Revenue	107,807,234	0.1180	0.1180		14,330	0.0560	0.0560		12,976,170	0.1240	0.1240		13,453,507	0.1530	0.1530		163,895	
City of Clayton	General Revenue	641,535,530	0.5160	0.5200	c	0	0.0000	0.0000		450,235,933	0.6100	0.6100		85,588,846	0.7070	0.7070		6,687,537	
	Police	641,535,530	0.1010	0.1020	c	0	0.0000	0.0000		450,235,933	0.1070	0.1070		85,588,846	0.1220	0.1220		1,240,536	2033
	Debt Service	641,535,530	0.0770	0.0770		0	0.0770	0.0770		450,235,933	0.0770	0.0770		85,588,846	0.0770	0.0770		906,567	
City of Cool Valley	General Revenue	5,996,620	0.3500	0.3500		0	0.0000	0.0000		7,803,366	0.3500	0.3500		2,579,629	0.1650	0.1650		52,556	
City of Country Club Hills	General Revenue	3,286,450	1.0000	1.0000		0	0.0000	0.0000		1,554,017	0.9290	0.9290		953,876	0.7140	0.7140		54,113	
	Parks & Recreation	3,286,450	0.4000	0.4000		0	0.0000	0.0000		1,554,017	0.4000	0.4000		953,876	0.3300	0.3300		22,510	
	Health	3,286,450	0.2000	0.2000		0	0.0000	0.0000		1,554,017	0.2000	0.2000		953,876	0.1880	0.1880		11,474	
Village of Country Life Acres	General Revenue	7,718,230	0.3500	0.3500		1,090	0.0000	0.0000		101,945	0.3400	0.3400		640,254	0.4200	0.4200		30,050	
City of Crestwood	General Revenue	223,379,630	0.5980	0.5980		0	0.0000	0.0000		67,527,549	0.8320	0.8320		36,454,531	0.7430	0.7430		2,168,496	
City of Creve Coeur	General Revenue	600,686,250	0.0750	0.0750		8,620	0.0230	0.0230		408,534,978	0.0760	0.0760		0	0.0000	0.0000		761,004	
	Debt Service	600,686,250	0.1020	0.0820		8,620	0.1020	0.0820		408,534,978	0.1020	0.0820		0	0.1020	0.0820		827,569	
City of Crystal Lake Park	General Revenue	18,190,920	0.5910	0.5910		0	0.0000	0.0000		266,709	0.2040	0.2040		1,424,758	0.8080	0.8080		119,564	
City of Dellwood	General Revenue	22,921,080	0.2720	0.2720		0	0.0000	0.0000		7,546,742	0.2770	0.2770		7,041,774	0.2350	0.2350		99,797	
	Debt Service	22,921,080	1.9880	1.4666		0	1.9880	1.4666		7,546,742	1.9880	1.4666		7,041,774	1.9880	1.4666		550,117	
City of Des Peres	General Revenue	298,538,300	0.2200	0.0000		81,660	1.0000	0.0000		162,811,200	0.2130	0.0000		46,424,927	0.0000	0.0000		0	
City of Edmundson	General Revenue	4,297,320	0.0000	0.0000		0	0.0000	0.0000		23,131,000	0.6290	0.6290		18,018,187	0.0000	0.0000		145,494	
City of Ellisville	General Revenue	193,983,680	0.1300	0.1300		2,320	0.0000	0.0000		111,797,900	0.1360	0.1360		35,601,468	0.0000	0.0000		404,224	
City of Eureka	General Revenue	188,070,680	0.3340	0.3340		134,560	0.3580	0.3580		63,491,457	0.3740	0.3740		42,543,347	0.3870	0.3870		1,030,739	

Appendix VIII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Ferguson	General Revenue	112,124,920	0.7290	0.7290	15,610	0.4410	0.4410	47,224,550	0.7630	0.7630	32,609,740	0.8240	0.8240	1,446,487	
	Parks & Recreation	112,124,920	0.1750	0.1750	15,610	0.1150	0.1150	47,224,550	0.1870	0.1870	32,609,740	0.1980	0.1980	349,114	
	Debt Service	112,124,920	0.2770	0.2770	15,610	0.2770	0.2770	47,224,550	0.2770	0.2770	32,609,740	0.2770	0.2770	531,770	
City of Flordell Hills	General Revenue	2,256,250	0.9500	0.9500	0	0.0000	0.0000	1,018,530	1.0000	1.0000	566,390	0.0000	0.0000	31,619	
City of Florissant	General Revenue	389,786,140	0.0000	0.0000	39,180	0.0000	0.0000	148,513,559	0.0000	0.0000	86,877,729	0.0000	0.0000	0	
City of Frontenac	General Revenue	231,905,780	0.4350	0.4350	0	0.0000	0.0000	72,227,653	0.3380	0.3380	28,455,155	0.5530	0.5530	1,410,276	
Village of Glen Echo Park	General Revenue	1,394,950	0.3120	0.3120	0	0.0000	0.0000	51,401	0.0730	0.0730	248,040	0.5000	0.5000	5,630	
City of Glendale	General Revenue	178,906,150	0.3450	0.3450	0	0.0000	0.0000	8,174,730	0.3490	0.3490	17,122,516	0.5190	0.5190	734,622	
	Pension	178,906,150	0.2460	0.2460	0	0.2400	0.0000	8,174,730	0.2400	0.2400	17,122,516	0.2460	0.2460	501,849	
	Debt Service	178,906,150	0.2680	0.2680	0	0.2680	0.2680	8,174,730	0.2680	0.2680	17,122,516	0.2680	0.2680	547,264	
Town of Grantwood Village	General Revenue	25,143,650	0.1970	0.1970	133,790	0.1740	0.1740	1,256,837	0.2110	0.2110	3,500,317	0.2610	0.2610	61,554	
City of Greendale	General Revenue	5,883,780	0.4610	0.4610	0	0.0000	0.0000	375,839	0.5560	0.5560	1,091,661	0.0000	0.0000	29,214	
Village of Hanley Hills	General Revenue	8,504,960	0.4560	0.4560	0	0.0000	0.0000	1,032,669	0.4250	0.4250	1,998,609	0.4470	0.4470	52,106	
City of Hazelwood	General Revenue	195,850,230	0.7670	0.7670	296,110	0.6830	0.6830	196,268,872	0.7700	0.7700	111,883,095	0.7540	0.7540	3,859,062	
	Debt Service	195,850,230	0.3140	0.2220	296,110	0.3140	0.2220	196,268,872	0.3140	0.2220	111,883,095	0.3140	0.2220	1,119,542	
Village of Hillsdale	General Revenue	3,714,800	0.4560	0.4560	0	0.0000	0.0000	3,026,029	0.4410	0.4410	2,106,283	0.5000	0.5000	40,815	
City of Huntleigh	General Revenue	52,112,560	0.1600	0.1600	13,000	0.1310	0.1310	575,836	0.2050	0.2050	3,101,518	0.1900	0.1900	90,470	
City of Jennings	General Revenue	53,162,630	0.9410	0.9410	0	0.0000	0.0000	23,437,203	0.9230	0.9230	14,239,121	1.0000	1.0000	858,976	
	Pension	53,162,630	0.3560	0.3560	0	0.0000	0.0000	23,437,203	0.3470	0.3470	14,239,121	0.3720	0.3720	323,556	
City of Kinloch	General Revenue	1,579,150	1.0000	1.0000	0	0.0000	0.0000	1,194,630	1.0000	1.0000	3,728,668	1.0000	1.0000	65,025	
City of Kirkwood	General Revenue	755,822,310	0.2700	0.2700	0	0.0000	0.0000	137,501,306	0.2960	0.2960	86,548,016	0.3400	0.3400	2,741,987	
	Parks & Recreation	755,822,310	0.1060	0.1060	0	0.0000	0.0000	137,501,306	0.1160	0.1160	86,548,016	0.1190	0.1190	1,063,666	
	Library	748,853,120	0.1520	0.1520	0	0.0000	0.0000	119,534,035	0.1880	0.1880	84,556,739	0.2350	0.2350	1,561,689	
	Pension	755,822,310	0.1170	0.1170	0	0.0000	0.0000	137,501,306	0.1440	0.1440	86,548,016	0.1800	0.1800	1,238,100	
	Library-Temp	748,853,120	0.0930	0.0930	0	0.0000	0.0000	119,534,035	0.1020	0.1020	84,556,739	0.1200	0.1200	919,826	2032
City of Ladue	General Revenue	693,534,230	0.6180	0.6170	2,080	0.0000	0.0000	59,935,190	0.5650	0.5650	54,688,572	0.7560	0.7560	5,031,186	
City of Lakeshire	General Revenue	16,574,010	0.3240	0.3240	0	0.0000	0.0000	342,751	0.3430	0.3430	0	0.0000	0.0000	54,876	
City of Manchester	General Revenue	314,203,760	0.0370	0.0370	0	0.0000	0.0000	59,434,571	0.0400	0.0370	43,192,956	0.0500	0.0500	159,842	
	Debt Service	314,203,760	0.2800	0.2800	0	0.2800	0.2800	59,434,571	0.2800	0.2800	43,192,956	0.2800	0.2800	1,167,128	
City of Maplewood	General Revenue	102,244,210	0.1560	0.1560	0	0.0000	0.0000	83,466,738	0.4590	0.4590	22,123,559	0.5670	0.5670	668,054	
	Solid Waste Landfill	102,321,770	0.2170	0.2170	0	0.0000	0.0000	83,904,528	0.2590	0.2590	21,546,292	0.3250	0.3250	509,376	
	Pension	102,321,770	0.3170	0.3170	0	0.0000	0.0000	83,904,528	0.3900	0.3900	21,546,292	0.4450	0.4450	747,469	
	Debt Service	102,244,210	0.2610	0.2610	0	0.2610	0.2610	83,466,738	0.2610	0.2610	22,123,559	0.2610	0.2610	542,447	
Village of Marlborough	General Revenue	17,342,380	0.0940	0.0940	0	0.0000	0.0000	9,213,896	0.1110	0.1110	4,073,997	0.1110	0.1110	31,051	
City of Moline Acres	General Revenue	9,357,100	0.8860	0.8860	0	0.0000	0.0000	2,716,794	0.9080	0.9080	2,383,635	1.0000	1.0000	131,408	
	Debt Service	9,357,100	2.6719	1.5500	0	2.6719	1.5500	2,716,794	2.6719	1.5500	2,383,635	2.6719	1.5500	224,091	
City of Normandy	General Revenue	17,703,600	0.3330	0.3330	0	0.0000	0.0000	6,996,429	0.2840	0.2840	4,747,878	0.4000	0.4000	97,815	
City of Northwoods	General Revenue	18,574,260	0.3820	0.3820	0	0.0000	0.0000	5,647,815	0.3050	0.3050	4,250,744	0.3470	0.3470	102,930	
	Debt Service	18,574,260	1.3153	1.3153	0	1.3153	1.3153	5,647,815	1.3153	1.3153	4,250,744	1.3153	1.3153	374,503	
Village of Norwood Court	General Revenue	2,818,060	0.3020	0.2800	0	0.0000	0.0000	275,380	0.2340	0.2330	789,668	0.3450	0.3450	11,257	
City of Oakland	General Revenue	32,577,590	0.1700	0.1700	0	0.0000	0.0000	2,869,456	0.2470	0.2470	3,421,790	0.2370	0.2370	70,580	

Appendix VIII
2020 Property Tax Rates
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Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Olivette	General Revenue	208,458,420	0.5410	0.5410	0	0.0000	0.0000	58,633,291	0.7390	0.7390	33,687,689	0.7710	0.7710	1,820,792	
	Pension	208,458,420	0.1980	0.1980	0	0.0000	0.0000	58,633,291	0.2380	0.2380	33,687,689	0.2500	0.2500	636,514	
	Debt Service	208,458,420	0.6260	0.5400	0	0.6260	0.5400	58,633,291	0.6260	0.5400	33,687,689	0.6260	0.5400	1,624,209	
City of Overland	General Revenue	113,478,670	0.0580	0.0580	0	0.0000	0.0000	90,234,700	0.0740	0.0740	44,475,010	0.0970	0.0970	175,733	
	Pension	113,478,670	0.2050	0.2050	0	0.0000	0.0000	90,234,700	0.3360	0.3360	44,475,010	0.3670	0.3670	699,043	
City of Pagedale	General Revenue	7,809,670	0.3500	0.3500	0	0.0000	0.0000	16,692,762	0.3150	0.3150	6,023,387	0.3500	0.3500	100,998	
City of Pasadena Hills	General Revenue	13,696,060	0.2410	0.2410	0	0.0000	0.0000	553,492	0.1050	0.1050	1,831,532	0.3100	0.3100	39,267	
	Debt Service	13,696,060	0.7550	0.7550	0	0.7550	0.7550	553,492	0.7550	0.7550	1,831,532	0.7550	0.7550	121,412	
Village of Pasadena Park	General Revenue	5,120,017	0.2630	0.2630	0	0.0000	0.0000	74,010	0.0000	0.0000	619,549	0.3090	0.3090	15,380	
City of Pine Lawn	General Revenue	9,145,310	0.2830	0.2830	0	0.0000	0.0000	4,891,204	0.2820	0.2820	2,733,011	0.2570	0.2570	46,698	
City of Richmond Heights	General Revenue	230,637,330	0.2450	0.2450	0	0.0000	0.0000	106,960,136	0.3220	0.3220	33,703,166	0.2890	0.2890	1,006,875	
	Pension	230,637,330	0.2760	0.2760	0	0.0000	0.0000	106,960,136	0.3550	0.3200	33,703,166	0.3180	0.3180	1,086,007	
Village of Riverview	General Revenue	9,696,830	0.4070	0.4070	0	0.0000	0.0000	2,394,912	0.4260	0.4260	2,091,607	0.3110	0.3110	56,173	
City of Rock Hill	General Revenue	88,159,080	0.2250	0.2250	0	0.0000	0.0000	30,129,413	0.2750	0.2750	14,217,101	0.3400	0.3400	329,552	
	Library	88,159,080	0.2260	0.2260	0	0.0000	0.0000	30,126,782	0.2890	0.2890	14,238,366	0.3550	0.3550	336,852	
	Debt Service	88,159,080	0.9330	0.6380	0	0.9330	0.6380	30,129,413	0.9330	0.6380	14,217,101	0.9330	0.6380	845,386	
City of St. Ann	General Revenue	90,167,480	0.8620	0.8620	0	0.0000	0.0000	30,085,314	0.9770	0.9770	25,629,653	1.0000	1.0000	1,327,475	
	Debt Service	90,167,480	0.3980	0.3980	0	0.3980	0.3980	30,085,314	0.3980	0.3980	25,629,653	0.3980	0.3980	580,613	
City of St. John	General Revenue	41,412,570	0.4230	0.4230	0	0.0000	0.0000	18,095,970	0.4820	0.4820	11,793,238	0.4500	0.4500	315,468	
City of Shrewsbury	General Revenue	87,915,100	0.3980	0.3980	0	0.0000	0.0000	37,697,887	0.4100	0.4100	24,226,976	0.5770	0.5770	644,253	
	Debt Service	87,915,100	0.1640	0.1640	0	0.1640	0.1640	37,697,887	0.1640	0.1640	24,226,976	0.1640	0.1640	245,738	
City of Sunset Hills	General Revenue	276,116,990	0.0470	0.0470	138,640	0.0520	0.0520	120,175,247	0.0480	0.0480	46,190,254	0.0600	0.0600	215,245	
Village of Sycamore Hills	General Revenue	5,075,330	0.2320	0.2320	0	0.0000	0.0000	608,149	0.2740	0.2740	940,893	0.2510	0.2510	15,803	
	Health	5,075,330	0.1070	0.1070	0	0.0000	0.0000	608,149	0.1310	0.1310	940,893	0.1170	0.1170	7,329	
City of Town and Country	General Revenue	565,117,320	0.0000	0.0000	67,680	0.0000	0.0000	234,875,052	0.0000	0.0000	95,417,878	0.0000	0.0000	0	
	Dispatch	565,117,320	0.0000	0.0000	67,680	0.0000	0.0000	234,875,025	0.0000	0.0000	95,417,878	0.0000	0.0000	0	
City of Twin Oaks	General Revenue	8,192,350	0.0000	0.0000	0	0.0000	0.0000	10,257,660	0.3850	0.3850	2,016,650	0.0000	0.0000	39,492	
City of University City	General Revenue	598,619,090	0.4790	0.4710	0	0.0000	0.0000	71,244,972	0.5080	0.4870	67,295,687	0.6800	0.6800	3,624,070	
	Library	598,619,090	0.3650	0.3650	0	0.0000	0.0000	71,244,972	0.3450	0.3450	67,827,727	0.4080	0.4080	2,707,492	
	Pension	598,619,090	0.1410	0.1390	0	0.0000	0.0000	71,244,972	0.1380	0.1330	67,295,687	0.1950	0.1950	1,058,064	
Village of Uplands Park	General Revenue	1,563,230	0.4500	0.4500	0	0.0000	0.0000	439,077	0.2260	0.2260	433,595	0.3910	0.3910	9,722	
City of Valley Park	General Revenue	91,547,250	0.4000	0.4000	68,220	0.0000	0.0000	55,220,648	0.5670	0.5670	22,577,982	0.5700	0.5700	807,984	
City of Velda City	General Revenue	4,270,550	0.4380	0.4380	0	0.0000	0.0000	1,387,634	0.5000	0.5000	1,157,879	0.3540	0.3540	29,742	
	Debt Service	4,270,550	1.5841	1.5841	0	1.5841	1.5841	1,387,634	1.5841	1.5841	1,157,879	1.5841	1.5841	107,974	
City of Velda Village Hills	General Revenue	3,309,920	0.4380	0.4380	0	0.0000	0.0000	642,633	0.4610	0.4610	945,322	0.3780	0.3780	21,033	
City of Vinita Park	General Revenue	10,106,770	0.2380	0.2380	0	0.0000	0.0000	30,907,020	0.2610	0.2610	8,159,214	0.2300	0.2300	123,487	
City of Warson Woods	General Revenue	68,708,250	0.2910	0.2910	0	0.0000	0.0000	9,316,714	0.3600	0.3600	6,727,718	0.0000	0.0000	233,481	
City of Webster Groves	General Revenue	544,848,710	0.1850	0.1850	0	0.0000	0.0000	76,454,943	0.1810	0.1810	62,055,484	0.2800	0.2800	1,320,108	
	Library	544,848,710	0.1190	0.1190	0	0.0000	0.0000	76,454,943	0.1150	0.1150	62,141,704	0.1800	0.1800	848,148	
	Streets	544,848,710	0.1190	0.1190	0	0.0000	0.0000	76,454,943	0.1160	0.1160	62,055,484	0.1810	0.1810	849,378	
	Pension	544,848,710	0.1710	0.1710	0	0.0000	0.0000	76,454,943	0.1850	0.1850	62,055,484	0.2000	0.2000	1,197,244	
	Library-Temp	544,848,710	0.1050	0.1050	0	0.0000	0.0000	76,454,943	0.1070	0.1070	62,141,704	0.1350	0.1350	737,789	2028
	Debt Service	544,848,710	0.4220	0.2410	0	0.4220	0.2410	76,454,943	0.4220	0.2410	62,055,484	0.4220	0.2410	1,646,895	

Appendix VIII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration	
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
City of Wellston	General Revenue	4,314,540	0.5260	0.5260	0	0.0000	0.0000	10,788,748	0.3850	0.3850	3,442,043	0.6000	0.6000	84,883	
Village of Westwood	General Revenue	22,672,670	0.0510	0.0510	0	0.0000	0.0000	292,268	0.0870	0.0870	0	0.0000	0.0000	11,817	
City of Winchester	General Revenue	17,527,140	0.1770	0.1770	0	0.0000	0.0000	3,846,409	0.1480	0.1480	2,839,829	0.2610	0.2610	44,128	
City of Woodson Terrace	General Revenue	22,068,080	0.3500	0.3500	0	0.0000	0.0000	24,974,425	0.3350	0.3350	41,717,848	0.2510	0.2510	265,614	
Ferguson Municipal Library District	General Revenue	112,124,920	0.3590	0.3590	15,610	0.1010	0.1010	53,365,751	0.3840	0.3840	35,496,428	0.4080	0.4080	752,293	
Maplewood Public Library District	General Revenue	101,891,380	0.2200	0.2200	0	0.0000	0.0000	73,686,408	0.2820	0.2820	26,966,354	0.3020	0.3020	513,395	
	Debt Service	101,891,380	0.1670	0.1250	0	0.1670	0.1250	73,686,408	0.1670	0.1250	26,966,354	0.1670	0.1250	253,180	
Richmond Heights Memorial PLD	General Revenue	230,637,330	0.1880	0.1880	0	0.0000	0.0000	106,960,136	0.2490	0.2490	33,703,166	0.2110	0.2110	771,043	
St. Louis County Library District	General Revenue	14,180,073,850	0.2350	0.2350	6,316,480	0.2250	0.2250	6,185,302,240	0.2460	0.2460	3,452,632,970	0.2750	0.2750	58,047,971	
Valley Park Community PLD	General Revenue	37,942,516	0.1310	0.1310	240	0.0000	0.0000	16,992,690	0.1010	0.1010	11,671,559	0.1700	0.1700	86,710	
Aftton FPD	General Revenue	448,028,680	1.0899	1.0899	0	0.0000	0.0000	75,268,282	1.2313	1.2313	77,601,915	1.3719	1.3719	6,874,464	
	Ambulance	448,028,680	0.1140	0.1140	0	0.0000	0.0000	75,268,282	0.1250	0.1250	77,601,915	0.1400	0.1400	713,481	
Aftton FPD	Pension	448,028,680	0.0500	0.0500	0	0.0000	0.0000	75,268,282	0.0570	0.0570	77,601,915	0.0640	0.0640	316,582	
	Dispatch	448,028,680	0.0220	0.0220	0	0.0000	0.0000	75,268,282	0.0200	0.0200	77,601,915	0.0270	0.0270	134,573	
Metro West FPD	General Revenue	1,683,632,940	0.4240	0.4240	835,040	0.5240	0.5240	270,063,034	0.4920	0.4920	237,649,829	0.5610	0.5610	9,804,906	
	Ambulance	1,683,632,940	0.3860	0.3860	835,040	0.4160	0.4160	270,063,034	0.4280	0.4280	237,649,829	0.4700	0.4700	8,775,121	
	Pension	1,683,632,940	0.0810	0.0810	835,040	0.0990	0.0990	270,063,034	0.0920	0.0920	237,649,829	0.1060	0.1060	1,864,937	
	Dispatch	1,683,632,940	0.0370	0.0370	835,040	0.0430	0.0430	270,063,034	0.0410	0.0410	237,649,829	0.0480	0.0480	848,101	
	Debt Service	1,683,632,940	0.1110	0.1110	835,040	0.1110	0.1110	270,063,034	0.1110	0.1110	237,649,829	0.1110	0.1110	2,433,321	
Black Jack FPD	General Revenue	458,565,250	0.8640	0.8640	208,820	0.6960	0.6960	65,843,835	0.9480	0.9480	85,501,916	1.0000	1.0000	5,442,676	
	Pension	458,565,250	0.2160	0.2160	208,820	0.2050	0.2050	65,843,835	0.2340	0.2340	85,501,916	0.2500	0.2500	1,358,759	
	Emergency Medical Service	458,565,250	0.3460	0.3460	208,820	0.2480	0.2480	65,843,835	0.3760	0.3760	85,501,916	0.4000	0.4000	2,176,735	
	NCCFA System	458,565,250	0.0430	0.0430	208,820	0.0490	0.0490	65,843,835	0.0470	0.0470	85,501,916	0.0500	0.0500	270,983	
	Debt Service	458,565,250	0.1480	0.1480	208,820	0.1480	0.1480	65,843,835	0.1480	0.1480	85,501,916	0.1480	0.1480	902,978	
Monarch FPD	General Revenue	1,746,310,823	0.4430	0.4430	1,370,990	0.4210	0.4210	671,785,130	0.4760	0.4760	340,376,503	0.5300	0.5300	12,743,621	
	Ambulance	1,746,310,823	0.2670	0.2670	1,370,990	0.2620	0.2620	671,785,130	0.2970	0.2970	340,376,503	0.3300	0.3300	7,784,686	
	Pension	1,746,310,823	0.0810	0.0810	1,370,990	0.0790	0.0790	671,785,130	0.0900	0.0900	340,376,503	0.1000	0.1000	2,360,579	
	Dispatch	1,746,310,823	0.0430	0.0430	1,370,990	0.0390	0.0390	671,785,130	0.0430	0.0430	340,376,503	0.0480	0.0480	1,203,698	
	Debt Service	1,746,310,823	0.1010	0.0710	1,370,990	0.1010	0.0710	671,785,130	0.1010	0.0710	340,376,503	0.1010	0.0710	1,959,488	
Community FPD	General Revenue	283,605,780	1.3025	1.3025	0	0.0000	0.0000	202,434,454	1.4091	1.4091	151,073,906	1.5000	1.5000	8,812,578	
	Ambulance	283,605,780	0.4200	0.4200	0	0.0000	0.0000	202,434,454	0.4620	0.4620	151,073,906	0.5000	0.5000	2,881,761	
	Pension	283,605,780	0.2100	0.2100	0	0.0000	0.0000	202,434,454	0.2310	0.2310	151,073,906	0.2500	0.2500	1,440,881	
	Dispatch	283,605,780	0.0250	0.0250	0	0.0000	0.0000	202,434,454	0.0280	0.0280	151,073,906	0.0300	0.0300	172,905	
	Debt Service	283,605,780	0.2210	0.2210	0	0.2210	0.2210	202,434,454	0.2210	0.2210	151,073,906	0.2210	0.2210	1,408,022	
Creve Coeur FPD	General Revenue	878,127,390	0.4440	0.4440	40	0.0000	0.0000	520,989,555	0.4850	0.4850	224,528,733	0.5400	0.5400	7,638,140	
	Ambulance	878,127,390	0.3450	0.3450	40	0.0000	0.0000	520,989,555	0.3780	0.3780	224,528,733	0.4200	0.4200	5,941,901	
	Pension	878,127,390	0.1190	0.1190	40	0.0000	0.0000	520,989,555	0.1360	0.1360	224,528,733	0.1500	0.1500	2,090,311	
	Dispatch	878,127,390	0.0400	0.0400	40	0.0000	0.0000	520,989,555	0.0450	0.0450	224,528,733	0.0500	0.0500	697,960	
	Debt Service	878,127,390	0.1250	0.0800	40	0.1250	0.0800	520,989,555	0.1250	0.0800	224,528,733	0.1250	0.0800	1,298,917	
Fenton FPD	General Revenue	558,594,550	0.8910	0.8910	159,950	0.9030	0.9030	405,850,746	0.8670	0.8670	161,461,214	0.9100	0.9100	9,966,544	
	Ambulance	558,594,550	0.2530	0.2530	159,950	0.2440	0.2440	405,850,746	0.2670	0.2670	161,461,214	0.3000	0.3000	2,981,639	
	Pension	558,594,550	0.0840	0.0840	159,950	0.0800	0.0800	405,850,746	0.0890	0.0890	161,461,214	0.1000	0.1000	992,015	
	Dispatch	558,594,550	0.0420	0.0420	159,950	0.0420	0.0420	405,850,746	0.0440	0.0440	161,461,214	0.0500	0.0500	493,982	
	Debt Service	558,594,550	0.1750	0.1750	159,950	0.1750	0.1750	405,850,746	0.1750	0.1750	161,461,214	0.1750	0.1750	1,970,616	

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		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Florissant Valley FPD	General Revenue	563,774,440	0.9280	0.9280	204,710	1.0625	1.0625	171,697,061	0.9890	0.9890	121,685,807	1.0767	1.0767	8,242,277	
	Ambulance	563,774,440	0.3780	0.3780	204,710	0.3230	0.3230	171,697,061	0.4030	0.4030	121,685,807	0.4400	0.4400	3,359,085	
	Pension	563,774,440	0.0850	0.0850	204,710	0.1000	0.1000	171,697,061	0.0940	0.0940	121,685,807	0.1000	0.1000	762,494	
	Dispatch	563,774,440	0.0260	0.0260	204,710	0.0300	0.0300	171,697,061	0.0280	0.0280	121,685,807	0.0300	0.0300	231,223	
	Debt Service	563,774,440	0.2700	0.1982	204,710	0.2700	0.1982	171,697,061	0.2700	0.1982	121,685,807	0.2700	0.1982	1,699,292	
Kinloch FPD	General Revenue	1,199,690	0.5000	0.5000	0	0.0000	0.0000	1,938,179	1.3930	1.3930	3,741,858	1.4908	1.4908	88,781	
	Ambulance	1,199,690	0.4000	0.4000	0	0.0000	0.0000	1,938,179	0.4000	0.4000	3,741,858	0.4000	0.4000	27,519	
	Dispatch	1,199,690	0.0000	0.0000	0	0.0000	0.0000	1,938,179	0.0000	0.0000	3,741,858	0.0000	0.0000	0	
	Debt Service	1,199,690	0.8070	0.8070	0	0.8070	0.8070	1,938,179	0.8070	0.8070	3,741,858	0.8070	0.8070	55,519	
Lemay FPD	General Revenue	155,666,100	0.7790	0.7790	2,690	0.0000	0.0000	116,222,654	0.9650	0.9650	42,524,496	0.9900	0.9900	2,755,181	
	Ambulance	155,666,100	0.1690	0.1690	2,690	0.0000	0.0000	116,222,654	0.2310	0.2310	42,524,496	0.2050	0.2050	618,725	
	Pension	155,666,100	0.0790	0.0790	2,690	0.0000	0.0000	116,222,654	0.0970	0.0970	42,524,496	0.1000	0.1000	278,236	
	Central Alarm Fund	155,666,100	0.0390	0.0390	2,690	0.0000	0.0000	116,222,654	0.0490	0.0490	42,524,496	0.0480	0.0480	138,071	
West County EMS & FPD	General Revenue	668,453,090	0.6090	0.6090	242,320	0.7300	0.7300	167,269,441	0.6910	0.6910	108,903,484	0.7450	0.7450	6,039,811	
	Ambulance	668,453,090	0.1460	0.1460	242,320	0.1930	0.1930	167,269,441	0.1690	0.1690	108,903,484	0.1940	0.1940	1,470,368	
	Pension	668,453,090	0.0730	0.0730	242,320	0.0970	0.0970	167,269,441	0.0850	0.0850	108,903,484	0.0970	0.0970	736,021	
	Dispatch	668,453,090	0.0380	0.0380	242,320	0.0450	0.0450	167,269,441	0.0390	0.0390	108,903,484	0.0490	0.0490	372,719	
	Debt Service	668,453,090	0.3230	0.2400	242,320	0.3230	0.2400	167,269,441	0.3230	0.2400	108,903,484	0.3230	0.2400	2,267,684	
Maryland Heights FPD	General Revenue	270,327,220	0.7280	0.7280	8,670	0.2880	0.2880	321,701,143	0.7590	0.7590	155,712,155	0.8000	0.8000	5,655,416	
	Ambulance	270,327,220	0.3030	0.3030	8,670	0.0000	0.0000	321,701,143	0.3390	0.3390	155,712,155	0.3680	0.3680	2,482,679	
	Pension	270,327,220	0.1180	0.1180	8,670	0.0460	0.0460	321,701,143	0.1240	0.1240	155,712,155	0.1300	0.1300	920,325	
	Dispatch	270,327,220	0.0450	0.0450	8,670	0.0350	0.0350	321,701,143	0.0480	0.0480	155,712,155	0.0500	0.0500	353,923	
	Debt Service	270,327,220	0.2190	0.1540	8,670	0.2190	0.1540	321,701,143	0.2190	0.1540	155,712,155	0.2190	0.1540	1,151,534	
Mehlville FPD	General Revenue	1,928,679,680	0.5260	0.5260	481,040	0.8470	0.8470	535,495,830	0.6820	0.6820	348,843,025	0.8120	0.8120	16,633,616	
	Pension	1,928,679,680	0.0290	0.0290	481,040	0.0550	0.0550	535,495,830	0.0320	0.0320	348,843,025	0.0560	0.0560	926,293	
Metro North FPD	General Revenue	70,871,220	1.8569	1.8569	0	0.0000	0.0000	20,965,279	1.8733	1.8733	17,640,283	2.0000	2.0000	2,061,557	
	Pension	70,871,220	0.2310	0.2310	0	0.0000	0.0000	20,965,279	0.2270	0.2270	17,640,283	0.2490	0.2490	255,228	
	Dispatch	70,871,220	0.0460	0.0460	0	0.0000	0.0000	20,965,279	0.0470	0.0470	17,640,283	0.0500	0.0500	51,275	
	Emergency Medical Service	70,871,220	0.3720	0.3720	0	0.0000	0.0000	20,965,279	0.3470	0.3470	17,640,283	0.4000	0.4000	406,952	
	Debt Service	70,871,220	0.8760	0.4580	0	0.8760	0.4580	20,965,279	0.8760	0.4580	17,640,283	0.8760	0.4580	501,403	
Northeast Ambulance & FPD	General Revenue	127,173,690	1.3330	1.3330	11,570	1.5039	1.5039	53,406,043	1.2599	1.2599	38,995,240	1.5000	1.5000	2,953,191	
	Ambulance	127,173,690	0.2560	0.2560	11,570	0.2900	0.2900	53,406,043	0.2410	0.2410	38,995,240	0.2900	0.2900	567,394	
	Pension	127,173,690	0.0890	0.0890	11,570	0.1000	0.1000	53,406,043	0.0830	0.0830	38,995,240	0.1000	0.1000	196,519	
	Dispatch	127,173,690	0.0450	0.0450	11,570	0.0500	0.0500	53,406,043	0.0410	0.0410	38,995,240	0.0400	0.0400	94,728	
	Debt Service	127,173,690	0.4550	0.3890	11,570	0.4550	0.3890	53,406,043	0.4550	0.3890	38,995,240	0.4550	0.3890	854,192	
Pattonville FPD	General Revenue	149,017,650	1.0892	1.0892	985,330	0.5650	0.5650	516,679,364	1.1586	1.1586	187,639,668	1.2000	1.2000	9,866,590	
	Ambulance	149,017,650	0.6340	0.6340	985,330	0.3350	0.3350	516,679,364	0.6760	0.6760	187,639,668	0.7000	0.7000	5,754,304	
	Pension	149,017,650	0.1360	0.1360	985,330	0.1500	0.1500	516,679,364	0.1450	0.1450	187,639,668	0.1500	0.1500	1,234,787	
	Dispatch	149,017,650	0.0460	0.0460	985,330	0.0500	0.0500	516,679,364	0.0480	0.0480	187,639,668	0.0500	0.0500	410,867	
	Debt Service	149,017,650	0.1250	0.1250	985,330	0.1250	0.1250	516,679,364	0.1250	0.1250	187,639,668	0.1250	0.1250	1,067,903	
Riverview FPD	General Revenue	133,486,230	1.8320	1.8320	26,200	1.5149	1.5149	39,760,166	1.9025	1.9025	35,708,626	1.9837	1.9837	3,910,654	
	Pension	133,486,230	0.2290	0.2290	26,200	0.2480	0.2480	39,760,166	0.2390	0.2390	35,708,626	0.2500	0.2500	490,047	
	Dispatch	133,486,230	0.0460	0.0460	26,200	0.0000	0.0000	39,760,166	0.0480	0.0480	35,708,626	0.0500	0.0500	98,343	
	Emergency Medical Service	133,486,230	0.3660	0.3660	26,200	0.3970	0.3970	39,760,166	0.3830	0.3830	35,708,626	0.4000	0.4000	783,780	
	Debt Service	133,486,230	0.5460	0.3900	26,200	0.5460	0.3900	39,760,166	0.5460	0.3900	35,708,626	0.5460	0.3900	815,027	

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		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year
Robertson FPD	General Revenue	40,010,440	1.4182	1.3900	371,850	1.4109	1.3900	183,242,797	1.4099	1.3900	130,311,329	1.3900	1.3900	4,919,716	
	Ambulance	40,010,440	0.6320	0.6320	371,850	0.5190	0.5190	183,242,797	0.6980	0.6980	130,311,329	0.7000	0.7000	2,446,010	
	Pension	40,010,440	0.2000	0.2000	371,850	0.2000	0.2000	183,242,797	0.2000	0.2000	130,311,329	0.2000	0.2000	707,874	
	Dispatch	40,010,440	0.0500	0.0500	371,850	0.0500	0.0500	183,242,797	0.0500	0.0500	130,311,329	0.0500	0.0500	176,968	
	Debt Service	40,010,440	0.2910	0.2910	371,850	0.2910	0.2910	183,242,797	0.2910	0.2910	130,311,329	0.2910	0.2910	1,029,955	
Spanish Lake FPD	General Revenue	112,516,700	1.7589	1.7589	201,920	1.0283	1.0283	27,674,698	2.0218	2.0000	25,807,603	2.0000	2.0000	3,050,778	
	Pension	112,516,700	0.1320	0.1320	201,920	0.1270	0.1270	27,674,698	0.1500	0.1500	25,807,603	0.1500	0.1500	229,001	
	Dispatch	112,516,700	0.0440	0.0440	201,920	0.0420	0.0420	27,674,698	0.0500	0.0500	25,807,603	0.0500	0.0500	76,333	
	Emergency Medical Service	112,516,700	0.4100	0.4000	201,920	0.4100	0.4000	27,674,698	0.4010	0.4000	25,807,603	0.4090	0.4000	664,804	
	Debt Service	112,516,700	0.3080	0.1640	201,920	0.3080	0.1640	27,674,698	0.3080	0.1640	25,807,603	0.3080	0.1640	272,569	
Valley Park FPD	General Revenue	192,035,860	1.2045	1.2045	114,960	1.4544	1.4544	76,853,785	1.2335	1.2335	49,326,040	1.3948	1.3948	3,950,735	
	Ambulance	192,035,860	0.2410	0.2410	114,960	0.3000	0.3000	76,853,785	0.2320	0.2320	49,326,040	0.3000	0.3000	789,430	
Valley Park FPD	Pension	192,035,860	0.0810	0.0810	114,960	0.1000	0.1000	76,853,785	0.0770	0.0770	49,326,040	0.1000	0.1000	264,167	
	Dispatch	192,035,860	0.0260	0.0260	114,960	0.0300	0.0300	76,853,785	0.0200	0.0200	49,326,040	0.0300	0.0300	80,132	
	Debt Service	192,035,860	0.5260	0.2500	114,960	0.5260	0.2500	76,853,785	0.5260	0.2500	49,326,040	0.5260	0.2500	795,826	
Mid-County FPD St. Louis County	General Revenue	40,709,230	1.8160	1.8160	0	0.0000	0.0000	63,079,626	1.7905	1.7905	34,970,231	2.0000	2.0000	2,568,126	
	Ambulance	40,709,230	0.4990	0.4990	0	0.0000	0.0000	63,079,626	0.4930	0.4930	34,970,231	0.5470	0.5470	705,409	
	Pension	40,709,230	0.2270	0.2270	0	0.0000	0.0000	63,079,626	0.2240	0.2240	34,970,231	0.2500	0.2500	321,134	
	Dispatch	40,709,230	0.0270	0.0270	0	0.0000	0.0000	63,079,626	0.0270	0.0270	34,970,231	0.0300	0.0300	38,513	
	Debt Service	40,709,230	0.3530	0.3530	0	0.3530	0.3530	63,079,626	0.3530	0.3530	34,970,231	0.3530	0.3530	489,820	
West Overland EMS & FPD	General Revenue	60,764,090	0.8150	0.8150	0	0.0000	0.0000	76,933,860	0.9410	0.9410	34,356,501	1.0070	1.0070	1,565,145	
	Ambulance	60,764,090	0.5560	0.5560	0	0.0000	0.0000	76,933,860	0.6080	0.6080	34,356,501	0.6500	0.6500	1,028,923	
	Pension	60,764,090	0.2380	0.2380	0	0.0000	0.0000	76,933,860	0.2800	0.2800	34,356,501	0.3000	0.3000	463,104	
	Dispatch	60,764,090	0.0430	0.0430	0	0.0000	0.0000	76,933,860	0.0470	0.0470	34,356,501	0.0500	0.0500	79,466	
	Debt Service	60,764,090	0.1820	0.1820	0	0.1820	0.1820	76,933,860	0.1820	0.1820	34,356,501	0.1820	0.1820	313,140	
Black Creek Sewer District	General Revenue	1,047,839,640	0.0000	0.0000	0	0.0000	0.0000	740,004,884	0.0000	0.0000	159,375,702	0.0000	0.0000	0	
Clayton Central Sewer District	General Revenue	104,252,540	0.0000	0.0000	0	0.0000	0.0000	400,756,684	0.0000	0.0000	42,841,423	0.0000	0.0000	0	
Coldwater Creek Sewer District	General Revenue	1,048,397,530	0.0850	0.0850	35,470	0.0990	0.0990	639,100,926	0.0960	0.0960	509,570,038	0.1000	0.1000	2,014,280	
Creve Coeur-Frontenac SwrD	General Revenue	437,374,770	0.0000	0.0000	0	0.0000	0.0000	226,994,840	0.0000	0.0000	68,065,205	0.0000	0.0000	0	
Deer Creek Sewer District	General Revenue	3,441,840,870	0.0690	0.0690	91,660	0.0600	0.0600	1,349,424,853	0.0790	0.0790	483,304,627	0.0930	0.0930	3,890,444	
Gravois Creek Sewer District	General Revenue	1,295,975,740	0.0000	0.0000	304,550	0.0000	0.0000	523,352,632	0.0000	0.0000	252,636,295	0.0000	0.0000	0	
Loretta-Joplin Sewer District	General Revenue	28,776,220	0.0000	0.0000	0	0.0000	0.0000	2,832,517	0.0000	0.0000	4,617,201	0.0000	0.0000	0	
Maline Creek Sewer District	General Revenue	365,947,600	0.0890	0.0890	170,030	0.0940	0.0940	253,586,177	0.0920	0.0920	133,325,501	0.1000	0.1000	692,478	
Meramec River Basin Sewer District	General Revenue	2,673,511,100	0.0000	0.0000	857,970	0.0000	0.0000	988,881,553	0.0000	0.0000	500,236,299	0.0000	0.0000	0	
Missouri River-Bonfils SwrD	General Revenue	151,205,550	0.0000	0.0000	120,360	0.0000	0.0000	558,237,227	0.0000	0.0000	247,646,085	0.0000	0.0000	0	
Seminary Branch RDP Sewer District	General Revenue	293,999,000	0.0580	0.0580	0	0.0000	0.0000	57,245,978	0.0730	0.0730	44,048,672	0.0760	0.0760	245,786	
Sugar Creek Sewer District	General Revenue	397,638,010	0.0470	0.0470	28,180	0.0000	0.0000	74,053,156	0.0970	0.0970	45,043,586	0.0690	0.0690	289,802	
University City Branch RDP SwrD	General Revenue	625,527,140	0.0760	0.0760	40	0.0000	0.0000	316,655,324	0.0910	0.0910	173,591,071	0.0940	0.0940	926,733	
Watkins Creek Sewer District	General Revenue	100,737,460	0.0000	0.0000	8,430	0.0000	0.0000	39,887,278	0.0000	0.0000	25,081,335	0.0000	0.0000	0	
Wellston Sewer District	General Revenue	13,536,160	0.0000	0.0000	0	0.0000	0.0000	16,630,140	0.0000	0.0000	8,546,517	0.0000	0.0000	0	
Hancock Street Light District	General Revenue	62,322,020	0.1150	0.1150	0	0.0000	0.0000	92,888,410	0.1970	0.1970	21,266,800	0.1700	0.1700	290,814	
Wheaton Cook Lyndhurst SLD	General Revenue	5,766,240	0.1550	0.1550	0	0.0000	0.0000	2,254,840	0.1550	0.1550	1,292,010	0.2000	0.2000	15,017	
Castle Point Street Light District	General Revenue	6,972,650	0.1750	0.1750	0	0.0000	0.0000	316,520	0.1610	0.1610	1,324,880	0.1850	0.1850	15,163	
Glasgow Village SLD	General Revenue	13,559,400	0.2010	0.2010	0	0.0000	0.0000	414,910	0.2020	0.2020	2,375,740	0.2270	0.2270	33,485	
Clayton SBD	General Revenue	85,207,640	0.0840	0.0840	0	0.0000	0.0000	396,013,730	0.1150	0.1150	0	0.0000	0.0000	526,990	

Appendix VIII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate			Agricultural Real Estate			Commercial Real Estate			Personal Property			Expiration					
		Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Assessed Value	Ceiling	Levied	Revenue	Year				
Maplewood SBD	General Revenue	740,450	0.0840	0.0840	0	0.0000	0.0000	22,127,590	0.2480	0.2480	0	0.0000	0.0000	55,498					
University City SBD 57	General Revenue	1,422,280	0.4450	0.4450	0	0.0000	0.0000	9,994,260	0.4030	0.4030	0	0.0000	0.0000	46,606					
Webster Groves-Old Webster SBD	General Revenue	2,619,640	0.2070	0.2070	0	0.0000	0.0000	17,104,510	0.2250	0.2250	0	0.0000	0.0000	43,908					
Webster Groves-Old Orchard SBD	General Revenue	1,989,690	0.3380	0.3380	0	0.0000	0.0000	11,235,480	0.2770	0.2770	0	0.0000	0.0000	37,847					
Kirkwood SBD	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	38,119,450	0.3820	0.3820	0	0.0000	0.0000	145,616					
Jennings SBD	General Revenue	37,640	0.4180	0.4180	0	0.0000	0.0000	3,028,530	0.4240	0.4240	0	0.0000	0.0000	12,998					
Parkview Gardens SBD 39	General Revenue	19,532,900	0.4390	0.4310	0	0.0000	0.0000	1,706,920	0.8500	0.8500	0	0.0000	0.0000	98,696					
Crossroads SBD	General Revenue	0	0.0000	0.0000	0	0.0000	0.0000	5,194,680	0.3300	0.3300	0	0.0000	0.0000	17,142					
Robinwood West CID	General Revenue	18,583,890	0.6260	0.6259	0	0.0000	0.0000	68,930	0.0000	0.0000	0	0.0000	0.0000	116,317					
Crestwood Point CID	Debt Service	0	4.6448	3.0000	0	4.6448	3.0000	2,029,600	4.6448	3.0000	0	4.6448	3.0000	60,888					
Crossings CID	General Revenue	2,114,830	1.6568	1.6568	0	0.0000	0.0000	7,190,210	1.2659	1.2659	0	0.0000	0.0000	126,060	2047				
Hazelwood R-I School District	Operating Funds-Schools	993,571,350	4.8640	4.8640	D	997,230	4.9618	4.9618	D	522,582,760	5.4277	5.4277	D	384,248,120	5.4050	5.4050	D	97,509,626	
	Debt Service	993,571,350	1.2730	1.2400		997,230	1.2730	1.2400		522,582,760	1.2730	1.2400		384,248,120	1.2730	1.2400		23,577,354	
Ferguson-Florissant R-II SD	Operating Funds-Schools	441,136,410	4.7886	4.6355	D	39,960	2.4485	2.2142	D	316,315,310	5.3070	5.1089	D	324,413,110	5.3186	5.2400	D	53,609,243	
	Debt Service	441,136,410	0.2670	0.2670		39,960	0.2670	0.2670		316,315,310	0.2670	0.2670		324,413,110	0.2670	0.2670		2,888,686	
Pattonville R-III School District	Operating Funds-Schools	489,472,470	4.5703	3.9762		210,940	4.3988	4.2016		730,350,450	5.0405	4.8433		306,433,460	5.2863	5.0891		70,439,035	
Pattonville R-III School District	Debt Service	489,472,470	0.9320	0.4900		210,940	0.9320	0.4900		730,350,450	0.9320	0.4900		306,433,460	0.9320	0.4900		7,479,690	
Kirkwood R-VII School District	Operating Funds-Schools	1,210,993,250	3.3084	3.3085	CD	117,660	3.3043	3.3043	D	299,720,990	4.9498	4.9557	CD	155,211,200	4.9321	4.9321	D	62,578,045	
	Operating Funds-Temp	1,210,993,250	0.1590	0.1590		117,660	0.0950	0.0950		299,720,990	0.1740	0.1740		155,211,200	0.2000	0.2000		2,757,528	2024
	Debt Service	1,210,993,250	0.2700	0.2700		117,660	0.2700	0.2700		299,720,990	0.2700	0.2700		155,211,200	0.2700	0.2700		4,498,317	
Lindbergh R-VIII School District	Operating Funds-Schools	1,006,573,790	2.8702	2.8702	D	338,620	3.1965	3.1965	D	384,427,620	3.7349	3.7349	D	169,206,350	3.9096	3.9096	D	49,874,783	
	Debt Service	1,006,573,790	2.8184	0.8330		338,620	2.8184	0.8330		384,427,620	2.8184	0.8330		169,206,350	2.8184	0.8330		12,999,352	
Mehlville R-IX School District	Operating Funds-Schools	1,441,799,320	3.6191	3.6191	D	188,280	4.3276	4.3276	D	342,081,180	3.8271	3.8271	D	272,861,800	4.4974	4.4974	D	77,551,783	
	Operating Funds-Temp	1,441,799,320	0.0340	0.0340		188,280	0.0380	0.0380		342,081,180	0.0370	0.0370		272,861,800	0.0400	0.0400		725,999	2025
Parkway C-2 School District	Operating Funds-Schools	3,352,866,100	3.4863	3.3430	CD	1,502,410	1.9469	1.9489	CD	1,262,107,100	4.1653	4.4177	CD	625,420,700	3.7708	3.7708	D	191,455,063	
	Debt Service	3,352,866,100	0.4900	0.4900		1,502,410	0.4900	0.4900		1,262,107,100	0.4900	0.4900		625,420,700	0.4900	0.4900		25,685,292	
Affton 101 School District	Operating Funds-Schools	327,863,910	4.6532	4.6532	D	0	0.0000	0.0000	D	73,512,080	5.4864	5.4864	D	61,137,070	5.6669	5.6669	D	22,753,907	
	Debt Service	327,863,910	0.4950	0.4900		0	0.4950	0.4900		73,512,080	0.4950	0.4900		61,137,070	0.4950	0.4900		2,266,314	
Bayless School District	Operating Funds-Schools	136,875,730	3.8664	3.8664	D	0	0.0000	0.0000	D	17,513,420	3.9292	3.9292	D	24,800,300	5.4349	5.4349	D	7,328,172	
	Debt Service	136,875,730	0.6370	0.5820		0	0.6370	0.5820		17,513,420	0.6370	0.5820		24,800,300	0.6370	0.5820		1,042,883	
Brentwood School District	Operating Funds-Schools	191,099,350	3.8203	3.7200		0	0.0000	0.0000		121,840,070	4.5294	4.4291		42,615,810	4.2058	4.1055		14,254,907	
	Debt Service	191,099,350	0.5140	0.5140		0	0.5140	0.5140		121,840,070	0.5140	0.5140		42,615,810	0.5140	0.5140		1,827,554	
Clayton School District	Operating Funds-Schools	698,200,780	3.6797	3.5297	D	0	0.0000	0.0000	D	520,632,810	4.2624	4.1124	D	99,990,120	4.0837	3.9337	D	49,988,208	
	Debt Service	698,200,780	0.8320	0.6230		0	0.8320	0.6230		520,632,810	0.8320	0.6230		99,990,120	0.8320	0.6230		8,216,271	
Hancock Place School District	Operating Funds-Schools	61,389,500	3.3822	3.3822	D	0	0.0000	0.0000	D	93,339,450	4.2551	4.2551	D	21,093,840	4.3000	4.3000	D	6,955,038	
	Debt Service	61,389,500	1.2922	1.2200		0	1.2922	1.2200		93,339,450	1.2922	1.2200		21,093,840	1.2922	1.2200		2,145,038	
Jennings School District	Operating Funds-Schools	58,585,330	5.4780	5.4780	D	0	0.0000	0.0000	D	24,003,290	5.4508	5.4508	D	19,546,930	4.8034	4.8034	D	5,456,592	
	Debt Service	58,585,330	1.3004	0.9900		0	1.3004	0.9900		24,003,290	1.3004	0.9900		19,546,930	1.3004	0.9900		1,011,143	
Ladue School District	Operating Funds-Schools	1,420,878,210	2.7697	2.7697	D	2,120	2.7500	2.7500	D	300,977,520	2.7500	2.7500	D	182,393,640	3.2400	3.2400	D	53,540,558	
	Debt Service	1,420,878,210	1.1987	0.7800		2,120	1.1987	0.7800		300,977,520	1.1987	0.7800		182,393,640	1.1987	0.7800		14,853,162	
Maplewood-Richmond Heights SD	Operating Funds-Schools	221,433,350	4.0665	4.0880	CD	0	0.0000	0.0000	D	90,222,820	4.5823	4.7316	CD	40,308,260	5.5041	5.5041	D	15,539,785	
	Debt Service	221,433,350	1.3500	1.3500		0	1.3500	1.3500		90,222,820	1.3500	1.3500		40,308,260	1.3500	1.3500		4,751,520	
Normandy School District	Operating Funds-Schools	157,732,100	4.1443	4.1178	E	62,980	4.4871	4.4606	E	85,144,420	3.7208	3.6943	E	56,127,590	4.6600	4.6335	E	12,244,063	
	Debt Service	157,732,100	1.8700	1.7825		62,980	1.8700	1.7825		85,144,420	1.8700	1.7825		56,127,590	1.8700	1.7825		5,330,871	
Ritenour School District	Operating Funds-Schools	275,848,110	4.3221	4.3237	CD	0	0.0000	0.0000	D	196,413,310	4.6163	4.7368	CD	155,587,670	4.5161	4.5161	D	28,257,046	
	Debt Service	275,848,110	0.9600	0.9100		0	0.9600	0.9100		196,413,310	0.9600	0.9100		155,587,670	0.9600	0.9100		5,713,427	

Appendix VIII
2020 Property Tax Rates
Listing of 2020 Tax Rates for Local Governments Levying a Separate Tax Rate for Each Subclass of Property

Political Subdivision	Purpose	Residential Real Estate				Agricultural Real Estate				Commercial Real Estate				Personal Property			Expiration
		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied		Assessed Value	Ceiling	Levied	
Riverview Gardens School District	Operating Funds-Schools	148,507,520	4.1455	4.1455	D	9,260	4.2109	4.2109	D	27,102,740	4.3500	4.3500	D	35,348,480	4.1177	4.1177	D
	Debt Service	148,507,520	2.4587	1.7756		9,260	2.4587	1.7756		27,102,740	2.4587	1.7756		35,348,480	2.4587	1.7756	
University City School District	Operating Funds-Schools	610,686,750	3.6623	3.6623	D	0	0.0000	0.0000	D	76,925,830	3.8836	3.8836	D	72,440,060	5.1824	5.1824	D
	Debt Service	610,686,750	1.2182	0.7380		0	1.2182	0.7380		76,925,830	1.2182	0.7380		72,440,060	1.2182	0.7380	
Valley Park School District	Operating Funds-Schools	116,753,040	3.9916	3.9916	D	3,710	1.8329	1.8329	D	52,544,370	3.9396	3.9396	D	33,223,570	4.6500	4.6500	D
	Debt Service	116,753,040	1.2446	0.9410		3,710	1.2446	0.9410		52,544,370	1.2446	0.9410		33,223,570	1.2446	0.9410	
Webster Groves School District	Operating Funds-Schools	747,572,660	4.1054	4.1054	D	0	0.0000	0.0000	D	115,472,890	4.5718	4.5718	D	97,141,190	5.9000	5.9000	D
	Debt Service	747,572,660	0.6880	0.5699		0	0.6880	0.5699		115,472,890	0.6880	0.5699		97,141,190	0.6880	0.5699	
St. Louis County	General Revenue	16,831,004,900	0.2320	0.1760		6,360,510	0.2710	0.1570		6,859,665,249	0.2700	0.1860		3,829,550,254	0.2810	0.2090	
	Parks & Recreation	16,831,004,900	0.0580	0.0420		6,360,510	0.0530	0.0380		6,859,665,249	0.0660	0.0440		3,829,550,254	0.0700	0.0500	
	Road & Bridge	16,831,004,900	0.1490	0.0880		6,360,510	0.1390	0.0790		6,859,665,249	0.1690	0.0930		3,829,550,254	0.1800	0.1050	
	Health	16,831,004,900	0.1990	0.1180		6,360,510	0.2320	0.1050		6,859,665,249	0.2320	0.1250		3,829,550,254	0.2410	0.1400	
	Developmental Dis. Board	16,831,004,900	0.0750	0.0750		6,360,510	0.0700	0.0700		6,859,665,249	0.0840	0.0840		3,829,550,254	0.0900	0.0900	
	Debt Service	16,831,004,900	0.0190	0.0190		6,360,510	0.0190	0.0190		6,859,665,249	0.0190	0.0190		3,829,550,254	0.0190	0.0190	
																\$	<u><u>1,588,751,673</u></u>

Legend:

- A A new voter approved tax rate, newly formed district, or a levy voted to replace an expired levy.
- B A voter approved increase or decrease to an existing levy.
- C Levy includes a recoupment rate authorized by state law.
- D School district has a full Proposition C (sales tax) waiver allowing the district to reduce its required Proposition C reduction to \$0.0000 and levy up to its calculated tax rate ceiling.
- E School district has a partial Proposition C (sales tax) waiver allowing the district to waive a portion of its required Proposition C reduction to the extent necessary to collect \$2.7500 or the amount stated on the ballot.

Notes:

This Appendix contains levy information for political subdivisions wholly in St. Louis County and the City of Gladstone in Clay County. Previous legislation required taxing authorities wholly in St. Louis County and allowed the City of Gladstone in Clay County to calculate a separate tax rate on each subclass of property. Political subdivisions partially in St. Louis County and partially in another county(ies) were also required by previous legislation to levy a single rate on all property when one or more counties opted in and one or more counties opted out of the provisions requiring the multi-rate calculation. See Appendix VII for a listing of taxing authorities that calculated a single tax rate to apply to all property.

All rates in the levied column represent the rate extended and certified to the State Auditor's Office by both the taxing authority and the county or counties in which the tax rate is levied.

The Assessed Value column presents only the assessed valuation the property tax is levied against.

The revenue shown is computed by dividing the assessed valuation by 100 and multiplying the quotient by the tax rate levied.

Acronyms:

CID	Community Improvement District
EMS	Emergency Medical Services
FPD	Fire Protection District
PLD	Public Library District
RDP	River des Peres
SBD	Special Business District
SLD	Street Light District
SD	School District
SwrD	Sewer District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
October 2020**

Report No. 2020-112

December 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

October 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended April 30, 2020 Reports Due October 31, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in October 2020.....	7
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in October 2020.....	8
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due August 31, 2020 Filed in October 2020.....	9
E	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due September 30, 2020 Filed in October 2020.....	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 89 political subdivisions required to file a financial report by October 31, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in October 2020, after their filing deadline. The filing status for these 9 entities is presented in summary on page 3 and by individual entity in Appendix B-E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

October 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 89 political subdivisions, other than cities, towns, and villages, with a fiscal year end of April 30, 2020. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 89 political subdivisions, 82 filed an annual financial report timely.

This report also includes the filing status for 9 political subdivisions, other than cities, towns, and villages, that filed their financial report in October 2020, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due October 31, 2020

Fiscal Year Ended April 30, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Boone	East Ashland Plaza CID	Yes	September 30, 2020
Buchanan	36th & Frederick CID	No	
Butler	North Inter-River Drainage District	Yes	July 29, 2020
Camden	Lake Ozarks Community Bridge TDD	Yes	September 17, 2020
Clay	Antioch Center CID	Yes	October 29, 2020
	Brighton Creek Commons CID	Yes	July 27, 2020
	Creekwood Commons CID	Yes	August 27, 2020
	Flintlock Plaza CID	Yes	June 30, 2020
	Flintlock Shoppes CID	Yes	June 30, 2020
	Marketplace 152 CID	Yes	August 27, 2020
	Metro North Crossing CID	No	
	Metro North Square & Commons CID	Yes	October 28, 2020
	North Oak Village CID	Yes	October 15, 2020
	Oak Barry CID	Yes	October 28, 2020
	Pioneer Center CID	Yes	October 8, 2020
	Romanelli Shops CID	Yes	October 9, 2020
	Shoal Creek Parkway/North Oak Trafficway TDD	Yes	August 31, 2020
	Shoal Creek Valley CID	Yes	October 29, 2020
	South Bristol Center CID	Yes	August 31, 2020
	Twin Creeks Center CID	Yes	October 26, 2020
	Valley View CID	Yes	October 9, 2020
	Villages CID	Yes	August 28, 2020
DeKalb	DeKalb-Clinton County Ambulance District 1	Yes	October 7, 2020
Jackson	1111 Grand CID	Yes	October 28, 2020
	1200 Main/South Loop CID	Yes	October 20, 2020
	12th & Wyandotte CID	Yes	August 11, 2020
	1707 Locust CID	Yes	October 9, 2020
	31 Street CID	Yes	July 27, 2020
	39th Street CID	Yes	October 23, 2020
	46th & Wornall CID #1	Yes	October 9, 2020
	46th & Wornall CID #2	Yes	October 9, 2020
	4840 CID	Yes	October 8, 2020
	5050 Main CID	Yes	August 28, 2020
	51st & Oak CID	Yes	August 28, 2020
	801 Westport Road CID	Yes	October 28, 2020
	89th & State Line CID	Yes	June 30, 2020
	9th & Central CID	Yes	August 25, 2020
	Broadway Area CID	Yes	October 1, 2020
	Brookside CID	Yes	October 28, 2020
	Brywood Centre CID	Yes	October 29, 2020
	Downtown Kansas City CID	Yes	October 19, 2020
	Greenway Fields Neighborhood CID	Yes	September 9, 2020
	Historic Kansas City Club CID	Yes	October 8, 2020
	I-70 & Blue Ridge Cutoff CID	Yes	August 24, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2020

Fiscal Year Ended April 30, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	Independence Avenue CID	Yes	October 27, 2020
	InterContinental CID	Yes	October 27, 2020
	Kansas City Downtown Streetcar TDD	Yes	August 26, 2020
	Kansas City Main Street Rail TDD	Yes	October 7, 2020
	Kansas City MO PID 1	Yes	August 27, 2020
	Kansas City MO PID 2	Yes	August 27, 2020
	Kansas City MO PID 3	Yes	August 27, 2020
	Kansas City MO PID 4	Yes	August 27, 2020
	K.C. Convention Center Headquarters Hotel CID	Yes	October 9, 2020
	Landing Mall CID	Yes	June 30, 2020
	Linwood Shopping Center CID	Yes	October 30, 2020
	Martin City CID	Yes	October 23, 2020
	Performing Arts CID	Yes	September 2, 2020
	Pershing & Grand CID	Yes	August 26, 2020
	PWSD 2 Jackson County	Yes	June 19, 2020
	Red Bridge Shopping Center CID	Yes	August 18, 2020
	River Market CID	Yes	August 13, 2020
	Shops on Blue Parkway CID	Yes	September 23, 2020
	Skelly CID	Yes	June 30, 2020
	State Line Shopping Center CID	Yes	August 13, 2020
	Troost Avenue CID	Yes	October 28, 2020
	Truman Road CID	Yes	October 23, 2020
	Uptown CID	Yes	September 22, 2020
	Waldo CID	Yes	October 27, 2020
	Ward Parkway Center CID	Yes	October 22, 2020
	Ward Parkway Plaza CID	Yes	June 30, 2020
	Watts Mill CID	Yes	June 30, 2020
	Westport CID II	Yes	October 20, 2020
	Wornall Village CID	No	
Jasper	Briarbrook CID	Yes	September 25, 2020
Mississippi	St. James Drainage District	No	
New Madrid	Drainage District 38 New Madrid County	Yes	August 31, 2020
	Richland Drainage District	Yes	July 10, 2020
Oregon	PWSD 1 Oregon County	Yes	October 22, 2020
Pemiscot	Elk Chute Drainage District	Yes	July 9, 2020
Platte	Ambassador Building CID	No	
	Edgewood Farms CID	No	
	K.C. International Airport CID	Yes	September 9, 2020
	Old Foundation CID	Yes	June 30, 2020
	PWSD 6 Platte County	Yes	July 22, 2020
	Tiffany Landing CID	Yes	October 28, 2020
	Zona Rosa CID	Yes	July 27, 2020
Ray	Senior Citizen's NHD	No	
Shelby	Valley Drainage District	Yes	June 16, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due October 31, 2020

Fiscal Year Ended April 30, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Ste. Genevieve	Ste. Genevieve County Memorial Hospital	Yes	September 29, 2020
Total Filed		82	
Total Not Filed		7	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District
PID	Port Improvement District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2019
 Filed in October 2020

Fiscal Year Ended June 30, 2019

<u>Primary County</u>	<u>Reporting Entity</u>	<u>Filed Annual Financial Report</u>	<u>Date Filed</u>
St. Louis City	Cherokee Street CID	Yes	October 5, 2020
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in October 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Langdon SRD Atchison County	Yes	October 2, 2020
Callaway	Central Callaway FPD	Yes	October 9, 2020
Lawrence	Mt. Vernon Ambulance District	Yes	October 14, 2020
Total Filed		3	

Acronyms:

FPD Fire Protection District
SRD Special Road District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due August 31, 2020
 Filed in October 2020

Fiscal Year Ended February 29, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Nishnabotna Drainage District	Yes	October 19, 2020
Total Filed		1	

Appendix E
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due September 30, 2020
 Filed in October 2020

Fiscal Year Ended March 31, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cass	Cedar Tree CID	Yes	October 7, 2020
	Y Belton CID	Yes	October 19, 2020
Pettis	Galaxy West CID	Yes	October 7, 2020
Schuyler	Schuyler County Ambulance District	Yes	October 20, 2020
Total Filed		4	

Acronyms:

CID Community Improvement District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
October 2020**

Report No. 2020-111

December 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

October 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended April 30, 2020 Reports Due October 31, 2020	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in October 2020.....	6
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in October 2020.....	7
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in October 2020.....	8
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due August 31, 2020 Filed in October 2020.....	9
F	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2020 Filed in October 2020.....	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by October 31, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 17 cities, 1 town, and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in October 2020, after their filing deadline. The filing status for these 39 cities and 9 villages is presented in summary on page 4 and by individual entity in Appendixes B to F.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

October 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 17 cities, 1 town, and 4 villages with a fiscal year end of April 30, 2020, whose financial report was due by October 31, 2020. Of the 22 municipalities, 13 filed the financial report timely. Of the 16 municipalities required to file an addendum, 4 filed timely. Of the 9 municipalities required to file a certification, 4 filed the certification timely.



Monthly Report on Municipal Court and Revenue Filings
October 2020
Executive Summary

This report includes the filing status for 39 cities and 9 villages that filed at least one of the items (financial report, addendum, or certification) in October 2020, after their filing deadline. Of these municipalities, 17 filed an annual financial report, 29 filed an addendum, and 7 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2020

Fiscal Year Ended April 30, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Benton	Village of Ionia	Yes	May 29, 2020	n/a	n/a
Boone	City of Ashland	Yes	August 2, 2020	No	n/a
Dunklin	City of Hornersville	No		No	No
Gentry	Village of Gentry	No		n/a	n/a
Grundy	City of Trenton	Yes	October 23, 2020	No	n/a
Jackson	City of Kansas City	Yes	October 30, 2020	Yes	Yes
Jasper	City of Carl Junction	Yes	October 28, 2020	Yes	Yes
Lafayette	City of Alma	No		No	n/a
Lewis	City of La Belle	No		n/a	n/a
	City of La Grange	Yes	September 24, 2020	Yes	No
Lincoln	Village of Truxton	Yes	September 28, 2020	No	n/a
Mercer	City of Princeton	Yes	June 9, 2020	No	n/a
Mississippi	City of Charleston	No		No	No
New Madrid	City of Portageville	Yes	June 9, 2020	No	Yes
	City of Risco	Yes	October 20, 2020	No	No
Newton	Town of Grand Falls Plaza	Yes	August 13, 2020	n/a	n/a
	Village of Wentworth	Yes	June 30, 2020	n/a	n/a
Osage	City of Linn	No		No	n/a
Phelps	City of St. James	No		No	No
Ralls	City of Perry	Yes	October 29, 2020	Yes	n/a
Randolph	City of Higbee	No		n/a	n/a
St. Louis	City of Beverly Hills	No		No	Yes
Total Filed		13		4	4
Total Not Filed		9		12	5
Total n/a		0		6	13

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in October 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Creighton	**	August 2, 2019	Yes	n/a
Macon	City of La Plata	**	December 20, 2019	Yes	n/a
Total Filed		0		2	0

** Filed by December 31, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2020
Filed in October 2020

Fiscal Year Ended October 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jackson	City of Raytown	**	April 30, 2020	***	Yes
Total Filed		0		0	1

** Filed by April 30, 2020.

*** Filed after April 30, 2020, but before October 2020.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in October 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Andrew	Village of Rea	Yes	October 1, 2020	n/a	n/a
Callaway	City of New Bloomfield	**	May 19, 2020	Yes	n/a
Carroll	City of Hale	**	April 28, 2020	Yes	n/a
Cass	City of Strasburg	***	August 3, 2020	Yes	n/a
Clay	City of Liberty	**	June 30, 2020	***	Yes
Cooper	City of Otterville	***	July 13, 2020	Yes	n/a
Iron	Village of Des Arc	Yes	October 2, 2020	n/a	n/a
Jackson	City of Lake Lotawana	***	July 27, 2020	Yes	n/a
Lawrence	Village of Freistatt	***	September 8, 2020	Yes	n/a
Linn	City of Browning	**	February 28, 2020	Yes	n/a
Mississippi	City of Wyatt	Yes	October 23, 2020	n/a	n/a
Montgomery	City of High Hill	***	August 31, 2020	Yes	n/a
Newton	City of Seneca	**	May 5, 2020	Yes	***
Nodaway	City of Hopkins	**	February 25, 2020	Yes	n/a
	City of Pickering	**	March 26, 2020	Yes	n/a
Pettis	Village of Hughesville	**	May 29, 2020	Yes	n/a
Platte	City of Tracy	**	May 30, 2020	Yes	n/a
Polk	City of Pleasant Hope	**	May 8, 2020	Yes	n/a
Pulaski	City of St. Robert	***	July 1, 2020	Yes	Yes
Shelby	City of Shelbyville	**	June 23, 2020	Yes	n/a
St. Louis	City of Bel Ridge	***	September 8, 2020	Yes	**
	City of Breckenridge Hills	**	June 30, 2020	**	Yes
	City of Shrewsbury	**	June 26, 2020	Yes	***
	City of St. John	**	June 30, 2020	Yes	Yes
	Village of Champ	**	February 12, 2020	Yes	***
	City of Merriam Woods	**	January 23, 2020	Yes	n/a
Vernon	City of Nevada	Yes	October 8, 2020	Yes	**
	City of Sheldon	**	April 17, 2020	Yes	n/a
Webster	City of Niangua	**	January 24, 2020	Yes	n/a
Total Filed		4		24	4

** Filed by June 30, 2020.

*** Filed after June 30, 2020, but before October 2020.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2020
Filed in October 2020

Fiscal Year Ended February 29, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Knox	City of Knox City	Yes	October 5, 2020	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2020
Filed in October 2020

Fiscal Year Ended March 31, 2020

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Barry	City of Monett	Yes	October 5, 2020	**	**
Boone	City of Centralia	Yes	October 20, 2020	Yes	n/a
Cass	City of Pleasant Hill	Yes	October 21, 2020	Yes	No
Clay	City of Holt	Yes	October 27, 2020	No	n/a
	Village of Claycomo	Yes	October 6, 2020	No	No
Clinton	Village of Grayson	Yes	October 28, 2020	n/a	n/a
Grundy	City of Spickard	Yes	October 19, 2020	n/a	n/a
Lawrence	City of Verona	Yes	October 20, 2020	No	No
Montgomery	City of Jonesburg	Yes	October 19, 2020	No	n/a
	Village of Rhineland	Yes	October 22, 2020	No	n/a
Scott	City of Oran	Yes	October 19, 2020	No	n/a
St. Louis	City of Rock Hill	**	September 25, 2020	Yes	No
	Village of Sycamore Hills	**	August 13, 2020	No	Yes
Texas	City of Licking	**	September 28, 2020	**	Yes
Wright	City of Mansfield	Yes	October 20, 2020	**	**
Total Filed		12		3	2

** Filed by September 30, 2020.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

Salt Lick Road
Transportation Development District

Report No. 2020-110

December 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Salt Lick Road Transportation Development District

Financial Status

The audit of the Salt Lick Road Transportation Development District indicates the financial condition of the district is such that it may be abolished.

Due to the nature of this report, no rating is provided

Salt Lick Road Transportation Development District

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
Financial Status	5



NICOLE GALLOWAY, CPA

Missouri State Auditor

Mr. Brent Beumer, Chairman & Executive Director
and
Board of Directors
Salt Lick Road Transportation Development District

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On September 8, 2020, the Board of Directors of the Salt Lick Road Transportation Development District formalized its intent to dissolve the district and requested an audit as required by statute. The State Auditor was subsequently notified of this request.

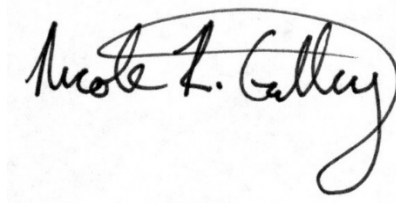
The district engaged Hochschild, Bloom & Company LLP, Certified Public Accountants (CPAs) to audit the district's financial statements for the year ended December 31, 2019. To minimize duplication of effort, we reviewed the report of the CPA firm. The scope of our audit included, but was not necessarily limited to, the fiscal year ended December 31, 2019 and the period from January 1 through August 31, 2020. The objectives of our audit were to evaluate the financial status of the district and determine whether it may be abolished pursuant to law.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing a district official, as well as certain external parties; and testing selected transactions. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and assessed the risk that illegal acts, including fraud, and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The audit determined the district's Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo.

The accompanying Management Advisory Report presents our findings arising from our audit of the Salt Lick Road Transportation Development District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Joseph T. Magoffin, CFE

Salt Lick Road Transportation Development District

Introduction

Background

The Salt Lick Road Transportation Development District is located in St. Charles County, in the City of St. Peters. The district was organized in May of 2003 by petition of the property owner and filed with the Circuit Court of St. Charles County. The members of the Board of Directors consist of representatives of owners of real property within the district. The district has a fiscal year end of December 31 and obtained independent audits annually.

On July 2, 2003, the Board of Directors passed a resolution formally approving a 1 percent sales tax on all taxable transactions within the boundaries of the district for 40 years unless terminated sooner, subject to approval by the qualified voter. On July 23, 2003, the qualified voter¹ of the district approved the sales tax. On October 12, 2004, the Board imposed the sales tax. The retail establishments within the district collected and remitted the sales tax to the City of St. Peters until 2010. Starting in 2010, due to a state law change, those establishments began remitting the tax collections to the Missouri Department of Revenue and the department disbursed them to the district. The sales tax was subsequently terminated on March 31, 2020.

The district was formed for the purpose of improving Salt Lick Road and Veterans Memorial Parkway with the construction of a new intersection and other road improvements in the city. A portion of the district project was intended to be merged into the state highways and transportation system. The Missouri Highways and Transportation Commission has jurisdiction over this state transportation project and served as the Transportation Authority. In addition, a portion of the district project is not part of the state highway and transportation system. The City of St. Peters has jurisdiction over this portion of the project and served as the Local Transportation Authority. The project was completed in 2004.

In September 2020, the district Board formalized its intent to dissolve the district. A district official subsequently advised the State Auditor's Office (SAO) of this resolution and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine its financial status, and determine whether it may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against it; if its liabilities exceed its assets; or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

¹ The only qualified voter in the district was the developer/property owner, Summit Pointe L.C.

Salt Lick Road Transportation Development District

Management Advisory Report

State Auditor's Findings

Financial Status

The district satisfied its note debt in October 2019. As of August 31, 2020, the cash balance of the district was \$181,760 (see below). As of August 31, 2020, the district was indebted \$4,467 for legal services performed. As of September 29, 2020, the additional fees for legal services to be provided to abolish the district are estimated at \$2,775. There are no pending, threatened, or unasserted claims or assessments against the district according to district legal counsel. District officials confirmed the district is not insolvent, in receivership or under the jurisdiction of the bankruptcy court.

Based on our audit of the Salt Lick Road Transportation Development District, the Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.

	Period Ended January 1, 2020 through August 31, 2020	Year Ended December 31, 2003 through 2019
RECEIPTS		
Sales Tax	\$ 125,421	3,192,387
Miscellaneous Income	0	3,000
Investment Income	84	3,872
Total Receipts	125,505	3,199,259
DISBURSEMENTS		
Administrative fees	9,147	161,351
Utility & Maintenance	7,225	196,018
Transportation Project	0	1,938,617
Interest on Long Term Debt	0	830,646
Total Disbursements	16,372	3,126,632
RECEIPTS OVER (UNDER) DISBURSEMENTS	109,133	72,627
BEGINNING BALANCE	72,627	0
ENDING BALANCE	\$ 181,760	72,627

Source: Compiled by the SAO using the district's bank statements and CPA audited financial statements.



Nicole Galloway, CPA

Missouri State Auditor

Federal Funding
for COVID-19 Response
October 2020

Report No. 2020-109

December 2020

auditor.mo.gov

Federal Funding for COVID-19 Response

October 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds October 1, 2020, through October 31, 2020	8
B	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through October 31, 2020.....	9
C	Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to show Missouri's spending of federal assistance in the month of October 2020 for the Coronavirus Disease 2019 (COVID-19) emergency and the cumulative financial activity since the state began receiving funding in April 2020.

In March and April 2020, Congress passed several legislative measures signed into law to provide assistance to citizens, businesses, healthcare facilities, and government entities during the COVID-19 emergency. The funding received by or made available to Missouri state government agencies will help pay for the state's emergency response to COVID-19 and provides (1) additional federal matching funds for the state's Medicaid program (MO HealthNet) and other applicable programs, and (2) funding for various other assistance and benefit programs. The state is passing through some of the funding to local governments. Some funding authorized in the legislation also went directly to local government entities, healthcare facilities, and colleges and universities. The majority of the funding has specific restrictions on its use or state actions and must be spent in defined limited time periods.

In October, the state spent \$188.5 million from federal COVID-19 assistance (Appendix A). Through the end of October, the state has received \$3.01 billion and spent \$1.51 billion from this assistance. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation in Appendix C. The majority of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$340 million) and funding passed through to counties and the City of St. Louis (\$521 million). Other funding has been (1) provided to schools, institutions of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. In addition, the state is currently using \$250 million of COVID-19 relief funding for cash management needs.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Senior Auditor:	Jeffrey Roberts, CISA, CFE
Staff Auditor:	Kristin A. Clink, MBA, CISA, CFE

Federal Funding for COVID-19 Response

October 2020

Executive Summary

Executive Summary

Missouri has been awarded federal funding under the following federal laws enacted in March and April 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123; H.R. 6074)
- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139; H.R. 266)

The Coronavirus Preparedness and Response Supplemental Appropriations Act provides for grants to or cooperative agreements with states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The state has been awarded as of October 31, 2020, approximately \$18.8 million under this act for additional or new funding under various federal grant programs. Part of this funding went directly to community health centers from the federal government. Each grant program has a separate time limit on use of the funding.

The Families First Coronavirus Response Act provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the state's Medicaid program (MO HealthNet) and other applicable programs. The state's FMAP percentage was approximately 66 percent prior to this act.¹ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the COVID-19 public health emergency, including any extensions, ends. To qualify for the temporary FMAP increase, Missouri must:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020, (maintenance of effort requirement).
- Not charge premiums that exceed those that were in place as of January 1, 2020.

¹ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act.

Federal Funding for COVID-19 Response
October 2020
Executive Summary

- Cover, without impositions of any cost sharing, testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19.
- Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state (continuous coverage requirement).

Under the Families First Coronavirus Response Act, the state has also been awarded as of October 31, 2020, approximately \$36.2 million of additional or new funding under various federal grant programs for meal assistance, food subsidies, and administrative costs. Each grant program has a separate time limit on use of the funding.

The CARES Act specifies that payments provided to the state from the Coronavirus Relief Fund² may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the state; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The state has received approximately \$2.38 billion in Coronavirus Relief Fund assistance including nearly \$173.5 million for St. Louis County and \$122.7 million for Jackson County.³ Twenty-five percent of the remaining state share (approximately \$521 million) was distributed to other counties in the state and the City of St. Louis based on population. In early July, the Department of the Treasury Office of Inspector General (OIG) issued interim and quarterly reporting requirements for Coronavirus Relief Fund payments. The OIG is responsible for monitoring and oversight of the receipt, disbursement, and use of these payments.

Eligible expenditures for Coronavirus Relief Fund assistance include, but are not limited to, payment for:⁴

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.

² From the U.S. Department of the Treasury, CFDA number 21.019.

³ The funding for Jackson County and St. Louis County went directly to those local governments from the federal government.

⁴ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, September 2, 2020, <<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>>, accessed September 25, 2020.

Federal Funding for COVID-19 Response
October 2020
Executive Summary

- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
- Expenses for communication and enforcement by state, territorial, local, and tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.

Federal Funding for COVID-19 Response
October 2020
Executive Summary

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy CARES Act eligibility criteria.

The state may also use Coronavirus Relief Fund assistance to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures.⁵ If the state has not used the Coronavirus Relief Fund assistance it has received to cover costs that were incurred by December 30, 2020, as required by federal law, those funds must be returned to the federal government.

The General Assembly has authorized the Office of Administration (OA) to transfer up to \$750 million in Coronavirus Relief Fund assistance from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. Any transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund prior to June 30, 2021. In May, the OA transferred \$250 million from the stimulus

⁵ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, p.14, October 19, 2020, < <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf> >, accessed October 30, 2020.

Federal Funding for COVID-19 Response
October 2020
Executive Summary

fund to the General Revenue Fund. No cash management transfers occurred in October.

Under the CARES Act, the state has also been awarded as of October 31, 2020, approximately \$3.17 billion of additional or new funding under other various federal grant programs for assistance for public schools, institutions of higher education, and healthcare facilities; child care and family services; health care worker training programs; public health education; expanded telehealth services; and numerous other assistance services or benefits. A significant part of this funding went directly to local governments or the awarded entity. Each grant program has a separate time limit on use of the funding.

The Paycheck Protection Program and Health Care Enhancement Act provides funding to states for expanded COVID-19 testing. Under the act, the state has been awarded approximately \$165 million with some of this funding going directly to rural health departments from the federal government.

In October, the state spent \$188.5 million from federal COVID-19 assistance (Appendix A). Through the end of October, the state has received \$3.01 billion and spent \$1.51 billion from this assistance. The majority of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$340 million) and funding passed through to counties and the City of St. Louis (\$521 million).

Other funding has been (1) provided to schools, institutions of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. The state will be responsible for monitoring use of the funding it passes through to local governments. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation are presented in Appendix C.

Appendix A

Federal Funding for COVID-19 Response
Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds
October 1, 2020, through October 31, 2020

	Unaudited					Ending Fund Balance
	Beginning Fund Balance	Receipts	Disbursements	Transfers In	Transfers Out	
Coronavirus Emergency Supplemental Fund	\$ 11,643,947	2,594	0	0	0	11,646,541
FMAP (Federal Medical Assistance Percentage) Enhancement Fund ¹	0	235,418,138	0	0	0	235,418,138
Department of Elementary and Secondary Education Federal Stimulus Fund	25,709	0	0	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	2,852	9,864,780	9,867,632	0	0	0
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	138,636	2,718,392	2,857,028	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	28,551	695,228	261,269	0	0	462,510
Office of Administration Federal Stimulus Fund	120,778	0	0	0	120,778	0
Department of Public Safety Federal Stimulus Fund	1,972,349	0	0	0	1,972,349	0
State Emergency Management Federal Stimulus Fund	1,094,175,720	340,630	139,500,251	14,890,694	3,394,722	966,512,071
Department of Corrections Federal Stimulus Fund	9,176,438	0	79	0	9,176,359	0
Department of Mental Health Federal Stimulus Fund	14,906,281	48,923	421,409	0	2,644,900	11,888,895
Department of Health and Senior Services Federal Stimulus Fund	1,966,902	16,839,350	17,149,558	0	60,832	1,595,862
Department of Social Services Federal Stimulus Fund	1,133,610	1,505,479	1,556,291	0	987,840	94,958
Department of Labor & Industrial Relations Federal Stimulus Fund	13,028	18,334,271	17,713,045	0	0	634,254
Secretary of State Federal Stimulus Fund ²	2,940,182	0	(801,968)	0	0	3,742,150
Total all Funds	\$ 1,138,244,983	285,767,785	188,524,594	14,890,694	18,357,780	1,232,021,088

¹ For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. In October 2020, the fund obtained new receipts but did not make corresponding transfers.

² This fund's negative disbursements in October 2020 reflect movement of disbursements for voter information mailers and postage, previously incurred in September 2020 using Coronavirus Aid, Relief, and Economic Security (CARES) Act funding sources, to a new grant from the Center for Election Innovation and Research (CEIR). The purpose of this grant was to "provide voter education, information, and communication to ensure safe, secure and informed November 2020 elections, particularly in the face of the challenges posted by the COVID-19 pandemic." To ensure timely delivery of the mailers to all registered Missouri households, the Secretary of State initially used available CARES Act funds while awaiting receipt of CEIR grant funds.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix B

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through October 31, 2020

			Unaudited		
	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 3,801,643	3,801,643	0	0	0
Coronavirus Emergency Supplemental Fund	11,646,549	8	0	0	11,646,541
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	575,653,486	340,235,348	0	0	235,418,138
Department of Elementary and Secondary Education Federal Stimulus Fund	56,499,236	56,473,527	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	114,007,447	114,007,447	0	0	0
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	6,555,290	6,555,290	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	9,783,542	9,321,032	0	0	462,510
Office of Administration Federal Stimulus Fund	521,241,978	521,093,744	66,711	214,945	0
Department of Public Safety Federal Stimulus Fund	2,262,000	189,250	0	2,072,750	0
State Emergency Management Federal Stimulus Fund ²	1,545,836,604	327,984,114	14,890,694	266,231,113	966,512,071
Department of Corrections Federal Stimulus Fund	11,578,485	1,514,706	0	10,063,779	0
Department of Mental Health Federal Stimulus Fund	21,987,290	6,003,322	725,786	4,820,859	11,888,895
Department of Health and Senior Services Federal Stimulus Fund	83,407,745	81,736,665	0	75,218	1,595,862
Department of Social Services Federal Stimulus Fund	25,155,890	23,961,182	0	1,099,750	94,958
Department of Labor & Industrial Relations Federal Stimulus Fund	21,384,485	20,472,141	0	278,090	634,254
Secretary of State Federal Stimulus Fund	4,008,965	266,815	0	0	3,742,150
Total all Funds	\$ 3,014,810,635	1,513,616,234	15,683,191	284,856,504	1,232,021,088

¹ During the fiscal year ending June 30, 2020, the Secretary of State used this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. This fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. Beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund is used to account for all COVID-19 receipts and related disbursements.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of October, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30,			Year Ended June 30,		
	2021 (through October 31, 2020)			2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUND						
Department of Public Safety (DPS) - Office of the Director - Coronavirus Emergency Supplemental Fund grants - personal service	\$ 675,494	0	675,494	675,494	0	675,494
DPS - Office of the Director - Coronavirus Emergency Supplemental Fund grants - expense and equipment	10,758,773	1	10,758,772	10,758,773	7	10,758,766
Total Coronavirus Emergency Supplemental Fund	11,434,267	1	11,434,266	11,434,267	7	11,434,260
FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE) ENHANCEMENT FUND						
Department of Social Services (DSS) - MO HealthNet Division - Medicare Part D Clawback payments ²				100,000,000	74,391,170	25,608,830
DSS - MO HealthNet Division - payment to comprehensive prepaid health care plans as provided by federal or state law or for payments to programs authorized by the Frail Elderly Demonstration Project Waiver as provided by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508, Section 4744) and by Section 208.152 (16), RSMo, provided that the department shall implement programs or measures to achieve cost-savings through emergency room services reform, and further provided that MO HealthNet eligibles described in Section 501(a)(1)(D) of Title V of the Social Security Act may voluntarily enroll in the Managed Care Program ²						
Total FMAP Enhancement Fund				250,000,000	250,000,000	0
				350,000,000	324,391,170	25,608,830
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) FEDERAL						
Free public schools - all expenditures	2,000,000,000	14,579,255	1,985,420,745	1,515,839,292	0	1,515,839,292
School Nutrition Services Program - reimbursements to schools for school food programs				117,552,821	41,894,272	75,658,549
Total DESE Federal Stimulus Fund	2,000,000,000	14,579,255	1,985,420,745	1,633,392,113	41,894,272	1,591,497,841
DESE FEDERAL EMERGENCY RELIEF FUND						
Distributions to free public schools under the Coronavirus Aid, Relief, and Economic Security (CARES) Act	208,443,000	45,239,981	163,203,019	300,000,000	67,469,751	232,530,249
Distributions of the Governor's Emergency Education Relief Funds to the free public schools under the CARES Act	30,000,000	1,297,715	28,702,285			
Total DESE Federal Emergency Relief Fund	238,443,000	46,537,696	191,905,304	300,000,000	67,469,751	232,530,249
DEPARTMENT OF HIGHER EDUCATION AND WORKFORCE DEVELOPMENT (DHEWD)						
Crowder College	1,718,186	0	1,718,186	1,718,186	0	1,718,186
Crowder College - maintenance and repair	65,732	0	65,732	65,732	0	65,732
Crowder College - equity	133,645	0	133,645	133,645	0	133,645
East Central College	1,622,326	0	1,622,326	1,622,326	0	1,622,326
East Central College - maintenance and repair	47,965	0	47,965	47,965	0	47,965
East Central College - equity	126,188	0	126,188	126,188	0	126,188

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Jefferson College	2,326,275	0	2,326,275	2,326,275	0	2,326,275
Jefferson College - maintenance and repair	114,448	0	114,448	114,448	0	114,448
Jefferson College - equity	180,943	0	180,943	180,943	0	180,943
Metropolitan Community College	9,402,075	0	9,402,075	9,402,075	0	9,402,075
Metropolitan Community College - maintenance and repair	395,635	0	395,635	395,635	0	395,635
Metropolitan Community College - equity	731,315	0	731,315	731,315	0	731,315
Mineral Area College	1,691,577	0	1,691,577	1,691,577	0	1,691,577
Mineral Area College - maintenance and repair	68,720	0	68,720	68,720	0	68,720
Mineral Area College - equity	131,575	0	131,575	131,575	0	131,575
Moberly Area Community College	1,904,480	0	1,904,480	1,904,480	0	1,904,480
Moberly Area Community College - maintenance and repair	45,518	0	45,518	45,518	0	45,518
Moberly Area Community College - equity	148,135	0	148,135	148,135	0	148,135
North Central Missouri College	811,508	0	811,508	811,508	0	811,508
North Central Missouri College - maintenance and repair	16,606	0	16,606	16,606	0	16,606
North Central Missouri College - equity	63,121	0	63,121	63,121	0	63,121
Ozarks Technical Community College	4,398,254	0	4,398,254	4,398,254	0	4,398,254
Ozarks Technical Community College - maintenance and repair	68,116	0	68,116	68,116	0	68,116
Ozarks Technical Community College - equity	342,106	0	342,106	342,106	0	342,106
St. Charles Community College	2,760,428	0	2,760,428	2,760,428	0	2,760,428
St. Charles Community College - maintenance and repair	63,893	0	63,893	63,893	0	63,893
St. Charles Community College - equity	214,713	0	214,713	214,713	0	214,713
St. Louis Community College	12,960,637	0	12,960,637	12,960,637	0	12,960,637
St. Louis Community College - maintenance and repair	473,822	0	473,822	473,822	0	473,822
St. Louis Community College - equity	1,008,108	0	1,008,108	1,008,108	0	1,008,108
State Fair Community College	1,858,709	0	1,858,709	1,858,709	0	1,858,709
State Fair Community College - maintenance and repair	64,102	0	64,102	64,102	0	64,102
State Fair Community College - equity	144,575	0	144,575	144,575	0	144,575
Three Rivers College	1,588,805	0	1,588,805	1,588,805	0	1,588,805
Three Rivers College - maintenance and repair	41,015	0	41,015	41,015	0	41,015
Three Rivers College - equity	123,581	0	123,581	123,581	0	123,581
State Technical College of Missouri	2,010,124	0	2,010,124	2,010,124	0	2,010,124
University of Central Missouri	18,446,119	0	18,446,119	18,446,119	0	18,446,119
Southeast Missouri State University	15,293,156	0	15,293,156	15,293,156	0	15,293,156
Missouri State University	31,333,687	0	31,333,687	31,333,687	0	31,333,687
Lincoln University	7,156,731	0	7,156,731	5,859,958	0	5,859,958
Lincoln University - land grant match				1,296,773	0	1,296,773

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Truman State University	13,886,774	0	13,886,774	13,886,774	0	13,886,774
Northwest Missouri State University	10,395,373	0	10,395,373	10,395,373	0	10,395,373
Missouri Southern State University	8,010,414	0	8,010,414	8,010,414	0	8,010,414
Missouri Western State University	7,415,585	0	7,415,585	7,415,585	0	7,415,585
Harris-Stowe State University	3,487,087	0	3,487,087	3,487,087	0	3,487,087
University of Missouri	138,745,625	0	138,745,625	138,745,625	0	138,745,625
Total DHEWD Federal Stimulus Fund	304,037,512	0	304,037,512	304,037,512	0	304,037,512
DHEWD FEDERAL EMERGENCY RELIEF FUND						
Distributions of the Governor's Emergency Education Relief Funds to institutions of higher education under the CARES Act	23,643,000	6,555,290	17,087,710	200,000,000	0	200,000,000
Total DHEWD Federal Emergency Relief Fund	23,643,000	6,555,290	17,087,710	200,000,000	0	200,000,000
MISSOURI DEPARTMENT OF TRANSPORTATION (MoDOT) FEDERAL STIMULUS FUND						
Transit Program - grants to non-urbanized areas under Sections 5311 and 5340, Title 49, United States Code	61,770,760	7,260,819	54,509,941	20,000,000	4,114,460	15,885,540
Aviation Program - construction, capital improvements, or planning of publicly owned airfields by cities or other political subdivisions, including land acquisition, pursuant to provisions of the State Block Grant Program administered through the Federal Airport Improvement Program	19,870,044	301,908	19,568,136	1,000,000	0	1,000,000
Total MoDOT Federal Stimulus Fund	81,640,804	7,562,727	74,078,077	21,000,000	4,114,460	16,885,540
OFFICE OF ADMINISTRATION (OA) FEDERAL STIMULUS FUND						
Distribution of federal funds to units of local government as provided in the CARES Act				1,071,000,000	520,925,478	550,074,522
Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				316,500	158,016	158,484
Broadband expansion and/or cellular equipment and service to provide fixed or mobile broadband access to emergency services personnel in order to coordinate and dispatch services related to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Broadband expansion to residential and agricultural areas in counties of the state of Missouri with high concentrations of state employees without residential access to broadband internet, for the purpose of enabling state employees to work remotely due to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Reimbursement of broadband services costs, and/or for state purchase of cellular equipment and service to provide fixed or mobile broadband service for state employees required to work from home due to the COVID-19 disease - expense and equipment	2,000,000	0	2,000,000			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				16,000	10,250	5,750
Total OA Federal Stimulus Fund	12,000,000	0	12,000,000	1,071,332,500	521,093,744	550,238,756

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF PUBLIC SAFETY (DPS) FEDERAL STIMULUS FUND						
Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				2,262,000	189,250	2,072,750
Total DPS Federal Stimulus Fund				2,262,000	189,250	2,072,750
STATE EMERGENCY MANAGEMENT FEDERAL STIMULUS FUND						
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - state agency disasters	388,957,369	53,906,381	335,050,988	1,253,200,000	51,396,569	1,201,803,431
Alternative care treatment facility staffing expenses - personal service	35,000,000	3,388	34,996,612	35,000,000	1,119,066	33,880,934
MO HealthNet Division - Long-term care services - care in nursing facilities under the MO HealthNet fee-for-service program and for contracted services to develop model policies and practices that improve the quality of life for long-term care residents - funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional amount of \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020	90,000,000	10,243,587	79,756,413	90,000,000	0	90,000,000
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency and for first responder training programs	1,800,000	1,314,647	485,353	1,800,000	0	1,800,000
Emergency assistance expenses as provided in Section 44.032, RSMo	10,000,000	0	10,000,000	10,000,000	0	10,000,000
State Emergency Management Agency, Boone County Fire Protection District, Missouri Task Force 1 - expenses for response to emergencies and disasters in the State of Missouri and conduct of annual training exercises. Expenses may include, but are not limited to personnel salaries and benefits, supplies, and repair or replacement of damaged equipment	100,000	0	100,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	750,000,000	0	750,000,000			
DESE - Learning Loss Testing	8,400,000	767,077	7,632,923			
DESE - Transportation Costs	9,100,000	8,821,651	278,349			
DESE - State School Bus Routes	1,000,000	2,202	997,798			
DESE - Sheltered Workshops	4,000,000	2,809,296	1,190,704			
DESE - Distance Learning	10,000,000	1,023,056	8,976,944			
DHEWD - Distance Learning	10,000,000	806,675	9,193,325			
DHEWD - Computer-Based Training	2,000,000	1,000,000	1,000,000			
DHEWD - Workforce Development Boards	800,000	87,880	712,120			
DHEWD - Workforce Training	6,750,000	1,802,211	4,947,789			
DHEWD - Institutions of Higher Education COVID Expenses	80,000,000	62,139,708	17,860,292			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Department of Revenue (DOR) - Temporary Motor Vehicle and Driver Licensing Division Offices	2,000,000	45,368	1,954,632			
DOR - Technology and infrastructure costs due to the COVID-19 crisis - expense and equipment	363,066	0	363,066			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - personal service	427,109	0	427,109			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - expense and equipment	1,110,000	0	1,110,000			
OA - Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	316,500	316,500	0			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	60,000	50,500	9,500			
Missouri Consolidated Health Care Plan - COVID Reimbursement	5,000,000	3,123,491	1,876,509			
Department of Agriculture (MDA) - Division of Animal Health - support, workforce assistance, equipment and capital improvements to meat processing facilities located in the state to address supply chain disruptions and mitigate health and environmental impacts as a result of the COVID-19 pandemic	20,000,000	100,000	19,900,000			
Department of Economic Development (DED) - Broadband Expansion	12,750,000	134,091	12,615,909			
DED - Program to provide grants to small businesses incorporated in the state of Missouri with 50 or fewer employees, to reimburse the costs of business interruption caused by required closures in connection with the COVID-19 public health emergency, provided that no grants shall be provided to franchise or chain business entities, and further provided that one-quarter of funds under such program shall be allocated to family-owned farms	30,000,000	0	30,000,000			
DED - Innovation Grants	1,000,000	0	1,000,000			
DED - Manufacturer Retooling	20,000,000	6,644,446	13,355,554			
DED - Nonprofit Stimulus	22,000,000	0	22,000,000			
DED - Destination Marketing Organization Stimulus	15,000,000	4,096,170	10,903,830			
DPS - Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	2,262,000	1,143,750	1,118,250			
Department of Corrections (DOC) - Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	11,578,485	9,608,554	1,969,931			
Department of Mental Health (DMH) - Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	11,875,000	9,200,299	2,674,701			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30,			Year Ended June 30,		
	2021 (through October 31, 2020)			2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DMH - Division of Developmental Disabilities - Developmental Disabilities Waiver (DDW) - compensation of all DDW providers during the period that Missouri or the United States falls within an emergency declaration to compensate any DDW provider with a retention payment, gap payment, or temporary rate increase; and additional payment per day during the period which a DDW provider has at least one confirmed positive COVID-19 case on the premises, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need the services	20,000,000	8,117,573	11,882,427			
DMH - Division of Behavioral Health COVID Reimbursements	10,000,000	6,400,706	3,599,294			
DMH - Division of Behavioral Health - suicide prevention initiatives - expense and equipment	620,000	162,013	457,987			
DMH - Developmental Disabilities Telehealth	2,160,000	1,435,968	724,032			
DMH - Telehealth Training	3,500,000	1,800,742	1,699,258			
DMH - Behavioral Health Net	100,500	100,000	500			
DHSS - Contact Tracing and Testing	127,000,000	11,303	126,988,697			
DHSS - Home & Community Based Services COVID Reimbursements	20,000,000	2,176,864	17,823,136			
Department of Social Services (DSS) - Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	1,294,500	542,500	752,000			
DSS - Family Support Division - electronic benefit transfers system - expense and equipment	901,788	421,743	480,045			
Department of Labor & Industrial Relations (DOLIR) Unemployment Insurance System Support	20,000,000	11,949,350	8,050,650			
DED Communications Campaign	2,500,000	190,863	2,309,137			
DPS Missouri National Guard Expenses	2,700,000	184,372	2,515,628			
DHSS Call Center/Data Entry	170,075	161,106	8,969			
DHSS Testing	89,291,600	6,837,691	82,453,909			
DHSS Contact Tracing/Tracking	11,800,000	112,937	11,687,063			
DHSS Lab Infrastructure	22,360,108	81,805	22,278,303			
DHSS Technology & Data Infrastructure	229,433	162,416	67,017			
DHSS Sewershed	166,081	48,326	117,755			
DHSS Surveillance	199,583	0	199,583			
DHSS Prevention in High Risk Settings	1,222,775	0	1,222,775			
DHSS COVID Support Services	1,455,200	0	1,455,200			
DHSS Epidemiology and Laboratory Capacity (ELC) Grant	5,000,000	3,784	4,996,216			
DESE Hearing Aid Distribution	100,000	39,150	60,850			
DHSS Poison Control	500,000	0	500,000			
Total State Emergency Management Federal Stimulus Fund	1,906,921,172	220,132,140	1,686,789,032	1,390,000,000	52,515,635	1,337,484,365

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF CORRECTIONS (DOC) FEDERAL STIMULUS FUND						
Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				11,578,485	1,514,706	10,063,779
Total DOC Federal Stimulus Fund				11,578,485	1,514,706	10,063,779
DEPARTMENT OF MENTAL HEALTH (DMH) FEDERAL STIMULUS FUND						
Office of the Director - personal service				75,000	2,298	72,702
Office of the Director - expense and equipment				5,000,000	0	5,000,000
Division of Behavioral Health - suicide prevention initiatives - expense and equipment	900,000	0	900,000	900,000	0	900,000
Division of Developmental Disabilities - community program funding, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need services - expense and equipment				15,364,800	0	15,364,800
Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				8,175,000	4,104,264	4,070,736
Office of the Director - Emergency COVID-19 Directed Treatment Services Program - expense and equipment	2,000,000	231,991	1,768,009	2,000,000	63,556	1,936,444
Division of Developmental Disabilities - telehealth physician services related to COVID-19 - expense and equipment	720,000	0	720,000			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - personal service	636,796	64,032	572,764			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - expense and equipment	19,363,204	1,614,760	17,748,444			
Total DMH Federal Stimulus Fund	23,620,000	1,910,783	21,709,217	31,514,800	4,170,118	27,344,682
DEPARTMENT OF HEALTH AND SENIOR SERVICES (DHSS) FEDERAL STIMULUS FUND						
Division of Community and Public Health - community health programs funding and related expenses	224,981	0	224,981	671,000	0	671,000
Division of Community and Public Health - Office of Emergency Coordination - personal service				445,516	0	445,516
Division of Community and Public Health - Office of Emergency Coordination - to address coronavirus preparedness and response - expense and equipment and program distribution	24,887,493	1,645,030	23,242,463	32,556,018	438,189	32,117,829
Division of Community and Public Health - Office of Rural Health and Primary Care - other programs and related expenses - expense and equipment	4,050,000	1,610,333	2,439,667	4,500,000	0	4,500,000

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Division of Senior and Disability Services - funds for supportive services and meals to be distributed to each Area Agency on Aging - expense and equipment	18,000,000	9,483,450	8,516,550	25,000,000	6,404,165	18,595,835
Division of Community and Public Health - medications	401,508	258,475	143,033	1,620,000	0	1,620,000
Division of Community and Public Health - child nutrition and commodity assistance programs	185,000,000	32,100,000	152,900,000	30,062,065	30,062,065	0
Division of Community and Public Health - Office of Emergency Coordination - Poison Control Hotline - expense and equipment	100,000	0	100,000			
Division of Regulation and Licensure - program operations and support - personal service	300,000	139,089	160,911			
Division of Regulation and Licensure - program operations and support - expense and equipment	300,000	1,415	298,585			
Total DHSS Federal Stimulus Fund	233,263,982	45,237,792	188,026,190	94,854,599	36,904,419	57,950,180
DEPARTMENT OF SOCIAL SERVICES (DSS) FEDERAL STIMULUS FUND						
Family Support Division - Emergency Solutions Grant Program payments	9,584,276	0	9,584,276	30,000,000	0	30,000,000
Family Support Division - Food Distribution Program and the receipt and disbursement of donated food program payments	6,026,000	1,103,641	4,922,359	4,326,000	245,203	4,080,797
Family Support Division - grants to not-for-profit organizations for services and programs to assist victims of domestic violence	528,000	73,738	454,262	528,000	0	528,000
Children's Division - child care services to provide immediate financial assistance to child care providers to prevent them from going out of business and to support child care for families, including healthcare workers, first responders, and other professionals in critical roles during the COVID-19 pandemic, the general administration of the programs, including development and implementation of automated systems to enhance time, attendance reporting, contract compliance and payment accuracy, and to support the Educare Program	66,542,726	13,333,461	53,209,265	20,000,000	9,088,706	10,911,294
Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				1,294,500	194,750	1,099,750
Family Support Division - community services programs provided by Community Action Agencies or other not-for-profit organizations under provisions of the Community Services Block Grant	27,847,053	0	27,847,053			
Family Support Division - Low Income Home Energy Assistance Program	17,970,880	15,641	17,955,239			
Children's Division - grants to community-based programs to strengthen the child welfare system locally to prevent child abuse and neglect and divert children from entering into the custody of the Children's Division, provided that the Children's Division shall coordinate the delivery of services with the Parents as Teachers Program within the Department of Elementary and Secondary Education	907,000	0	907,000			
Total DSS Federal Stimulus Fund	129,405,935	14,526,481	114,879,454	56,148,500	9,528,659	46,619,841
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) FEDERAL STIMULUS FUND						
Business and Community Solutions Division - Community Development Block Grant Program - projects awarded on or after July 1, 2019, provided no funds shall be expended at higher education institutions not headquartered in Missouri for purposes of accreditation				20,000,000	0	20,000,000

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Business and Community Solutions Division - Community Development Block Grant Program - projects to support local community development activities - expense and equipment	20,000,000	0	20,000,000			
Total DED Federal Stimulus Fund	20,000,000	0	20,000,000	20,000,000	0	20,000,000
DEPARTMENT OF NATURAL RESOURCES (DNR) FEDERAL STIMULUS FUND						
Low-Income Weatherization Assistance Program payments	1,996,764	0	1,996,764			
Total DNR Federal Stimulus Fund	1,996,764	0	1,996,764			
LIEUTENANT GOVERNOR FEDERAL STIMULUS FUND						
Missouri State Council on the Arts - expense and equipment	517,000	0	517,000			
Missouri Humanities Council - program distribution	605,000	0	605,000			
Total Lieutenant Governor Federal Stimulus Fund	1,122,000	0	1,122,000			
DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS (DOLIR) FEDERAL STIMULUS FUND						
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - personal service				1,000,000	208,806	791,194
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - expense and equipment				700,000	687,146	12,854
Division of Employment Security - personal service	23,948,454	23,290	23,925,164			
Division of Employment Security - expense and equipment	7,600,846	569,207	7,031,639			
Division of Employment Security - administration of programs authorized and funded by the United States Department of Labor, such as Disaster Unemployment Assistance, and provided that all funds shall be expended from discrete accounts and that no monies shall be expended for funding administration of these programs by the Division of Employment Security	17,000,000	17,000,000	0			
OA - Information Technology Services Division - for DOLIR - expense and equipment	1,887,001	1,160,028	726,973	1,000,000	823,665	176,335
Total DOLIR Federal Stimulus Fund	50,436,301	18,752,525	31,683,776	2,700,000	1,719,617	980,383
SECRETARY OF STATE (SOS) FEDERAL STIMULUS FUND						
Election reform grants, transaction costs, election administration improvements within Missouri, support of Help America Vote Act activities, and the state's share of election costs as required by Chapter 115, RSMo	16,100,000	95,909	16,004,091			
All allotments, grants, and contributions from the federal government or from any sources that may be deposited in the State Treasury for the use of the Missouri State Library	750,000	174,118	575,882			
Total SOS Federal Stimulus Fund	16,850,000	270,027	16,579,973			
FEDERAL BUDGET STABILIZATION FUND						
State Technical College of Missouri	549,415	0	549,415			
University of Central Missouri	4,928,740	0	4,928,740			
Southeast Missouri State University	4,094,371	0	4,094,371			
Missouri State University	8,433,094	0	8,433,094			
Lincoln University	1,576,580	0	1,576,580			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through October 31, 2020

	Year Ended June 30, 2021 (through October 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Truman State University	3,708,416	0	3,708,416			
Northwest Missouri State University	2,784,388	0	2,784,388			
Missouri Southern State University	2,159,973	0	2,159,973			
Missouri Western State University	1,985,243	0	1,985,243			
Harris-Stowe State University	931,228	0	931,228			
University of Missouri - operation of various campuses and programs	36,939,413	0	36,939,413			
University of Missouri - St. Louis - Biotech	133,378	0	133,378			
University of Missouri - State Historical Society	288,022	0	288,022			
MODOT - for a transportation cost-share program with local communities, provided these funds shall not supplant, and shall only supplement, the current planned allocation of road and bridge expenditures under the most recently adopted state transportation and improvement plan, including all amendments thereto, as of the date of passage of this bill by the General Assembly, and provided the MODOT and DED work cooperatively to select projects with the greatest economic benefit to the State	25,000,000	0	25,000,000			
University of Missouri - Precision Medicine Initiative	10,000,000	0	10,000,000			
Total Federal Budget Stabilization Fund	103,512,261	0	103,512,261			
Total All Funds	\$ 5,158,326,998	376,064,717	4,782,262,281	5,500,254,776	1,065,505,808	4,434,748,968

¹ The appropriation authority is the maximum amount that may be expended for the purpose as documented and approved through appropriations bills.

² For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. Therefore, the Department of Social Services cannot directly expend any receipted monies from the fund, as it could during the fiscal year ended June 30, 2020.

³ Coronavirus Relief Fund assistance must be returned to the federal government if it is not spent to cover allowable costs incurred by December 30, 2020. State officials did not know whether or to what extent the state may have to repay any funding received at the time the appropriation was established. To acknowledge the existence of the obligation, the state established appropriations authorizing the return of up to \$750 million.

Source: Statewide Accounting System (SAM II). The appendix is presented on the state's legal budgetary basis of accounting that records expenditures when the liabilities are recorded, rather than when cash is disbursed.

The seal of the Missouri State Auditor is a circular emblem. It features a central shield with a balance scale and a plow. Above the shield is an eagle with spread wings. The text "SEAL OF THE STATE AUDITOR" is written in a circle around the top, and "MISSOURI 1820 1892" is written around the bottom. The motto "UNDER THE EAGLE WE STAND DIVIDED" is inscribed on a ribbon across the middle.

Nicole Galloway, CPA

Missouri State Auditor

Jackson County

Budgets and Transfers

Report No. 2020-108

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Jackson County Budgets and Transfers

Budgetary Practices

Budgeting procedures need improvement to ensure greater transparency in the budgeting process. The County Legislature, County Executive, Chief Administrative Officer, and Budget Office do not ensure budgets for most county funds reasonably reflect the anticipated financial activity and fund balances. The county significantly underestimated beginning fund balances, underestimated revenues, and/or overestimated disbursements resulting in total actual ending fund balances greatly exceeding total budgeted ending fund balances. Disbursements for most county funds are annually budgeted so that estimated ending fund balances will equal zero, effectively appropriating all available monies to be spent in the current year, regardless of the actual estimated activity for the funds. As a result of poor budgeting, the county's financial position was significantly misstated. The budgeting and coding of some disbursements in the accounting system as non-departmental is inappropriate and reduces the transparency of the spending of public funds. The poor estimates of beginning and ending fund balances resulted in undesignated fund balances that were then improperly transferred by the County Legislature rather than appropriated through the process established by state statute. During the audit period, the County Legislature authorized \$3,117,328 of transfers from these actual undesignated fund balances instead of properly amending the budget. In addition, public hearings were not held prior to the approval/adoption of any of these transfers as required by state law.

Administrative Transfers

Some administrative transfers were made without proper approval, and as a result may have been inappropriate. Administrative transfer forms were not always complete and accurate, and as a result, administrative transfers were made without sufficient documentation or explanation. The County Executive frequently approved administrative transfers that included multiple object codes not exceeding \$10,000, that when accumulated exceeded \$10,000. These multiple-object-code transfers, performed in accordance with current county code, allowed for the purchase of specific goods or services that might have otherwise required legislative approval.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Jackson County

Budgets and Transfers

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology	6

Management Advisory Report - State Auditor's Findings	
1. Budgetary Practices	8
2. Administrative Transfers	13

Appendixes	
A-1 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual, Year Ended December 31, 2018	18
A-2 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual, Year Ended December 31, 2017	22
B Improperly Approved Administrative Transfers	26
C Auditee Response - County Legislature	39
D Auditee Response - County Executive	40



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Chairman of the Jackson County Legislature
and
Members of the Jackson County Legislature
and
Frank White, Jr., Jackson County Executive
Jackson County, Missouri

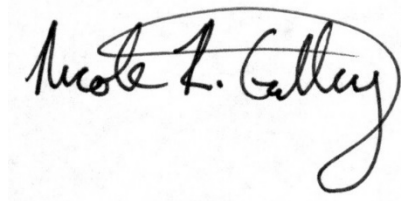
We have audited certain operations of Jackson County - Budgets and Transfers in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of Jackson County in response to a formal request from the Jackson County Legislature. The county engaged BKD LLP, Certified Public Accountants (CPAs), to audit the county's financial statements for the years ended December 31, 2018, and 2017. To minimize duplication of effort, we reviewed the CPA firm's reports. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over certain management operations and financial functions related to budgets and transfers.
2. Evaluate the county's compliance with certain legal provisions related to budgets and transfers.
3. Evaluate the economy and efficiency of certain management practices and procedures related to budgets and transfers, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Jackson County - Budgets and Transfers.

Additional audit reports of various officials and departments of Jackson County are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	Robert McArthur II, CFE
Audit Staff:	Rex Murdock, M.S.Acct.
	John-Henry T. Jarwood, MBA, CFE
	Amanda G. Flanigan, MAcc

Jackson County

Budgets and Transfers

Introduction

Background

The State Auditor was requested on February 26, 2018, by the Jackson County Legislature under Section 29.200.3, RSMo, to conduct a performance audit of Jackson County. Our work included reviewing the county's budgetary practices and administrative transfers.

County code allows the County Executive some freedom in the operation of county finances to approve administrative transfers not exceeding \$10,000, and removes the possible burden of the County Legislature to approve all budgeted transfers. However, the County Legislature believed that the County Executive was approving administrative transfers under the \$10,000 threshold to make some purchases without legislative approval. We determined the County Executive approved administrative transfers totaling approximately \$10.2 million for the 3 years ended December 31, 2018, and we have written findings based on our review of these transfers. To support our findings on administrative transfers we included examples of applicable transfer (budget adjustment) forms at Appendix B. To support our findings on budgetary practices we included a Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual for the year ended December 31, 2018, at Appendix A-1 and for the year ended December 31, 2017, at Appendix A-2.

As a result of conflicts with the County Executive in 2017, the County Legislature, passed an ordinance on December 6, 2017, enacting Section 525 of Jackson County Code, establishing reserve funds that require the approval of the County Legislature prior to disbursement of these monies. On December 22, 2017, the County Executive vetoed this resolution, and on December 28, 2017, the County Legislature overrode the County Executive's veto. As a result, reserve fund monies were budgeted in various funds during the year ended December 31, 2018, instead of being budgeted for contingency expenses. Lawsuits were filed between the County Legislature and the County Executive over the appropriateness and validity of the reserve funds, which were later dismissed. The use of reserve funds was repealed by the County Legislature in March 2019. Because reserve funds are no longer in use by the county, we made no recommendation on their appropriateness.

The following provisions of state law, constitutional home rule charter, and county code are significant to our review and are discussed further in the findings reported in the accompanying Management Advisory Report section.

State Law

Section 50.540.4, RSMo, states, "an amount equal to not less than three percent of the total estimated general fund revenues shall be appropriated each year as an emergency fund."

Section 50.550, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget.



Jackson County Budgets and Transfers Introduction

Section 50.622.1, RSMo, allows budget amendments if additional sources of revenue are received that could not be estimated when the budget was adopted. In addition, Section 50.622.6, RSMo, states, "no charter county shall be restricted from amending its budget under and pursuant to the terms of its charter."

Section 50.630, RSMo, states, "The county commission may authorize the transfer within the same fund of any unencumbered appropriation balance or any portion thereof from one spending agency under its jurisdiction to another; but this action shall be taken only on the recommendation of the budget officer and only during the last two months of the fiscal year, except that transfers from the emergency fund may be made at any time in the manner herein provided."

Constitutional Home Rule Charter

Article VIII, Section 1 of the county's charter requires the County Executive to submit an annual budget to the County Legislature. Section 2 further allows the County Legislature to enact ordinances regarding the "budget and financial affairs."

County Code

Chapter 5, Section 531, fiscal code, states, "The total expenditures proposed for any fund in the preliminary budget or the budget shall be no greater than the estimated income and revenue for that fund."

Chapter 5, Section 532.1, fiscal code, states, "If the County Executive shall propose and the County Legislature shall enact a measure that will provide additional income and revenues, and if the County Executive shall propose additional expenditures, the County Legislature may appropriate an amount equal to not more than ninety-five percent (95%) of the estimated income and revenue from the new source or sources."

Chapter 5, Section 533, fiscal code, states, "The following intra-office transfers are authorized."

- Section 533.1 states "The County Executive, on the recommendation of the budget officer, is authorized to approve and effect a transfer from one (1) appropriation account to another within the same agency in an amount not to exceed ten thousand dollars (\$10,000) when the County Executive determines that any such transfer is necessary or advisable in the efficient administration of that office, department or agency of Jackson County."
- Section 533.2 indicates the County Legislature may by resolution at any time on the recommendation of the County Executive or by resolution with the affirmative vote of six members of the County Legislature, without the recommendation of the County Executive, transfer any unencumbered appropriation balance or any portion of



Jackson County Budgets and Transfers Introduction

that balance from one appropriation account to another within the same agency.

Chapter 5, Section 534, fiscal code, states, "The County Legislature may by resolution authorize the transfer, within the same fund, of any unencumbered appropriation balance or any portion of that balance from one (1) spending agency under its jurisdiction into another."

Chapter 5, Section 570.7, fiscal code, states, "Funds from other parts of the budget cannot be transferred into the Personal Services portion of the budget and funds cannot be transferred between Personal Services accounts, except as noted."

Chapter 5, Section 570.9, fiscal code, states, "Requests for exceptions to any of the above rules must be in writing, and approved by the County Executive and Manager of the Division of Finance. Alternatively, a request for an exception to any provision of the Personal Services Policy may be approved by a resolution that receives the affirmative vote of six members of the County Legislature."

On January 3, 2018, the County Executive made a recommendation to the County Legislature to request a comprehensive audit of the county's fiscal and procurement process by the State Auditor's Office (SAO). The County Legislature agreed with this recommendation and passed Resolution 19745 on February 26, 2018, requesting the State Auditor perform an audit of the county. This request was accepted by the SAO and audit fieldwork started in December 2018. This is the third of several audit reports that will be issued as part of the audit of Jackson County.

Scope and Methodology

The scope of this audit included evaluating (1) internal controls, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the 2 years ended December 31, 2018.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; gathering information regarding budget and transfer policies and procedures through discussions with various current and past county personnel, and reviewing the information obtained; and testing selected transactions. To gain an understanding of legal requirements governing budgets and transfers, we reviewed applicable state laws, the county charter, county code, and written policies and procedures; and interviewed various individuals.

We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the



Jackson County
Budgets and Transfers
Introduction

audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to these provisions.

Jackson County

Budgets and Transfers

Management Advisory Report - State Auditor's Findings

1. Budgetary Practices

Budgeting procedures of the County Legislature, County Executive, Chief Administrative Officer, and Budget Office need improvement to ensure greater transparency in the budgeting process.

The Budget Office is responsible for working with each department to prepare a budget document. The budget is reviewed and approved by the Chief Administrative Officer, and presented to the County Executive for his review and approval. The County Executive then presents the budget to the County Legislature for review and approval. Once the Legislature has adopted the budget, the County Executive has 10 days to accept, deny, or let the budget go into effect without comment. The County Executive has line-item veto power that the Legislature can overrule with a two-thirds majority vote.

According to the county's budget policies, "an annual budget prepared under the modified accrual basis of accounting¹ (except that the encumbrances² are treated as expenditures for budget purposes) is adopted in December prior to the beginning of each fiscal year for all budgeted Governmental Fund Types."

1.1 Budget preparation and disbursements coding

The County Legislature, County Executive, Chief Administrative Officer, and Budget Office do not ensure budgets for most county funds reasonably reflect the anticipated financial activity and fund balances. This weakness reduces the effectiveness of the budget as a tool for monitoring and controlling disbursements, and results in an inaccurate statement of the county's anticipated financial position. The county significantly underestimated beginning fund balances, underestimated revenues, and/or overestimated disbursements resulting in total actual ending fund balances greatly exceeding total budgeted ending fund balances. See Appendix A-1 for 2018 and Appendix A-2 for 2017 budget-to-actual activity based on originally adopted budgets.

The estimated original ending fund balance for the county's 32 funds was \$8,459,835, while the actual ending fund balance was \$114,341,733 at December 31, 2017. The estimated original ending fund balance for the county's 31 funds was \$5,443,528, while the actual fund balance was \$136,519,810 at December 31, 2018.

In addition, revenues were underestimated, disbursements were overestimated, and beginning fund balances were over/underestimated for

¹ The budget glossary defines this as "A basis of accounting in which revenues are recognized in the period in which they become both available and measurable. Expenditures are recognized in the period in which a liability is incurred."

² The budget glossary defines this as "The commitment of appropriated funds to purchase an item or service prior to actual payment. To encumber funds means to set aside or commit funds for a specified future expenditure. Funds are generally encumbered once a contractual obligation has been entered."



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

some specific county funds. For example, in 2017, budgeted revenues for the General Fund were approximately \$84 million and actual revenues were approximately \$87 million, budgeted disbursements were approximately \$92 million and actual disbursements were approximately \$85 million, and the budgeted beginning fund balance was approximately \$8 million and the actual beginning fund balance was approximately \$24 million, all of which contributed to the \$28 million difference in the ending fund balance.

Also, disbursements for most county funds are annually budgeted so that estimated ending fund balances will equal zero, effectively appropriating all available monies to be spent in the current year, regardless of the actual estimated activity for the funds.

During the year ended December 31, 2018, disbursements for 23 of 31 county funds (74 percent) were budgeted to result in the ending fund balance totaling zero. Similarly, during the year ended December 31, 2017, disbursements for 22 of 32 county funds (69 percent) were budgeted to result in the ending fund balance totaling zero.

As a result of poor budgeting, the county's financial position was significantly misstated. The following table presents a comparison of originally adopted budget-to-actual ending fund balances for 4 of the county's funds that had large differences between estimated and actual amounts at December 31, 2017, and 2018:

Year	Fund	Estimated Available Beginning Fund Balance (1)	Actual Beginning Fund Balance (2)	Estimated Available Ending Fund Balance (1)	Actual Ending Fund Balance (2)
2017	General	\$ 8,481,758	24,367,021	0	27,848,949
2018	General	9,983,094	27,848,949	0	51,008,246
2017	Assessment	1,624,695	3,529,169	0	3,680,916
2018	Assessment	1,279,332	3,680,916	0	4,444,577
2017	Special Road and Bridge	6,151,264	15,124,838	0	13,014,721
2018	Special Road and Bridge	5,621,735	13,014,721	0	11,604,844
2017	Community Backed Anti-Crime Tax (COMBAT)	3,111,248	10,233,712	500,000	10,793,248
2018	Community Backed Anti-Crime Tax (COMBAT)	3,442,605	10,793,248	0	11,966,369

(1) Amounts are based on the county's original budget.

(2) Amounts include non-spendable, restricted, assigned, and unassigned fund balance designations.

Deficit fund balance

The county inaccurately reported the beginning fund balance of the Prosecuting Attorney Bad Check Collection Fund in the 2018 budget as \$71,893 (the actual unrestricted fund balance at January 1, 2017) instead of the actual beginning fund balance of \$17,533 at January 1, 2018. As a result



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

of this error, at December 31, 2018, the Prosecuting Attorney Bad Check Collection Fund had a deficit fund balance of \$47,522.

Non-departmental
disbursements

The budgeting and coding of some disbursements in the accounting system as non-departmental is inappropriate and reduces the transparency of the spending of public funds.

Non-departmental disbursements typically include county-wide costs for insurance premiums and claims (including workers' compensation), employee fringe benefits (including sick/vacation payouts and car allowances), professional services (including auditing, legal, lobbying, payroll, and reassessment services), telephone services, software maintenance, building/road/other improvements, equipment, and miscellaneous expenses.

The county annually budgets and codes non-departmental disbursements in the accounting system for 7 different funds using 4 different object codes as shown in the following table:

Fund	Year Ended December 31, 2017		Year Ended December 31, 2018	
	Budget	Actual	Budget	Actual
General	\$ 8,015,924	7,337,564	4,817,251	4,188,733
Health	2,215,074	1,708,486	1,331,697	1,169,852
Assessment	2,131,702	1,296,225	1,786,257	1,392,859
Special Road and Bridge	2,856,015	2,356,584	1,539,731	1,281,812
Community Backed Anti-Crime Tax (COMBAT)	1,165,125	875,037	930,916	782,083
Park	2,313,836	2,008,384	1,857,972	1,562,341
Park Enterprise	679,230	396,139	773,137	374,580
Total	\$ 19,376,906	15,978,419	13,036,961	10,752,260

Object Code				
Employee benefits	\$ 5,928,450	5,299,459	5,302,941	4,347,433
Contractual services	9,624,510	7,119,281	6,329,797	5,410,874
Supplies	134,204	131,415	19,940	19,931
Capital outlay	3,689,742	3,428,264	1,384,283	974,022
Total	\$ 19,376,906	15,978,419	13,036,961	10,752,260

However, some of these disbursements were not non-departmental or countywide disbursements. Our review of 40 disbursements coded to non-departmental object codes during 2017 and 2018, noted 15 disbursements totaling \$588,056 that could have been budgeted and coded to a department other than non-departmental for better transparency as follows:



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

Fund	Department	Description	Amount
Park Enterprise	Construction Services	Trail extension	\$ 164,183
General	Corrections	Flooring repair	116,689
Park Enterprise	Marinas	Flotation replacement	77,584
General	Information Technology	Server remediation	76,608
Park Enterprise	Adair Softball Park	Shade canopies	49,457
General	Kansas City Election Board	Automobile	39,900
Health	Corrections	Video surveillance	30,302
Assessment	Information Technology	Systems and software	9,483
Assessment	Information Technology	Software	9,000
Park	Park Operations	Automobile	4,798 (1)
Special Road and Bridge	Road and Bridge Maintenance	Signage and safety	3,713
General	Collections	Pictures and artwork	2,899
General	14th Street Garage	Garage lease	2,700
General	Collections	4 television wall mounts	528
General	Facilities Management	Solar panel lease	212
Total			\$ 588,056

(1) The remaining cost of the vehicle was properly charged to the Park Operations department.

The practice of paying departmental expenses from non-departmental appropriations makes it more difficult to establish accountability for the true and accurate cost of operating various county departments. This practice limits accountability and transparency over certain county departments.

Conclusion

Section 50.550, RSMo, requires the budget to present a complete and accurate financial plan for the ensuing budget year and outlines the various information to be included in the budget. Realistic projections of the county's uses of funds and fund balances are essential for the efficient management of finances and for communicating accurate financial data to county residents. Underestimating revenues, overestimating anticipated disbursements, significantly over/underestimating beginning fund balances, and budgeting and coding actual departmental disbursements to non-departmental object codes does not allow for responsible and transparent policy making.

1.2 Budget amendments

The poor estimates of beginning and ending fund balances (as noted in section 1.1) resulted in undesignated fund balances that were then improperly transferred by the County Legislature rather than appropriated through the process established by state statute. Undesignated fund balances are the unreserved portion of a fund balance that have not been accounted for in the original budget passed by the county legislature. These funds originate from balances carried over from prior years due to poor budget estimates and zero-balance budgeting that were not accounted for in subsequent budgets. During the audit period, the County Legislature authorized \$3,117,328 of transfers from these actual undesignated fund balances instead of properly amending the budget. In addition, public hearings were not held prior to the approval/adoption of any of these transfers as required by state law.



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

Transfers of undesignated fund balances (not appropriated through the county budget process) totaling \$1,393,469 in 2017 and \$1,723,859 in 2018 were authorized by the County Legislature as follows:

Fund	Year Ended December 31,	
	2017	2018
General	\$ 533,559	820,869
Community Backed Anti-Crime Tax (COMBAT)	387,715	2,226
Special Road and Bridge	0	199,996
Health	0	208,541
Emergency 911 System	0	130,088
Recorder's Technology	0	115,000
Park Enterprise	203,150	0
Sheriff Revolving	269,045	247,139
Total	\$ 1,393,469	1,723,859

State law allows a county to amend its budget when a county receives additional monies that could not be estimated when the original budget was adopted. However, the following are examples of transfers of undesignated fund balances (not appropriated through the county budget process) performed without the existence of additional funds:

Date of Transfer	Fund	Purpose of Transfer	Beginning Undesignated Fund Balance	Amount of Transfer
05/22/2017	Community Backed Anti-Crime Tax (COMBAT)	Corrections seasonal plumbers/supplies	\$ 500,000	385,610
06/19/2017	Park Enterprise	Parks and Recreation pontoon boats	333,467	93,400
10/13/2017	General	Corrections replacement of additional corridor sliding doors	0	533,559
02/26/2018	Emergency 911 System	Unanticipated expenditures for "911" emergency telephone services	568,627	130,088
03/19/2018	Sheriff Revolving	Albert A. Riederer Criminal Justice Center office area improvements	468,100	213,681
04/30/2018	Recorder's Technology	Recorder of Deeds, Collection, and Assessment department software updates	0	115,000
06/25/2018	Special Road and Bridge	Ponca Drive and Slaughter Road change order	0	199,996
08/06/2018	General	14th Street Garage and downtown parking lots security improvements	0	315,000
08/27/2018	Health	Outside agency contracts	0	92,672

Section 50.622.1, RSMo, allows budget amendments if a county receives additional monies that could not be estimated when the budget was adopted. In addition, Section 50.622.6, RSMo, states, "no charter county shall be



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

restricted from amending its budget under and pursuant to the terms of its charter." Also, Chapter 5, Section 532.1, of the county code indicates budget amendments must be proposed by the County Executive and enacted upon by the County Legislature. Although Section 50.622.1, RSMo, Section 2 of the Jackson County Charter, and Section 532.1 of county code allow the County Legislature to enact ordinances regarding budget amendments when the county receives unanticipated additional funds, or experiences an unanticipated decline in funds, it does not provide for the County Legislature to transfer funds from undesignated fund balances (not appropriated through the county budget process) instead of properly amending the budget. As a result, when the County Legislature approves these undesignated fund transfers, it is effectively amending its budget without the existence of new revenues, and thus, should follow the same procedures required for adopting the original budget, including holding a public hearing.

Recommendations

The County Legislature work with the County Executive to:

- 1.1 Ensure budgets provide reasonable estimates of anticipated disbursements and ending fund balances; and discontinue deficit budgeting, and budgeting and paying departmental expenses from non-departmental appropriations.
- 1.2 Discontinue authorizing transfers from undesignated fund balances (not appropriated through the county budget process), and ensure budget amendments are only made when the county receives new revenues and public hearings are held for all other budget amendments in accordance with state law.

Auditee's Response

The County Legislature provided a written response. See Appendix C.

The County Executive provided a written response. See Appendix D.

2. Administrative Transfers

Significant improvement over controls, policies, and procedures related to administrative transfers is needed.

Administrative transfers are transfers of monies not exceeding \$10,000 that do not require Legislative approval. The following administrative transfers were made during the 3 years ended December 31, 2018:

Year Ended December 31,	Number of Transfers	Amount of Transfers
2016	857	\$ 5,315,099
2017	631	2,641,550
2018	558	2,253,063
Total	2,046	\$10,209,712



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

Our review of 45 of the 2,046 administrative transfers noted several concerns. Some administrative transfers may have been improper because they were made without proper approval or did not have sufficient documentation or explanation. In addition, several of these transfers included multiple object code transfers of monies not exceeding \$10,000, that when accumulated exceeded \$10,000. These multiple object code transfers allowed for the purchase of specific goods or services and did not require approval of the County Legislature. While these transfers are authorized by county code and policy, the transfers and related purchases were not transparent and give the appearance that the transfers and related purchases were made to avoid approval of the County Legislature. As a result, updates or modifications to the county code and policy may be necessary.

Proper approval

Some administrative transfers were made without proper approval, and as a result may have been inappropriate. We noted 28 of 45 transfers tested (62 percent), totaling \$557,321, lacked proper approval (see Appendix B for examples). The signature of the division manager was not present on 17 forms, the signatures of both the division manager and department head were not present on another 4 forms and the signature of the department head was not present on 1 form. For example:

- On January 21, 2016, 5 multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$39,996 that were not properly approved. The administrative transfers were only approved by members of the Finance and Purchasing department that processed the transfers and were not properly approved by the division manager and department head. These transfers allowed for the payment of a "County Executive Automobile Purchase" on February 25, 2016, that did not require approval of the County Legislature.
- On August 25, 2016, 6 multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$30,104 that were not properly approved. The administrative transfers were only approved by members of the Finance and Purchasing department that processed the transfers and were not properly approved by the division manager and department head. These transfers allowed for the payment of an automobile purchase for use by the County Executive's Chief of Staff on September 1, 2016, that did not require approval of the County Legislature.
- On April 4, 2018, multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$13,179 that were not properly approved by the division manager. These transfers allowed for the payment of information technology services on April 19, 2018, that did not require approval of the County Legislature.



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

In addition, 2 administrative transfer forms for transfers between personal service accounts were not approved by the County Executive. Finally, the Budget Officer's required approval was not present on 2 other transfer forms for transfers between personal service accounts. These transfers allowed for the payment of asbestos remediation and legal services that did not require approval of the County Legislature.

Budget Adjustments/Transfers policy 4.4 requires administrative transfers to have ". . . appropriate signatures (Department Head, Division Manager, County Executive (if salary accounts are involved)." The policy also states, "A standard format should be used to transfer funds among budgeted items (Appendix - Budget Transfer Request Forms). The form will be initiated by the operating department seeking the transfer. It should be approved by appropriate officials: Department Head; Budget Officer and Finance Director."

County code 533.1 states, "The County Executive, on the recommendation of the budget officer, is authorized to approve and effect a transfer from one (1) appropriation account to another within the same agency in an amount not to exceed ten thousand dollars (\$10,000) when the County Executive determines that any such transfer is necessary or advisable in the efficient administration of that office, department or agency of Jackson County."

In addition, county code 570.7 states, "Funds from other parts of the budget cannot be transferred into the Personal Services portion of the budget and funds cannot be transferred between Personal Services accounts, except as noted." County code 570.9 states, "Requests for exceptions to any of the above rules must be in writing, and approved by the County Executive and Manager of the Division of Finance. Alternatively, a request for an exception to any provision of the Personal Services Policy may be approved by a resolution that receives the affirmative vote of six members of the County Legislature."

All required signatures should be present on the administrative transfer forms to ensure all administrative transfers are necessary or advisable and in compliance with county policy and county code.

Transfer forms were
incomplete and inaccurate

Administrative transfer forms were not always complete and accurate, and as a result, administrative transfers totaling \$209,731 were made without sufficient documentation or explanation. Eight of the 45 transfers tested did not include either the balance of the (From) accounts before the transfer, the month-to-date total amount of transfers made from the (To and From) accounts, and/or whether the (To) accounts were new accounts, including the 2 automobile purchases noted above. In another example, on January 28, 2016, 3 multiple-object-code administrative transfers not exceeding \$10,000 were made totaling \$23,988 without sufficient documentation or explanation.



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

These transfers allowed for the payment of new carpet for the Finance and Purchasing department on April 14, 2016, that did not require approval of the County Legislature.

Another administrative transfer form reviewed did not document the reason or purpose of the transfer. In addition, the reasons stated on 2 of the administrative transfer forms reviewed did not fully correspond to the object codes used to make the transfers. For example, one transfer form indicated the transfer was for travel costs of a conference, but the transfer included an object code for software maintenance. The other transfer form indicated it was for software maintenance, but included an object code for the maintenance and repair-buildings account.

Budget Adjustments/Transfers policy 4.4 states, "Administrative approved transfers must be submitted on the appropriate transfer form (Salary or Non-Salary Transfer Form) . . ." Administrative transfer forms require the following information to be documented: (1) the requestor and date of the request, (2) the reason for the transfer, (3) the type of transfer (one-time or annual), (4) the amount of the transfer to be charged to and from various funds, departments, and accounts, (5) the balance of the "from" account before transfer, (6) whether the "to" account is a new account, and (7) the month-to-date total number of transfers made out of the "from" accounts affected by the transfer.

Budget Adjustments/Transfers policy 4.4 further states, "Not more than \$9,999 can be transferred to or from any one account within a calendar month," and "Back to Back (multiple) monthly transfers for the same account (for the same specific purpose) in an amount totaling anything greater than \$9,999 will not be allowed. (*updated 01/2017*)."

Including adequate information enables officials to accurately track amounts being spent from each account, thus ensuring compliance with county code and internal policies. Furthermore, reasons stated for making transfers should agree to the purpose of the accounts and object codes to which funds are being transferred. Without adequate information or explanation included on administrative transfer forms, determining that any such transfer is necessary or advisable is more difficult.

County code

As noted in the Background section of this report, the County Legislature believed that the County Executive was approving administrative transfers not exceeding \$10,000 to make some purchases without legislative approval.

The County Executive frequently approved administrative transfers that included multiple object codes not exceeding \$10,000, that when accumulated exceeded \$10,000. The following administrative transfers that



Jackson County
Budgets and Transfers
Management Advisory Report - State Auditor's Findings

included multiple object codes were made during the 3 years ended December 31, 2018:

Year Ended December 31,	Number of Transfers	Number of Object Code Transfers	Amount of Transfers
2016	92	422	\$2,240,578
2017	41	166	803,476
2018	28	134	689,728
Total	161	722	\$3,733,782

These multiple-object-code transfers, performed in accordance with current county code 533.1, allowed for the purchase of specific goods or services that might have otherwise required legislative approval. When we provided the Director of Finance and Purchasing examples of these transfers, he indicated, "In 2019 the County budget consolidated departments into a single fund, thus transfers similar to the examples with the same department and object codes, but different funds, will no longer take place."

However, as previously cited, several of these administrative transfers were not completed in accordance with county code or policy, bringing in to question their necessity and advisability. That, combined with a county transfer code written in 1973, and the County Legislature's concerns, suggests updates or modifications to the county code and policy may be necessary.

Recommendation

The County Legislature work with the County Executive to ensure administrative transfer forms are complete and accurate and are properly signed and/or approved, and transfers are made from/to accounts and object codes that agree to the reason or purpose of the transfer. In addition, the County Legislature should review and update as necessary, county code 533.1.

Auditee's Response

The County Legislature provided a written response. See Appendix C.

The County Executive provided a written response. See Appendix D.

Appendix A-1

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

General				Health			Assessment		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 85,342,613	111,732,111	26,389,498	25,859,556	27,137,932	1,278,376	6,645,459	7,741,262	1,095,803
(1) EXPENDITURES	95,325,707	87,411,567	7,914,140	27,234,912	26,781,655	453,257	7,924,791	6,889,255	1,035,536
REVENUES OVER (UNDER)									
EXPENDITURES	(9,983,094)	24,320,544	34,303,638	(1,375,356)	356,277	1,731,633	(1,279,332)	852,007	2,131,339
FUND BALANCE, JANUARY 1	9,983,094	27,848,949	17,865,855	1,375,356	5,798,403	4,423,047	1,279,332	3,680,916	2,401,584
NET ENCUMBRANCES	0	(1,161,247)	(1,161,247)	0	57,987	57,987	0	(88,346)	(88,346)
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	51,008,246	51,008,246	0	6,212,667	6,212,667	0	4,444,577	4,444,577
Sewer				Special Road and Bridge			County Urban Road System		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 32,000	37,385	5,385	23,027,525	24,453,693	1,426,168	0	0	0
(1) EXPENDITURES	124,512	51,525	72,987	28,649,260	25,682,398	2,966,862	329,245	0	329,245
REVENUES OVER (UNDER)									
EXPENDITURES	(92,512)	(14,140)	78,372	(5,621,735)	(1,228,705)	4,393,030	(329,245)	0	329,245
FUND BALANCE, JANUARY 1	138,097	233,294	95,197	5,621,735	13,014,721	7,392,986	329,245	22,153	(307,092)
NET ENCUMBRANCES	0	415	415	0	(181,172)	(181,172)	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 45,585	219,569	173,984	0	11,604,844	11,604,844	0	22,153	22,153
Community Backed Anti-Crime Tax (COMBAT)				Sports Complex Sales Tax Capital Project			Sports Complex/ Park Debt Service		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 23,624,000	25,366,124	1,742,124	19,200,000	21,885,223	2,685,223	3,378,000	3,392,905	14,905
(1) EXPENDITURES	27,066,605	24,193,003	2,873,602	25,800,000	22,782,276	3,017,724	3,377,000	3,377,000	0
REVENUES OVER (UNDER)									
EXPENDITURES	(3,442,605)	1,173,121	4,615,726	(6,600,000)	(897,053)	5,702,947	1,000	15,905	14,905
FUND BALANCE, JANUARY 1	3,442,605	10,793,248	7,350,643	6,600,000	9,271,741	2,671,741	(1,000)	1,069,491	1,070,491
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	11,966,369	11,966,369	0	8,374,688	8,374,688	0	1,085,396	1,085,396

Appendix A-1

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

Sports Complex Sales Tax Debt Service				Prosecuting Attorney Bad Check Collection			Prosecuting Attorney Delinquent Sales Tax				
	Original Budget	Actual	Difference		Original Budget	Actual	Difference		Original Budget	Actual	Difference
(1) REVENUES	\$ 49,279,000	51,845,374	2,566,374		65,000	64,194	(806)		155,000	171,198	16,198
(1) EXPENDITURES	49,234,250	51,808,647	(2,574,397)		136,893	129,249	7,644		124,240	123,462	778
REVENUES OVER (UNDER)											
EXPENDITURES	44,750	36,727	(8,023)		(71,893)	(65,055)	6,838		30,760	47,736	16,976
FUND BALANCE, JANUARY 1	(44,750)	19,279,497	19,324,247	(2)	71,893	17,533	(54,360)		343,196	368,973	25,777
NET ENCUMBRANCES	0	0	0		0	0	0		0	0	0
CAPITALIZED ITEMS	0	0	0		0	0	0		0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	19,316,224	19,316,224		0	(47,522)	(47,522)		373,956	416,709	42,753
Convention and Sports Complex				Emergency 911 System			Domestic Abuse				
	Original Budget	Actual	Difference		Original Budget	Actual	Difference		Original Budget	Actual	Difference
(1) REVENUES	\$ 6,861,711	6,818,058	(43,653)		1,700,000	2,006,684	306,684		162,000	163,438	1,438
(1) EXPENDITURES	6,861,701	6,808,683	53,018		2,352,533	2,363,506	(10,973)		219,092	197,670	21,422
REVENUES OVER (UNDER)											
EXPENDITURES	10	9,375	9,365		(652,533)	(356,822)	295,711		(57,092)	(34,232)	22,860
FUND BALANCE, JANUARY 1	3,504,384	3,511,018	6,634		1,221,160	502,939	(718,221)		57,092	47,693	(9,399)
NET ENCUMBRANCES	0	0	0		0	0	0		0	0	0
CAPITALIZED ITEMS	0	0	0		0	0	0		0	0	0
FUND BALANCE, DECEMBER 31	\$ 3,504,394	3,520,393	15,999		568,627	146,117	(422,510)		0	13,461	13,461
Homeless Assistance				Recorder's Fee			Recorder's Technology				
	Original Budget	Actual	Difference		Original Budget	Actual	Difference		Original Budget	Actual	Difference
(1) REVENUES	\$ 333,000	341,531	8,531		240,000	246,510	6,510		137,500	140,145	2,645
(1) EXPENDITURES	439,306	320,925	118,381		336,223	218,428	117,795		172,229	153,964	18,265
REVENUES OVER (UNDER)											
EXPENDITURES	(106,306)	20,606	126,912		(96,223)	28,082	124,305		(34,729)	(13,819)	20,910
FUND BALANCE, JANUARY 1	106,306	232,458	126,152		96,223	129,147	32,924		34,729	147,557	112,828
NET ENCUMBRANCES	0	0	0		0	(434)	(434)		0	(1,442)	(1,442)
CAPITALIZED ITEMS	0	0	0		0	0	0		0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	253,064	253,064		0	156,795	156,795		0	132,296	132,296

Appendix A-1

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

Collector's Maintenance Fee				Park				Park Enterprise			
Original Budget Actual Difference				Original Budget Actual Difference				Original Budget Actual Difference			
(1) REVENUES	\$	830,000	884,779	54,779	15,007,420	15,696,721	689,301	5,665,450	5,973,026	307,576	
(1) EXPENDITURES		921,329	713,278	208,051	16,321,977	14,744,254	1,577,723	6,392,465	4,953,887	1,438,578	
REVENUES OVER (UNDER)											
EXPENDITURES		(91,329)	171,501	262,830	(1,314,557)	952,467	2,267,024	(727,015)	1,019,139	1,746,154	
FUND BALANCE, JANUARY 1		91,329	1,729,378	1,638,049	1,314,557	4,135,810	2,821,253	727,015	1,561,887	834,872	
NET ENCUMBRANCES		0	0	0	0	(170,654)	(170,654)	0	549	549	
CAPITALIZED ITEMS		0	0	0	0	0	0	0	(671,526)	(671,526)	
FUND BALANCE, DECEMBER 31	\$	0	1,900,879	1,900,879	0	4,917,623	4,917,623	0	1,910,049	1,910,049	
Federal Forfeiture (3)				Sheriff Revolving				Grant (4)			
Original Budget Actual Difference				Original Budget Actual Difference				Original Budget Actual Difference			
(1) REVENUES	\$	0	63,212	63,212	90,000	98,950	8,950	0	5,274,385	5,274,385	
(1) EXPENDITURES		0	64,549	(64,549)	208,519	330,655	(122,136)	0	2,106,925	(2,106,925)	
REVENUES OVER (UNDER)											
EXPENDITURES		0	(1,337)	(1,337)	(118,519)	(231,705)	(113,186)	0	3,167,460	3,167,460	
FUND BALANCE, JANUARY 1		288,128	363,386	75,258	586,619	596,882	10,263	0	3,368,756	3,368,756	
NET ENCUMBRANCES		0	0	0	0	(19,783)	(19,783)	0	(3,822,266)	(3,822,266)	
CAPITALIZED ITEMS		0	0	0	0	0	0	0	0	0	
FUND BALANCE, DECEMBER 31	\$	288,128	362,049	73,921	468,100	345,394	(122,706)	0	2,713,950	2,713,950	
Public Building Corporation Capital Project				Public Building Corporation Debt Service				Special Obligation Bond Capital Project			
Original Budget Actual Difference				Original Budget Actual Difference				Original Budget Actual Difference			
(1) REVENUES	\$	0	7,130	7,130	510,250	510,599	349	0	7,464	7,464	
(1) EXPENDITURES		827,222	1,726,332	(899,110)	510,250	510,250	0	321,266	267,350	53,916	
REVENUES OVER (UNDER)											
EXPENDITURES		(827,222)	(1,719,202)	(891,980)	0	349	349	(321,266)	(259,886)	61,380	
FUND BALANCE, JANUARY 1		854,230	1,720,202	865,972	0	2,932,065	2,932,065	488,996	483,961	(5,035)	
NET ENCUMBRANCES		0	(1,000)	(1,000)	0	0	0	0	41,005	41,005	
CAPITALIZED ITEMS		0	0	0	0	0	0	0	0	0	
FUND BALANCE, DECEMBER 31	\$	27,008	0	(27,008)	0	2,932,414	2,932,414	167,730	265,080	97,350	

Appendix A-1

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2018

	Special Obligation Bond Debt Service			Obligations to the U.S. Government Debt Service			Law Enforcement Training		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 12,330,491	13,154,240	823,749	0	0	0	42,500	31,100	(11,400)
(1) EXPENDITURES	12,330,491	12,330,241	250	642,693	642,693	0	44,442	18,635	25,807
REVENUES OVER (UNDER)									
EXPENDITURES	0	823,999	823,999	(642,693)	(642,693)	0	(1,942)	12,465	14,407
FUND BALANCE, JANUARY 1	0	753,290	753,290	642,693	642,693	0	1,942	1,510	(432)
NET ENCUMBRANCES	0	0	0	0	642,693	642,693	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31 \$	0	1,577,289	1,577,289	0	642,693	642,693	0	13,975	13,975

	Inmate Security			Total (all funds)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 146,000	156,187	10,187	280,664,475	325,401,560	44,737,085
(1) EXPENDITURES	146,000	146,000	0	314,375,153	297,848,262	16,526,891
REVENUES OVER (UNDER)						
EXPENDITURES	0	10,187	10,187	(33,710,678)	27,553,298	61,263,976
FUND BALANCE, JANUARY 1	0	82,182	82,182	39,154,206	114,341,733	75,187,527
NET ENCUMBRANCES	0	0	0	0	(4,703,695)	(4,703,695)
CAPITALIZED ITEMS	0	0	0	0	(671,526)	(671,526)
FUND BALANCE, DECEMBER 31 \$	0	92,369	92,369	5,443,528	136,519,810	131,076,282

- (1) Revenues and expenditures presented include transfers in and out.
- (2) The original budget fund balance of the Prosecuting Attorney Bad Check Fund was inaccurately reported on the budget. The actual beginning fund balance was \$17,533.
- (3) The county considers the Federal Forfeiture Fund a non-appropriated fund.
- (4) The annual budget document did not anticipate grants for appropriation. Appropriations were approved as the grants were awarded on a case-by-case basis with no expectation of a grant continuing beyond the current year.

Appendix A-2

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2017

	General			Health			Assessment		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 83,764,602	86,941,055	3,176,453	24,882,740	26,320,156	1,437,416	6,713,147	7,039,721	326,574
(1) EXPENDITURES	92,246,360	84,647,962	7,598,398	26,538,928	25,060,877	1,478,051	8,337,842	6,731,229	1,606,613
REVENUES OVER (UNDER)	(8,481,758)	2,293,093	10,774,851	(1,656,188)	1,259,279	2,915,467	(1,624,695)	308,492	1,933,187
EXPENDITURES	(8,481,758)	24,367,021	15,885,263	1,656,188	4,342,671	2,686,483	1,624,695	3,529,169	1,904,474
FUND BALANCE, JANUARY 1	0	1,188,835	1,188,835	0	196,453	196,453	0	(156,745)	(156,745)
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	27,848,949	27,848,949	0	5,798,403	5,798,403	0	3,680,916	3,680,916

	Sewer			Special Road and Bridge			County Urban Road System		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 32,000	30,312	(1,688)	22,266,561	23,608,514	1,341,953	0	0	0
(1) EXPENDITURES	128,301	31,416	96,885	28,417,825	25,393,072	3,024,753	593,343	316,909	276,434
REVENUES OVER (UNDER)	(96,301)	(1,104)	95,197	(6,151,264)	(1,784,558)	4,366,706	(593,343)	(316,909)	276,434
EXPENDITURES	(96,301)	(1,104)	95,197	(6,151,264)	(1,784,558)	4,366,706	(593,343)	(316,909)	276,434
FUND BALANCE, JANUARY 1	201,329	234,398	33,069	6,151,264	15,124,838	8,973,574	593,343	340,520	(252,823)
NET ENCUMBRANCES	0	0	0	0	(325,559)	(325,559)	0	(1,458)	(1,458)
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 105,028	233,294	128,266	0	13,014,721	13,014,721	0	22,153	22,153

	Community Backed Anti-Crime Tax (COMBAT)			Sports Complex Sales Tax Capital Project			Sports Complex Park Debt Service		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 23,234,198	25,258,982	2,024,784	18,000,000	20,973,108	2,973,108	0	3,379,961	3,379,961
(1) EXPENDITURES	25,845,446	23,953,828	1,891,618	25,800,000	21,398,807	4,401,193	3,377,000	3,377,011	(11)
REVENUES OVER (UNDER)	(2,611,248)	1,305,154	3,916,402	(7,800,000)	(425,699)	7,374,301	(3,377,000)	2,950	3,379,950
EXPENDITURES	(2,611,248)	1,305,154	3,916,402	(7,800,000)	(425,699)	7,374,301	(3,377,000)	2,950	3,379,950
FUND BALANCE, JANUARY 1	3,111,248	10,233,712	7,122,464	7,800,000	9,697,440	1,897,440	3,377,000	1,066,541	(2,310,459)
NET ENCUMBRANCES	0	(745,618)	(745,618)	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 500,000	10,793,248	10,293,248	0	9,271,741	9,271,741	0	1,069,491	1,069,491

Appendix A-2

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2017

	Sports Complex Sales Tax Debt Service			Prosecuting Attorney Bad Check Collection			Prosecuting Attorney Delinquent Sales Tax		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 48,116,500	51,559,194	3,442,694	93,000	72,183	(20,817)	150,000	120,505	(29,495)
(1) EXPENDITURES	48,042,250	50,990,849	(2,948,599)	146,649	140,069	6,580	122,106	154,227	(32,121)
REVENUES OVER (UNDER)	74,250	568,345	494,095	(53,649)	(67,886)	(14,237)	27,894	(33,722)	(61,616)
EXPENDITURES	(74,250)	18,711,152	18,785,402	103,795	85,419	(18,376)	294,588	402,695	108,107
FUND BALANCE, JANUARY 1	0	0	0	0	0	0	0	0	0
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	19,279,497	19,279,497	50,146	17,533	(32,613)	322,482	368,973	46,491
FUND BALANCE, DECEMBER 31	\$ 0								
	Convention and Sports Complex			Emergency 911 System			Domestic Abuse		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 6,858,008	6,837,130	(20,878)	2,000,000	1,566,524	(433,476)	161,000	172,601	11,601
(1) EXPENDITURES	6,861,711	6,830,496	31,215	2,220,335	2,325,483	(105,148)	182,421	182,000	421
REVENUES OVER (UNDER)	(3,703)	6,634	10,337	(220,335)	(758,959)	(538,624)	(21,421)	(9,399)	12,022
EXPENDITURES	3,487,813	3,504,384	16,571	1,433,585	1,261,898	(171,687)	21,421	57,092	35,671
FUND BALANCE, JANUARY 1	0	0	0	0	0	0	0	0	0
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	3,484,110	3,511,018	26,908	1,213,250	502,939	(710,311)	0	47,693	47,693
FUND BALANCE, DECEMBER 31	\$ 3,484,110								
	Homeless Assistance			Recorder's Fee			Recorder's Technology		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 325,000	338,349	13,349	230,000	247,399	17,399	132,500	138,079	5,579
(1) EXPENDITURES	361,614	241,743	119,871	267,924	217,367	50,557	252,961	137,725	115,236
REVENUES OVER (UNDER)	(36,614)	96,606	133,220	(37,924)	30,032	67,956	(120,461)	354	120,815
EXPENDITURES	36,614	135,852	99,238	37,924	98,681	60,757	120,461	149,254	28,793
FUND BALANCE, JANUARY 1	0	0	0	0	434	434	0	(2,051)	(2,051)
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	232,458	232,458	0	129,147	129,147	0	147,557	147,557
FUND BALANCE, DECEMBER 31	\$ 0								

Appendix A-2

Jackson County - Budgets and Transfers
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual
Year Ended December 31, 2017

	Collector's Maintenance Fee			Park			Park Enterprise		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 845,000	846,154	1,154	14,547,846	15,346,347	798,501	5,608,050	5,903,002	294,952
(1) EXPENDITURES	1,016,824	895,381	121,443	16,764,058	15,974,912	789,146	5,663,490	5,205,244	458,246
REVENUES OVER (UNDER)									
EXPENDITURES	(171,824)	(49,227)	122,597	(2,216,212)	(628,565)	1,587,647	(55,440)	697,758	753,198
FUND BALANCE, JANUARY 1	1,787,075	1,782,807	(4,268)	2,216,212	5,208,079	2,991,867	388,907	1,961,765	1,572,858
NET ENCUMBRANCES	0	(4,202)	(4,202)	0	(443,704)	(443,704)	0	70,586	70,586
CAPITALIZED ITEMS	0	0	0	0	0	0	0	(1,168,222)	(1,168,222)
FUND BALANCE, DECEMBER 31	\$ 1,615,251	1,729,378	114,127	0	4,135,810	4,135,810	333,467	1,561,887	1,228,420
	Federal Forfeiture (2)			Sheriff Revolving			Grant (3)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 0	52,258	52,258	200,000	94,168	(105,832)	0	5,357,869	5,357,869
(1) EXPENDITURES	0	42,114	(42,114)	198,312	374,458	(176,146)	0	6,150,336	(6,150,336)
REVENUES OVER (UNDER)									
EXPENDITURES	0	10,144	10,144	1,688	(280,290)	(281,978)	0	(792,467)	(792,467)
FUND BALANCE, JANUARY 1	259,038	353,242	94,204	575,375	866,435	291,060	0	846,775	846,775
NET ENCUMBRANCES	0	0	0	0	10,737	10,737	0	3,314,448	3,314,448
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 259,038	363,386	104,348	577,063	596,882	19,819	0	3,368,756	3,368,756
	Public Building Corporation Capital Project			Public Building Corporation Debt Service			Special Obligation Bond Capital Project		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 0	1,935	1,935	1,124,000	1,124,013	13	0	2,940	2,940
(1) EXPENDITURES	864,728	84,833	779,895	1,124,000	1,124,000	0	2,360,363	1,852,075	508,288
REVENUES OVER (UNDER)									
EXPENDITURES	(864,728)	(82,898)	781,830	0	13	13	(2,360,363)	(1,849,135)	511,228
FUND BALANCE, JANUARY 1	864,728	1,803,100	938,372	0	2,932,052	2,932,052	2,360,363	2,333,096	(27,267)
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	1,720,202	1,720,202	0	2,932,065	2,932,065	0	483,961	483,961

Appendix A-2

Jackson County - Budgets and Transfers

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Originally Adopted Budget to Actual

Year Ended December 31, 2017

	Special Obligation Bond Debt Service			Obligations to the U.S. Government Debt Service			Criminal Justice Improvement Capital Project (4)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 11,734,741	11,736,577	1,836	642,693	642,693	0	0	0	0
(1) EXPENDITURES	11,734,741	11,734,491	250	642,693	642,693	0	278	228	50
REVENUES OVER (UNDER) EXPENDITURES	0	2,086	2,086	0	0	0	(278)	(228)	50
FUND BALANCE, JANUARY 1	0	751,204	751,204	0	642,693	642,693	278	228	(50)
NET ENCUMBRANCES	0	0	0	0	0	0	0	0	0
CAPITALIZED ITEMS	0	0	0	0	0	0	0	0	0
FUND BALANCE, DECEMBER 31	\$ 0	753,290	753,290	0	642,693	642,693	0	0	0

	Law Enforcement Training			Inmate Security			Total (all funds)		
	Original Budget	Actual	Difference	Original Budget	Actual	Difference	Original Budget	Actual	Difference
(1) REVENUES	\$ 43,500	38,633	(4,867)	141,000	180,352	39,352	271,846,086	295,930,714	24,084,628
(1) EXPENDITURES	51,426	46,991	4,435	141,000	98,170	42,830	310,304,929	296,356,996	13,947,933
REVENUES OVER (UNDER) EXPENDITURES	(7,926)	(8,358)	(432)	0	82,182	82,182	(38,458,843)	(426,282)	38,032,561
FUND BALANCE, JANUARY 1	7,926	9,868	1,942	0	0	0	46,918,678	112,834,081	65,915,403
NET ENCUMBRANCES	0	0	0	0	0	0	0	3,102,156	3,102,156
CAPITALIZED ITEMS	0	0	0	0	0	0	0	(1,168,222)	(1,168,222)
FUND BALANCE, DECEMBER 31	\$ 0	1,510	1,510	0	82,182	82,182	8,459,835	114,341,733	105,881,898

(1) Revenues and expenditures presented include transfers in and out.

(2) The county considers the Federal Forfeiture Fund a non-appropriated fund.

(3) The annual budget document did not anticipate grants for appropriation. Appropriations were approved as the grants were awarded on a case-by-case basis with no expectation of a grant continuing beyond the current year.

(4) This fund was closed in 2017.

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

Handwritten text was added by county employees.

NON-SALARY
 JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting
 FROM: Budgeting - Non Departmental
 DATE: 1/21/16
 REASON: County Executive Automobile Purchase
☒ One Time Expenditure

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>8824</u>
Description:	<u>Transfer</u>
Control Total:	

☐ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
<u>001</u>	<u>5101</u>	<u>6643</u>	<u>\$ 9,999.00</u>		
<u>003</u>	<u>5103</u>	<u>6020</u>	<u>\$ 4,599.00</u>		
<u>003</u>	<u>5103</u>	<u>6080</u>	<u>\$ 5,400.00</u>		
<u>004</u>	<u>5104</u>	<u>8020</u>	<u>\$ 9,999.00</u>		
<u>045</u>	<u>4500</u>	<u>6661</u>	<u>\$ 9,999.00</u>		

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
<u>001</u>	<u>5101</u>	<u>8120</u>	<u>\$ 9,999.00</u>		
<u>003</u>	<u>5103</u>	<u>8120</u>	<u>\$ 9,999.00</u>		
<u>004</u>	<u>5104</u>	<u>8120</u>	<u>\$ 9,999.00</u>		
<u>045</u>	<u>4500</u>	<u>8120</u>	<u>\$ 9,999.00</u>		

Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: MR
 Approved By: [Signature]
 Approved By: [Signature]

Date: 1/21/16
 Date: 1-21-16
 Date: 1/21/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting

FROM: Budgeting - Finance

DATE: 1/21/16

REASON: Asbestos Remediation

☒ One Time Expenditure

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>8828 8912</u>
Description:	<u>transfer</u>
Control Total:	

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	1404	5010	\$ 9,999.00		\$ -
003	1404	5010	\$ 3,682.00		
004	1404	5010	\$ 3,682.00 <u>6009</u>		

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	1404	6080	\$ 9,999.00		
003	1404	6080	\$ 3,682.00		
004	1404	6080	\$ 3,682.00 <u>6009</u>		

Mary Jo Beane
 Division Manager

1/22/16

Paul H. H. H. 1.22.16
 County Executive

INTERNAL OFFICE USE ONLY

Prepared By: MR

Approved By: [Signature]

Approved By: [Signature]

Date: 1/21/16

Date:

Date: 1/21/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
FROM: Michael Erickson
DATE: January 20, 2016
REASON: To cover expenses not listed in original budget.

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>8835</u>
Description:	<u>Transfer</u>
Control Total:	_____

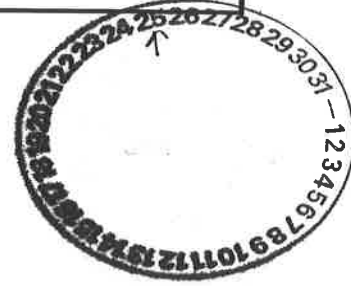
☒ **One Time Expenditure**

☐ **Annual Expense that will be adjusted for in next year's budget**

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
003	1305	58020 ✓	\$ 9,999	\$ 40,000 ^{16,005 ✓}	\$0
300	1305	58020 ✓	\$ 9,999	\$40,000 ✓	\$0



TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
003	1305	56750	\$9,999	Yes ✓	\$0
300	1305	56750	\$9,999	Yes ✓	\$0

 Department Head

 Division Manager

INTERNAL OFFICE USE ONLY

Prepared By:
 Approved By:
 Approved By:

Date: 1.25.16
 Date: 1.25.16
 Date: 1/25/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting
 FROM: Budgeting - Finance
 DATE: 1/27/16
 REASON: New Carpet

(Internal Use Only)	
Fiscal Yr:	2016
Ref#:	<u>8842</u> <u>8913</u>
Description:	<u>transfer</u>
Control Total:	

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
060	1404	5010	\$ 9,999.00		\$ -
<u>003</u>	<u>1404</u>	<u>5010</u>	<u>9999</u>		
<u>004</u>	<u>1404</u>	<u>5010</u>	<u>3990</u>		

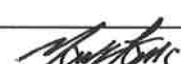

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
060	1404	<u>8060 -8020</u>	\$ 9,999.00		
<u>003</u>	<u>1404</u>	<u>8060</u>	<u>9999</u>		
<u>004</u>	<u>1404</u>	<u>8060</u>	<u>3990</u>		

 1-28-16
 Division Manager


 County Executive

INTERNAL OFFICE USE ONLY

Prepared By: NR
 Approved By: 
 Approved By: 

Date: 1/27/16
 Date: 1/27/16
 Date: 1/27/16

Appendix B
Jackson County
Budgets and Transfers
Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: BUDGETING
FROM: BUDGETING - NON DEPARTMENTAL
DATE: 8/25/16
REASON: C. CLIFFORD NEW VEHICLE

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>9452</u>
Description:	<u>Transfer</u>
Control Total:	

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	5101	6790	\$ 9,999.00		
002	5102	6790	\$ 4,869.00		
003	5103	6080	\$ 4,869.00		
004	5104	6790	\$ 4,869.00		
008	5108	6080	\$ 2,870.00		
045	4500	6080	\$ 2,628.00		

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	5101	8120	\$ 9,999.00		
002	5102	8120	\$ 4,869.00		
003	5103	8120	\$ 4,869.00		
004	5104	8120	\$ 4,869.00		
008	5108	8120	\$ 2,870.00		
045	4500	8120	\$ 2,628.00		

Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: MR
Approved By: [Signature]
Approved By: [Signature]

Date: 8/25/16
Date: 8/25/16
Date: 8/29/16

Appendix B
Jackson County
Budgets and Transfers
Improperly Approved Administrative Transfers

JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT
SALARY

TO: Budgeting
FROM: Christine Lynde
DATE: 10-20-16 11/1/16
REASON: Software Maintenance
☒ One Time Expenditure

(Internal Use Only)	
Fiscal Yr:	<u>2016</u>
Ref#:	<u>9691</u>
Description:	<u>Transf</u>
Control Total:	

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
<u>004</u>	<u>4201</u>	<u>55010</u>	<u>9999</u>	<u>889,1310</u>	
<u>004</u>	<u>4201</u>	<u>7110</u>	<u>6500</u>		
<u>001</u>	<u>4201</u>	<u>55010</u>	<u>8875</u>	<u>393530</u>	

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
<u>004</u>	<u>4201</u>	<u>50662</u>	<u>6500</u>	<u>NO</u>	
<u>004</u>	<u>4201</u>	<u>6510</u>	<u>9999</u>		
<u>001</u>	<u>4201</u>	<u>50662</u>	<u>8875</u>	<u>yes</u>	

X 408 11/7
Division Manager

[Signature]
County Executive

INTERNAL OFFICE USE ONLY

Prepared By: MR
Approved By: [Signature]
Approved By: [Signature]

Date: 11/1/16
Date: 11/1/16
Date: 11/1/16

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
 FROM: Michael Erickson
 DATE: February 1, 2017
 REASON: To cover the expense of the Dell Server Migration

(Internal Use Only)	
Fiscal Yr: <u>2017</u>	
Ref#: <u>9957</u>	
Description: <u>Transfer</u>	
Control Total: _____	

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

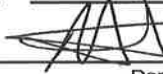
Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	1305	8171 ✓	\$ 9,999	\$62,452 ✓	\$0
003	1305	8171 ✓	\$9,999	\$15,574 ✓	\$0
004	1305	8171 ✓	\$9,999	\$16,653 ✓	\$0
042	1305	6661 ✓	\$9,999	\$17,690 ✓	\$0
045	1305	8173 ✓	\$9,999	\$11,013 ✓	\$0
300	1305	8173 ✓	\$9,999	\$14,817 ✓	\$0

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	1305	6080 ✓	\$ 9,999	No	\$0
003	1305	6080 ✓	\$9,999	No	\$0
004	1305	6080 ✓	\$9,999	No	\$0
042	1305	6080 ✓	\$9,999	Yes ✓	\$0
045	1305	6080 ✓	\$9,999	No	\$0
300	1305	6080 ✓	\$9,999	No	\$0



Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: 
 Approved By: 
 Approved By: 

Date: 2-1-17
 Date: 2/2/17
 Date: 2/2/17

Appendix B
Jackson County
Budgets and Transfers
Improperly Approved Administrative Transfers

JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
FROM: Brian Boyd
DATE: 5/15/17
REASON: Budget

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

Shirley W. / K. W. Nelson 5/15

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10193</u>
Description:	<u>Transfer</u>
Control Total:	

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month-to-Date Total Transfers from this account
<u>001</u>	<u>5401</u>	<u>5010</u> ✓	<u>9,990.00</u>	<u>34,644</u>	<u>9,990.00</u>
				<u>419,044</u> ✓	
<u>001</u>	<u>5401</u>	<u>5040</u> ✓	<u>400.00</u>	<u>31,229</u>	<u>400.00</u>
				<u>34,818</u> ✓	

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month-to-Date Total Transfers to this account
<u>001</u>	<u>5401</u>	<u>6020</u> ✓	<u>800.00</u>	<u>No</u>	<u>800.00</u>
<u>001</u>	<u>5401</u>	<u>6010</u> ✓	<u>5,500.00</u>	<u>No</u>	<u>5,500.00</u>
<u>001</u>	<u>5401</u>	<u>6030</u> ✓	<u>930.00</u>	<u>No</u>	<u>930.00</u>
<u>001</u>	<u>5401</u>	<u>6310</u> ✓	<u>900.00</u>	<u>No</u>	<u>900.00</u>
<u>001</u>	<u>5401</u>	<u>6520</u> ✓	<u>1,140.00</u>	<u>No</u>	<u>1,140.00</u>
<u>001</u>	<u>5401</u>	<u>6790</u> ✓	<u>1,115.00</u>	<u>No</u>	<u>1,115.00</u>
<u>001</u>	<u>5401</u>	<u>7110</u>	<u>5.00</u>	<u>Yes</u> ✓	<u>5.00</u>

Division Manager

County Executive

INTERNAL OFFICE USE ONLY

Prepared By: Loch Alt
Approved By: [Signature]
Approved By: [Signature]

Date: 5-16-17
Date: 5/16/17
Date: [Signature]

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting

FROM: Budgeting - Public Works

DATE: 7/20/17

REASON: Bat Removal/cleanup Independence Annex

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10328</u>
Description:	<u>Transfer</u>
Control Total:	_____

☐ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
<u>001</u>	<u>1205</u>	<u>5010</u>	<u>\$ 7,000.00</u>	_____	<u>\$ _____</u>
<u>001</u>	<u>1205</u>	<u>5060</u>	<u>\$ 7,000.00</u>	_____	_____

TO:


FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
<u>001</u>	<u>1205</u>	<u>6510</u>	<u>\$ 7,000.00</u>	_____	_____
<u>001</u>	<u>1205</u>	<u>6730</u>	<u>\$ 7,000.00</u>	_____	_____


 7/20/17
 Division Manager


 County Executive

INTERNAL OFFICE USE ONLY

Prepared By: MR

Approved By: 

Approved By: 

Date: 7/20/17

Date: 7/20/17

Date: 7/24/17

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
 JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Budgeting
 FROM: Deryn Horsley / JCSO
 DATE: 10/16/17
 REASON: vehicle equipment

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10584</u>
Description:	<u>Transfer</u>
Control Total:	

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
004	4201	58120 ✓	\$9,999	\$27,440.00 ✓	
004	4201	57110 ✓	\$9,999	\$112,303.83 ✓	
004	4201	58060 ✓	\$2,992.38	\$6,200 ✓	
			2,993		

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
004	4201	58170 ✓	\$22,990.38	NO	
			22,991		

x Capt. Goodwin
 Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: Heidi Alh
 Approved By: [Signature]
 Approved By: [Signature]

Date: 10-16-17
 Date: 10/17/17
 Date: 10/18/17

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: FINANCE DEPT

FROM: Jim Evans

DATE: 11/1/2017

REASON: Cleaning Supplies, Asphalt, Road Oil

(Internal Use Only)

Fiscal Yr: 2017

Ref#: 10647

Description: Transfer

Control Total: _____

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
004	1506	57220 ✓	\$9,000.00	\$25,710.00 ✓	\$0.00
004	1506	57230 ✓	\$4,500.00	\$104,055.00 29,736 ✓	\$0.00

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
004	1506	57380 ✓	\$9,000.00	NO	\$0.00
004	1506	57430 ✓	\$3,000.00	NO	\$0.00
004	1506	57130 ✓	\$1,500.00	NO	\$0.00



Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: [Signature]
 Approved By: [Signature]
 Reviewed By: [Signature]

Date: 11-1-17
 Date: 11/1/17
 Date: 11/13/17

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Mary Rasmussen
 FROM: W. Stephen Nixon
 DATE: 12-12-17
 REASON: Contract payment

(Internal Use Only)	
Fiscal Yr:	<u>2017</u>
Ref#:	<u>10778</u>
Description:	<u>Transfer</u>
Control Total:	_____

☒ One Time Expenditure

☐ Annual Expense that will be adjusted for in next year's budget

In accordance with the County Code, Chapter 5 Section 570.9, please approve the following budget transfer

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
<u>001</u>	<u>1101</u>	<u>55010</u>	<u>9,999</u>	<u>105,930.09</u>	<u>0</u>

TO:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
<u>001</u>	<u>1101</u>	<u>56020</u>	<u>9,999</u>	<u>yes</u>	<u>0</u>

W. Stephen Nixon
 Division Manager

[Signature]
 County Executive

INTERNAL OFFICE USE ONLY			
Prepared By: _____	Date: <u>12/12/17</u>		
Approved By: _____	Date: _____		
Approved By: _____	Date: <u>12/12/17</u>		

Appendix B
 Jackson County
 Budgets and Transfers
 Improperly Approved Administrative Transfers

NON-SALARY
JACKSON COUNTY BUDGET ADJUSTMENT DOCUMENT

TO: Keith Allen
FROM: Michael Erickson
DATE: April 2, 2018
REASON: To cover Gruber annual manitenance.

(Internal Use Only)	
Fiscal Yr:	<u>2018</u>
Ref#:	<u>11038</u>
Description:	<u>Transfer</u>
Control Total:	

☐ One Time Expenditure

☒ Annual Expense that will be adjusted for in next year's budget

Please Transfer the following funds to cover a line item deficit in the following account(s):

FROM:

FUND	DEPARTMENT	ACCT NO.	AMOUNT	Balance of Account Before Transfer	Month to Date Total Transfers from this account
001	1305	6661 ✓	\$ 8,000.00	\$ 143,093.40 ✓	\$0
003	1305	6661 ✓	\$ 5,179.00	\$ 17,563.00 ✓	\$0

TO:



FUND	DEPARTMENT	ACCT NO.	AMOUNT	New Acct Yes or No	Month to Date Total Transfers to this account
001	1305	6580 ✓	\$ 8,000.00	No	\$0
003	1305	6580 ✓	\$ 5,179.00	No	\$0



Department Head

Division Manager

INTERNAL OFFICE USE ONLY

Prepared By: 
 Approved By: 
 Approved By: Cheryl L. Colton

Date: 4.2.18
 Date: 4/3/18
 Date: 4/4/18



**COUNTY LEGISLATURE
JACKSON COUNTY, MISSOURI**

**THERESA CASS GALVIN
LEGISLATIVE CHAIRMAN
JACKSON COUNTY LEGISLATOR, 6TH DISTRICT**

JACKSON COUNTY COURTHOUSE
415 E. 12th Street, 2nd Floor
Kansas City, Missouri 64106

Office: 816-881-3132
Fax: 816-881-3340
www.jacksongov.org



November 2, 2020

Nicole Galloway
Missouri State Auditor
Truman State Office Building
301 West High Street, Rm 880, P.O. Box 869
Jefferson City, MO 65102

Honorable Auditor Galloway,

In February 2018 the Jackson County Legislature formally requested an independent audit by the Missouri State Auditor to provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws.

Again, the County Legislature greatly appreciates the State Auditor's time and efforts in conducting an audit and issuing a report of the Jackson County Budgets and Transfers as the third report of multiple areas of review.

The County Legislature supports the report's recommendations and is committed to continue taking actions to strengthen oversight efforts of county operations and internal controls through policymaking measures to establish best practice standards that fall within the County Legislature's powers and duties of the existing Jackson County Charter.

Harry S. Truman, Presiding Judge, 1927-1934





FRANK WHITE, JR.
Jackson County Executive

November 6, 2020

Robert McArthur II, Senior Auditor III
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

via email: robert.mcarthur@auditor.mo.gov,
pamela.allison@auditor.mo.gov

Dear Mr. McArthur,

In response to your request for my office's response, please see the information below:

1.1

The Administration is committed to ensuring that revenue projections included in the county's annual budget are a fair reflection of the county's current financial position and that the county's annual budget is compiled in accordance with financial accounting best practices.

The Administration will review all recommendations made, and in collaboration with the County Legislature will make any changes necessary.

1.2

The Administration will review all recommendations made, and in collaboration with the County Legislature will make any changes necessary.

2

The Administration will take the steps necessary to ensure that all paperwork is properly completed prior to processing any departmental requests for the transfer of funds. The Administration is committed to working with the County Legislature to update the county's transfer policy to ensure it is consistent with both current best practices, as well as the size and complexity of an organization such as Jackson County.

Regards,

Frank White, Jr.
Jackson County Executive

cc: Pamela Allison, Supervising Manager of the Public Corruption and Fraud Division





Nicole Galloway, CPA

Missouri State Auditor

**Fortieth Judicial Circuit
Newton County**

Report No. 2020-107

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Fortieth Judicial Circuit Newton County

Fee Assessments	The Circuit Clerk's office does not have adequate procedures to ensure court costs are assessed.
Case Disposition	The Circuit Clerk's office does not always properly record the final disposition of each case in the Missouri Courts automated case management system and does not adequately review reports of open cases.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Fortieth Judicial Circuit

Newton County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Fee Assessments.....4
Findings	2. Case Disposition.....4

Organization and Statistical	6
Information	

Appendix	
Fortieth Judicial Circuit, Newton County Response	7



NICOLE GALLOWAY, CPA

Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Fortieth Judicial Circuit
Newton County, Missouri

We have audited certain operations of the Fortieth Judicial Circuit, Newton County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

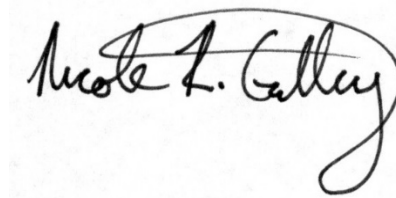
1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Newton County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) no significant noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Fortieth Judicial Circuit, Newton County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Marian Rader, M.Acct., CPA, CFE, CGFM
Audit Staff:	Misty Bowen, MSED, CFE
	Ryan Patterson, M.Acct.

Fortieth Judicial Circuit

Newton County

Management Advisory Report - State Auditor's Findings

1. Fee Assessments

The Circuit Clerk's office does not have adequate procedures to ensure court costs are assessed. Our review of 15 cases disposed without fees identified one case (7 percent) that should have had fees of \$121 assessed. The judge assesses fees for criminal cases when the case is disposed and provides the appropriate information sheet to the Circuit Clerk's office. Office personnel enter the fee information on the case. The Circuit Clerk said the office had not received an information sheet for this case when the disposition was entered. The Circuit Clerk corrected the error when we brought it to her attention.

Fines, bonds, garnishments, court costs, and other receipts are collected; recorded in the Judicial Information System (JIS), the Missouri Courts automated case management system; and deposited into the Circuit Clerk's primary bank account by the clerk performing end of day duties. Court records indicate receipts collected during the year ended December 31, 2019, totaled approximately \$1.3 million.

Failure to properly assess court fees could result in lost revenue.

Recommendation

The Circuit Clerk implement procedures to ensure assessed costs are assigned to disposed cases.

Auditee's Response

The court provided a written response. See Appendix A.

Auditor's Comment

The court's response states the error identified is "de minimis," however, our finding is based on a limited sample of court cases disposed without fees. While it would not be appropriate to project the impact of the identified error to the entire population of cases closed without fees (approximately 1,700), it is likely other cases have the same error.

2. Case Disposition

The Circuit Clerk's office does not always properly record the final disposition of each case in the JIS and does not adequately review reports of open cases. We obtained reports of open cases from the Office of State Courts Administrator (OSCA) at December 31, 2019. The reports identified 1,294 cases that were suspended or pending, including cases waiting on information from the parties involved. Suspended cases are those for which a court clerk canceled a future court date and did not reschedule a new court date, a warrant was issued, or a probate case is currently open. Pending cases are those for which final action was taken by the court, but the court clerk has not recorded all activity in the JIS. When case activity is suspended or pending, the case no longer appears on the court docket.

Our review of 15 pending and suspended cases identified 5 cases (33 percent) that were not handled correctly. Four of these cases did not have disposition codes entered into JIS when a judgment had occurred, and one case was a probate case where the tracking date passed and the case no longer appeared



Fortieth Judicial Circuit
Newton County
Management Advisory Report - State Auditor's Findings

on the docket. The Circuit Clerk did not identify these cases during her review of the quarterly report of pending and suspended cases.

Without procedures to ensure cases are reviewed after a period of inactivity and the proper disposition of all cases has been entered into the JIS, the court cannot be assured all cases are properly handled and associated costs are assessed. This could lead to the mishandling of probate assets and lost revenue.

Recommendation

The Circuit Clerk ensure the disposition of cases is properly recorded in the JIS and the reports of suspended or pending cases are adequately reviewed.

Auditee's Response

The court provided a written response. See Appendix A

Auditor's Comment

The court's response states the cases identified do not have any bearing on costs being assessed or collected. However, the court had cases not properly recorded in the JIS, which increases the risk cases are not fully disposed or the court personnel could fail to schedule a hearing if all cases are not reviewed regularly and recorded accurately in JIS.

Fortieth Judicial Circuit

Newton County

Organization and Statistical Information

The Fortieth Judicial Circuit consists of Newton County as well as McDonald County.

The Fortieth Judicial Circuit has 2 circuit judges and 3 associate judges. The circuit judges hear cases in Newton and McDonald counties. Of the 3 associate circuit judges, 2 are located in Newton County and 1 in McDonald County. Circuit personnel located in McDonald County are not included in the scope of the audit.

Personnel

At December 31, 2019, the judges and Circuit Clerk of the Fortieth Judicial Circuit, Newton County, were as follows:

Title	Name
Circuit Judge	Gregory N. Stremel
Circuit Judge	Kevin Selby
Associate Circuit Judge	Anna C. Rhoades
Associate Circuit Judge	Jacob Skouby
Circuit Clerk	Patty Krueger

In addition, the Fortieth Judicial Circuit, Newton County, employed 19 full-time employees on December 31, 2019.

Financial Information

Receipts of the Fortieth Judicial Circuit, Newton County, were as follows:

	Year Ended December 31, 2019
Court deposits, fees, bonds, and other	\$1,268,234
Probate and Juvenile deposits, fees, and other	19,063
Total	\$1,287,297

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Fortieth Judicial Circuit, Newton County, were as follows:

	Year Ended June 30, 2019
Civil	3,019
Criminal	5,258
Juvenile	267
Probate	854
Total	9,398



Appendix
Fortieth Judicial Circuit, Newton County
Response

IN THE 40TH JUDICIAL CIRCUIT COURT OF NEWTON COUNTY,
AT NEOSHO, MISSOURI


TO: LORI MELTON, MISSOURI STATE AUDITOR'S OFFICE

RE: AUDIT RESPONSE - AMENDED

The amount that should have been assessed (\$120.50) is de minimis when compared with the Auditor's report of 1.3 million dollars received by the Clerk's office in 2019, and shows the current system is working. Human error can occur in even the most stringent processes. It is clear this was a case of human error in an otherwise successful procedure. Nevertheless, the Circuit Clerk will now review the Cognos Report Cases Disposed With No Fees monthly, instead of quarterly.

Pending case reports are reviewed quarterly by the Circuit Clerk, using a report that is produced by OSCA, named Age of Pending Case Report. Court dates for each case are verified. If a case has no date, the Circuit Clerk looks at each case individually to determine what action is needed; Dismissal Letter, Judgment Missing Letter, a correction or simply setting the case on a docket. Another report utilized by the Circuit Clerk is Pending Cases With No Scheduled Event. Not all cases require that a court date be set. There are many that do not appear on the court docket for various reasons.

The five cases referenced in the Auditor's report *did* have the disposition of the case (Judgment and/or Judge's decision) entered in JIS. The disposition *code*, entered by a clerk, which tells JIS to remove the case from Time Standards Reporting is what was missing. Three cases were civil and/or domestic which does not have any bearing on costs being assessed or collected, as those fees are collected at case initiation, not disposition. One of those cases is a search warrant application, which does not even get a Judge assigned. The single Probate case also mentioned does not affect cost assessment or collection of fees for the same reason as civil.



GREG STREMEL, PRESIDING JUDGE



Nicole Galloway, CPA

Missouri State Auditor

Marion County

Report No. 2020-106

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Marion County

Sheriff's Commissary and Payroll Procedures	The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law and uses the net proceeds to purchase items for jail operations outside the normal county procurement process. The Sheriff also does not adequately document payments to deputies for off-duty transportation services.
Senate Bill 40 Board's Budget and Depositing Procedures	The Marion County Services for the Developmentally Disabled Board does not prepare adequate budgets as required by state law, and does not deposit receipts timely.
County Collector's Commissions and Contracts	Personal commissions paid to the County Collector for collecting taxes for drainage districts are not reported to the Internal Revenue Service by the county or drainage districts. The County Collector has not entered into written contracts with 3 drainage districts for the collection of taxes and some taxpayers for the partial payment of delinquent taxes.
County Assessor's Receipting and Transmitting Procedures	The County Assessor's procedures for receipting and transmitting money collected need improvement.
Timecards and Leave	Timecards are not prepared and submitted to the County Clerk's office by salaried employees and leave is not approved and tracked for these employees in compliance with county policies.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Marion County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Sheriff's Commissary and Payroll Procedures4 2. Senate Bill 40 Board's Budget and Depositing Procedures.....5 3. County Collector's Commissions and Contracts7 4. County Assessor's Receipting and Transmitting Procedures9 5. Timecards and Leave.....9
---	---

Organization and Statistical Information	11
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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Marion County

We have audited certain operations of Marion County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

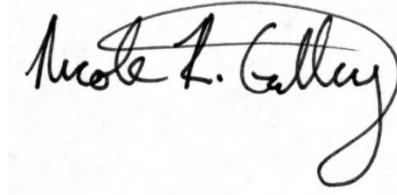
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Marion County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	Richard Stuck
Audit Staff:	Albert Borde-Koufie, MBA
	Amanda G. Flanigan, MAcc
	John-Henry T. Jarwood, MBA, CFE

Marion County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Commissary and Payroll Procedures

Procedures related to the inmate commissary and payment to deputies for transportation services need improvement. Receipts deposited into the Sheriff's inmate account totaled approximately \$301,000 during the year ended December 31, 2019.

1.1 Inmate Prisoner Detainee Security Fund

The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. In addition, the Sheriff uses commissary net proceeds to purchase items for jail operations outside the normal county procurement process. Purchases for jail operations totaled \$98,210 during the year ended December 31, 2019. Purchases included \$12,090 for plumbing services, \$18,103 for janitorial supplies, \$8,282 for inmate uniforms, and a \$16,578 transfer to the County Treasurer for the reimbursement of an employee's wages who has commissary responsibilities.

The Sheriff receives a commission on the commissary sales from the commissary vendors, which are retained with inmate monies, in the inmate account. In January 2019, the Sheriff transferred \$10,000 of net proceeds from the inmate account to the county's General Revenue Fund held by the County Treasurer. However, there is no statutory provision that allows commissary net proceeds to be transferred to the county's General Revenue Fund. As of December 31, 2019, the inmate account had a reconciled balance of \$56,007. As of June 17, 2020, this account contained \$39,950 of commissary net proceeds.

The Sheriff has a written agreement with the County Commission to allow commissary net proceeds to be kept in the Sheriff's inmate account and for disbursements to be paid from that account. However, this agreement conflicts with state law.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) of the commissary account into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

A similar condition was noted in our prior 3 audit reports.

1.2 Transportation payments

The Sheriff does not adequately document payments to deputies for off-duty transportation services.

The Sheriff has entered into a memorandum of understanding with the local behavioral health clinic for in-patient transportation to mental health facilities in the state. The Sheriff's office submits an itemized bill (\$30 per hour of transportation time) to the health clinic for the transportation services and



Marion County
Management Advisory Report - State Auditor's Findings

receives payment by check. The Sheriff's office then cashes the check, and pays the cash to the deputies who performed the transportation services as compensation. Deputies are not required to sign to acknowledge receipt of cash payments. As a result, there is no evidence deputies receive this money. Most of the transportation is performed by off-duty deputies. If an officer is on duty when performing the transportation service, the clinic is not billed and the officer receives no additional compensation. The Sheriff's office received \$25,343 for in-patient transportation services that was paid to deputies during the year ended December 31, 2019.

To ensure off-duty transportation payments are valid and proper and reduce the risk of loss, theft, or misuse of funds, the Sheriff should deposit the checks received and issue checks to the deputies.

Recommendations

The Sheriff:

- 1.1 Ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit into the Inmate Prisoner Detainee Security Fund. In addition, the General Revenue Fund should reimburse \$10,000 to the Inmate Prisoner Detainee Security Fund.
- 1.2 Deposit off-duty transportation checks and issue checks to the deputies for these services.

Auditee's Response

- 1.1 *I will discuss this with the County Commission.*
- 1.2 *I agree. Deputies will sign off on cash payout of patient transportation pay to document the receipt of cash by deputies.*

2. Senate Bill 40 Board's Budget and Depositing Procedures

The Senate Bill 40 Board budget preparation and deposit procedures need improvement. The Board for Marion County is known as the Marion County Services for the Developmentally Disabled Board (MCSDDDB). The MCSDDDB collected approximately \$1.75 million in property taxes, state reimbursements for targeted case management, interest, and other receipts during the year ended December 31, 2019.

2.1 Budgets

The MCSDDDB does not prepare adequate budgets as required by state law. The MCSDDDB's budget submitted to the County Clerk did not include actual or budgeted amounts for the 2 preceding years and beginning and ending balances.

Budget documents are an essential tool for the efficient management of finances and should be prepared annually at the beginning of each year. Section 50.590, RSMo, requires budgets to include detailed budget estimates,



Marion County Management Advisory Report - State Auditor's Findings

showing the recommendations of the budget officer compared with the amounts for the last completed year and the estimates for the current year.

A similar condition was noted in our prior audit report. In addition, Report No. 2016-126, *Follow-Up Report on Audit Findings - Marion County*, issued in November 2016, reported the status, at that time, as in progress.

2.2 Deposits

The MCSDDB does not deposit receipts timely. Several receipts were deposited 1 to 2 weeks after receipt. In addition, one receipt for \$1,862 was receipted on December 23, 2019, but was not deposited until February 18, 2020.

To safeguard receipts and to reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are deposited timely.

Recommendations

The Marion County Services for the Developmentally Disabled Board:

- 2.1 Prepare annual budgets that contain all information as required by state law.
- 2.2 Ensure receipts are deposited timely.

Auditee's Response

- 2.1 *Budgets are submitted to the County Commission's office on an annual basis. It was an oversight to exclude the preceding 2 years of beginning and ending balances. We are in total agreement the budget documents are an essential tool for the efficient management of finances and should be prepared annually in its entirety. The annual budget is prepared and submitted. The piece that is important and was missing is the 2 preceding year beginning and ending balances. The Executive Director will include the required information for the 2 preceding years moving forward. Prior year information is presented to the Board for review before approving the new budget but the prior year information had not been submitted to the County Commission's office in the past. As stated, this will be corrected immediately and the annual budgets will include preceding year information. The Executive Director is revising the current year budget with required preceding year information and will submit upon completion.*
- 2.2 *We do not receive many checks for deposit since most funds are direct deposit. The organization may receive one check a month to physically deposit. It is unusual to receive multiple checks monthly. With that being said we agree it is vital to expedite deposits and work diligently to deposit such check(s) within a week of receipt. There had been a few occasions that the deposits were delayed an additional*



Marion County
Management Advisory Report - State Auditor's Findings

week which is not the preference. We are a small organization with limited staff that do multiple tasks, therefore there were times this was unavoidable. All monies received are secured in a locked safe behind a locked door until the funds are deposited. On the one isolated incident concerning the \$1,862 check that was receipted on December 23, 2019, but not deposited until February 19, 2020, this was investigated and it occurred during a time when the employee who is responsible for the deposits, underwent major medical treatment for 6 weeks and the check unfortunately was not deposited until the later date. In addition, it was during holidays which played a small role in the timeline of the deposit. When this was discovered procedures were immediately put in place to ensure reoccurrence of such would be avoided. We have now hired a Finance Specialist to assist in financial duties such as this.

3. County Collector's Commissions and Contracts

3.1 Drainage districts' commissions

Procedures for reporting drainage districts' commissions earned by the County Collector, and the use of contracts need improvement. The County Collector collected approximately \$1.2 million in taxes for drainage districts during the year ended February 29, 2020.

Personal commissions paid to the County Collector for collecting taxes for drainage districts are not reported to the Internal Revenue Service (IRS) by the county or drainage districts.

The County Collector was personally paid \$27,089 in commissions for the collection of drainage district taxes during the year ended February 29, 2020. Since these payments were not processed through the county payroll system, they were not reported on the County Collector's W-2 forms, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes was not paid. IRS regulations require individuals treated as employees to have all compensation reported on W-2 forms.

To ensure all compensation is properly reported and taxed, all compensation should be paid through the normal county payroll process. The failure to properly report and tax all wages could result in penalty and interest charges assessed against the county.

3.2 Contracts

We noted the following issues regarding contracts:

- The County Collector collects taxes for 3 drainage districts within the county but does not have written contracts with those districts.
- The County Collector enters into verbal agreements with some taxpayers for partial payments for delinquent taxes. These agreements require partial payments be made to pay the outstanding delinquent taxes within a year.



Marion County
Management Advisory Report - State Auditor's Findings

Section 432.070, RSMo, requires government contracts be in writing. Clear, detailed, and timely written contracts are necessary to ensure all parties are aware of the services to be performed and the compensation to be paid for the services.

Recommendations

The County Collector:

- 3.1 Ensure all compensation is paid through the county's normal payroll process, properly taxed, and reported to the Internal Revenue Service.
- 3.2 Work with the County Commission to enter into written agreements with political subdivisions and taxpayers as required by state law.

Auditee's Response

- 3.1 *I will take this recommendation under consideration and review the recommendation with the County Commission. Following this recommendation may impose additional new employment cost on the county. For clarification I would like to state that all commission income has been reported and the appropriate federal and state taxes paid. I understand that County Collectors in some other counties run their drainage district commission income through the county's payroll system to increase their pensions but I did not choose to take advantage of this option.*
- 3.2 *I will take this recommendation under consideration and review the recommendation with the County Commission. The County Collector's office and the drainage districts that we collect taxes for have a business relationship guided by Missouri state statutes. In the many years that drainage district taxes have been collected by this office, I am not aware of any issue arising that was outside of the scope of the regulating statutes. Over the years we have developed a smooth functional operating process and relationship with our drainage districts.*

It is rare that we enter into a partial payment plan with a delinquent taxpayer. Any time we accept money without being able to give a paid tax receipt we give the taxpayer a receipt slip for the funds we are holding for them. The receipt slip details the reason we are holding funds for the taxpayer. If the delinquent taxpayer does not complete the payment plan we will return any funds we have received to the taxpayer.



Marion County
Management Advisory Report - State Auditor's Findings

4. County Assessor's Receipting and Transmitting Procedures

The County Assessor procedures for receipting and transmitting money collected need improvement. The office collected approximately \$13,000 for subscription services, parcel printouts, and copies during the year ended December 31, 2019.

We identified the following receipting and transmitting concerns:

- Receipt slips issued are not reconciled to the receipts ledger because all cash receipts are not included on the receipts ledger. In addition, the composition of receipt slips is not reconciled to the composition of the transmittal to the County Treasurer.
- Office personnel do not issue receipt slips for all copy payments received. Cash received is added to the change drawer and periodically some of this money is transmitted to the County Treasurer.
- The County Assessor does not transmit receipts intact and does not maintain the change fund at a constant amount. The County Assessor indicated approximately \$100 is maintained for the change fund, and cash receipts are periodically transmitted to the County Treasurer. We noted 3 transmittals for \$20 each in cash and \$13,070 transmitted in checks and money orders during the year ended December 31, 2019.

Failure to implement adequate receipting and transmitting procedures increases the risk that loss, theft, or misuse of monies received will go undetected. To reduce this risk, procedures should be established to ensure all monies received are properly receipted and transmitted to the County Treasurer intact. In addition, if a change fund is needed, it should be set at a constant amount and a procedure established to reconcile to this amount every time a transmittal is made.

A similar condition was noted in our prior audit report.

Recommendation

The County Assessor issue receipt slips for all money received and transmit receipts to the County Treasurer intact. In addition, maintain the change fund at a constant amount.

Auditee's Response

We will work towards implementing the Auditor's recommendation.

5. Timecards and Leave

Timecards are not prepared and submitted to the County Clerk's office by salaried employees in compliance with county policies. In addition, leave is not approved and tracked for salaried employees in compliance with county policies.

The county pays 5 employees, excluding elected officials, on a salary basis. Salaried employees do not prepare timecards or submit timesheets; therefore,



Marion County
Management Advisory Report - State Auditor's Findings

their immediate supervisor cannot verify the actual time worked during a pay period nor is the County Clerk's office notified of actual time worked for these individuals. In addition, leave is taken at the discretion of the 5 employees and leave balances are not tracked by the County Clerk's office.

The county personnel manual requires every employee complete, on a daily basis, official Marion County timecards distributed by the County Clerk's office and all information on the timecard be verified by the elected official of each office prior to submission to the County Clerk's office. In addition, the personnel manual indicates regular full-time employees of the county, who have completed their introductory period, earn vacation time in conjunction with their years of service and 12 days of sick leave each year, and are paid for unused vacation time upon leaving employment. The manual defines an "employee" as those full or part-time employees of the county who work on a salaried or an hourly basis and who are not elected by the electorate of the county; and defines a "regular employee" as an employee who has been designated to a full-time and regular position in the service of the county.

In addition to complying with county policies, adequate documentation of time worked and leave taken is needed to adequately document the legitimacy of payroll amounts and leave balances. Submission of detailed time records to the County Clerk's office that have been reviewed and approved by supervisors would provide support for payroll processed by the county.

A similar condition was noted in our 3 prior audit reports.

Recommendation

The County Commission require all county employees prepare timecards documenting time worked and leave taken to comply with current personnel policies.

Auditee's Response

We will take this under consideration.

Marion County

Organization and Statistical Information

Marion County is a county-organized, third-class county. The county seat is Palmyra. The county also has a courthouse in Hannibal that serves as the base of operations for several county officials.

Marion County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 83 full-time employees and 16 part-time employees on December 31, 2019.

In addition, county operations include the Senate Bill 40 Board (Marion County Services for the Developmentally Disabled) and drainage districts established by the County Commission. The Senate Bill 40 Board employed 18 full-time employees and 2 part-time employees on December 31, 2019. The County Coordinator manages the bridge replacement program and any other special projects. The County Coordinator also advises the Planning and Zoning Commission.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
John David Lomax, Presiding Commissioner	\$	55,672
Larry Welch, Associate Commissioner		53,672
Steve Begley, Associate Commissioner		53,672
Harla Friesz, Recorder of Deeds		79,752
Valerie Dornberger, County Clerk		79,752
Luke Bryant, Prosecuting Attorney		139,693
Jimmy Shinn, Sheriff		84,013
Joelle Fohey, County Treasurer		79,752
Rick Jones, County Coroner		28,414
Wendy Howe, Public Administrator		79,752
Harry Graves, County Collector (1), year ended February 29,	109,640	
Mark Novak, County Assessor, year ended August 31,		79,101

(1) Includes \$27,089 of commissions earned for collecting for drainage districts taxes.



Nicole Galloway, CPA

Missouri State Auditor

Federal Funding
for COVID-19 Response
September 2020

Report No. 2020-105

November 2020

auditor.mo.gov

Federal Funding for COVID-19 Response

September 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds September 1, 2020, through September 30, 2020.....	8
B	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through September 30, 2020.....	9
C	Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to show Missouri's spending of federal assistance in the month of September 2020 for the Coronavirus Disease 2019 (COVID-19) emergency and the cumulative financial activity since the state began receiving funding in April 2020.

In March and April 2020, Congress passed several legislative measures signed into law to provide assistance to citizens, businesses, healthcare facilities, and government entities during the COVID-19 emergency. The funding received by or made available to Missouri state government agencies will help pay for the state's emergency response to COVID-19 and provides (1) additional federal matching funds for the state's Medicaid program (MO HealthNet) and other applicable programs, and (2) funding for various other assistance and benefit programs. The state is passing through some of the funding to local governments. Some funding authorized in the legislation also went directly to local government entities, healthcare facilities, and colleges and universities. The majority of the funding has specific restrictions on its use or state actions and must be spent in defined limited time periods.

In September, the state spent \$121.1 million from federal COVID-19 assistance (Appendix A). Through the end of September, the state has received \$2.73 billion and spent \$1.33 billion from this assistance. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation in Appendix C. The majority of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$340 million) and funding passed through to counties and the City of St. Louis (\$521 million). Other funding has been (1) provided to schools, institutions of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. In addition, the state is currently using \$250 million of COVID-19 relief funding for cash management needs.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Senior Auditor:	Jeffrey Roberts, CISA, CFE
Staff Auditor:	Kristin A. Clink, MBA, CISA, CFE

Federal Funding for COVID-19 Response

September 2020

Executive Summary

Executive Summary

Missouri has been awarded federal funding under the following federal laws enacted in March and April 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123; H.R. 6074)
- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139; H.R. 266)

The Coronavirus Preparedness and Response Supplemental Appropriations Act provides for grants to or cooperative agreements with states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The state has been awarded as of September 30, 2020, approximately \$18.8 million under this act for additional or new funding under various federal grant programs. Part of this funding went directly to community health centers from the federal government. Each grant program has a separate time limit on use of the funding.

The Families First Coronavirus Response Act provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the state's Medicaid program (MO HealthNet) and other applicable programs. The state's FMAP percentage was approximately 66 percent prior to this act.¹ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the COVID-19 public health emergency, including any extensions, ends. To qualify for the temporary FMAP increase, Missouri must:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020, (maintenance of effort requirement).
- Not charge premiums that exceed those that were in place as of January 1, 2020.

¹ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act.

Federal Funding for COVID-19 Response
September 2020
Executive Summary

- Cover, without impositions of any cost sharing, testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19.
- Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state (continuous coverage requirement).

Under the Families First Coronavirus Response Act, the state has also been awarded as of September 30, 2020, approximately \$36.2 million of additional or new funding under various federal grant programs for meal assistance, food subsidies, and administrative costs. Each grant program has a separate time limit on use of the funding.

The CARES Act specifies that payments provided to the state from the Coronavirus Relief Fund² may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the state; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The state has received approximately \$2.38 billion in Coronavirus Relief Fund assistance including nearly \$173.5 million for St. Louis County and \$122.7 million for Jackson County.³ Twenty-five percent of the remaining state share (approximately \$521 million) was distributed to other counties in the state and the City of St. Louis based on population. In early July, the Department of the Treasury Office of Inspector General (OIG) issued interim and quarterly reporting requirements for Coronavirus Relief Fund payments. The OIG is responsible for monitoring and oversight of the receipt, disbursement, and use of these payments.

Eligible expenditures for Coronavirus Relief Fund assistance include, but are not limited to, payment for:⁴

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.

² From the U.S. Department of the Treasury, CFDA number 21.019.

³ The funding for Jackson County and St. Louis County went directly to those local governments from the federal government.

⁴ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, September 2, 2020, <<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>>, accessed September 25, 2020.

Federal Funding for COVID-19 Response
September 2020
Executive Summary

- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
 - Costs of providing COVID-19 testing, including serological testing.
 - Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
 - Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.
2. Public health expenses such as:
- Expenses for communication and enforcement by state, territorial, local, and tribal governments of public health orders related to COVID-19.
 - Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
 - Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
 - Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
 - Expenses for public safety measures undertaken in response to COVID-19.
 - Expenses for quarantining individuals.
3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.
4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:
- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
 - Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.

Federal Funding for COVID-19 Response
September 2020
Executive Summary

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy CARES Act eligibility criteria.

The state may also use Coronavirus Relief Fund assistance to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures.⁵ If the state has not used the Coronavirus Relief Fund assistance it has received to cover costs that were incurred by December 30, 2020, as required by federal law, those funds must be returned to the federal government.

The General Assembly has authorized the Office of Administration (OA) to transfer up to \$750 million in Coronavirus Relief Fund assistance from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. Any transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund prior to June 30, 2021. In May, the OA transferred \$250 million from the stimulus

⁵ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, p.14, October 19, 2020, < <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>>, accessed October 30, 2020.

Federal Funding for COVID-19 Response
September 2020
Executive Summary

fund to the General Revenue Fund. No cash management transfers occurred in September.

Under the CARES Act, the state has also been awarded as of September 30, 2020, approximately \$3.15 billion of additional or new funding under other various federal grant programs for assistance for public schools, institutions of higher education, and healthcare facilities; child care and family services; health care worker training programs; public health education; expanded telehealth services; and numerous other assistance services or benefits. A significant part of this funding went directly to local governments or the awarded entity. Each grant program has a separate time limit on use of the funding.

The Paycheck Protection Program and Health Care Enhancement Act provides funding to states for expanded COVID-19 testing. Under the act, the state has been awarded approximately \$165 million with some of this funding going directly to rural health departments from the federal government.

In September, the state spent \$121.1 million from federal COVID-19 assistance (Appendix A). Through the end of September, the state has received \$2.73 billion and spent \$1.33 billion from this assistance. The majority of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$340 million) and funding passed through to counties and the City of St. Louis (\$521 million).

Other funding has been (1) provided to schools, institutes of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. The state will be responsible for monitoring use of the funding it passes through to local governments. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation are presented in Appendix C.

Appendix A

Federal Funding for COVID-19 Response
Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds
September 1, 2020, through September 30, 2020

	Unaudited					
	Beginning					Ending
	Fund Balance	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Coronavirus Emergency Supplemental Fund ¹	\$ 11,639,366	3,690	(576)	0	(315)	11,643,947
FMAP (Federal Medical Assistance Percentage) Enhancement Fund ²	0	0	0	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	25,709	4,367,254	4,367,254	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	0	6,021,898	6,019,046	0	0	2,852
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	0	2,163,778	2,025,142	0	0	138,636
Missouri Department of Transportation Federal Stimulus Fund	2	3,928,470	3,899,921	0	0	28,551
Office of Administration Federal Stimulus Fund ³	29,842	0	(57,750)	0	(33,186)	120,778
Department of Public Safety Federal Stimulus Fund ³	1,857,529	0	(73,000)	0	(41,820)	1,972,349
State Emergency Management Federal Stimulus Fund	1,181,317,911	1,811,179	84,431,191	0	4,522,179	1,094,175,720
Department of Corrections Federal Stimulus Fund ³	8,613,910	0	229	0	(562,757)	9,176,438
Department of Mental Health Federal Stimulus Fund ³	13,109,798	175,897	(632,183)	0	(988,403)	14,906,281
Department of Health and Senior Services Federal Stimulus Fund	1,884,334	16,327,306	16,230,352	0	14,386	1,966,902
Department of Social Services Federal Stimulus Fund ³	1,351,416	2,932,134	3,225,713	0	(75,773)	1,133,610
Department of Labor & Industrial Relations Federal Stimulus Fund	762,977	0	747,555	0	2,394	13,028
Secretary of State Federal Stimulus Fund	3,828,182	32,224	920,224	0	0	2,940,182
Total all Funds	\$ 1,224,420,976	37,763,830	121,103,118	0	2,836,705	1,138,244,983

¹ This fund's negative disbursements and transfer out totals in September 2020 reflect the correction of a previous transaction that was incorrectly coded.

² For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. No receipts or transfers occurred in September 2020.

³ These funds' negative disbursements and/or transfers out totals in September 2020 reflect movement of pandemic stipend activity from the original appropriation in these funds to a new identical appropriation within the State Emergency Management Federal Stimulus Fund, as intended by the Office of Administration.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix B

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through September 30, 2020

	Unaudited				
	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 3,801,643	3,801,643	0	0	0
Coronavirus Emergency Supplemental Fund	11,643,955	8	0	0	11,643,947
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	340,235,348	340,235,348	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	56,499,236	56,473,527	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	104,142,667	104,139,815	0	0	2,852
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	3,836,898	3,698,262	0	0	138,636
Missouri Department of Transportation Federal Stimulus Fund	9,088,314	9,059,763	0	0	28,551
Office of Administration Federal Stimulus Fund	521,241,978	521,093,744	66,711	94,167	120,778
Department of Public Safety Federal Stimulus Fund	2,262,000	189,250	0	100,401	1,972,349
State Emergency Management Federal Stimulus Fund ²	1,545,495,974	188,483,863	0	262,836,391	1,094,175,720
Department of Corrections Federal Stimulus Fund	11,578,485	1,514,627	0	887,420	9,176,438
Department of Mental Health Federal Stimulus Fund	21,938,367	5,581,913	725,786	2,175,959	14,906,281
Department of Health and Senior Services Federal Stimulus Fund	66,568,395	64,587,107	0	14,386	1,966,902
Department of Social Services Federal Stimulus Fund	23,650,411	22,404,891	0	111,910	1,133,610
Department of Labor & Industrial Relations Federal Stimulus Fund	3,050,214	2,759,096	0	278,090	13,028
Secretary of State Federal Stimulus Fund	4,008,965	1,068,783	0	0	2,940,182
Total all Funds	\$ 2,729,042,850	1,325,091,640	792,497	266,498,724	1,138,244,983

¹ During the fiscal year ending June 30, 2020, the Secretary of State used this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. This fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. Beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund is used to account for all COVID-19 receipts and related disbursements.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of September, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUND						
Department of Public Safety (DPS) - Office of the Director - Coronavirus Emergency Supplemental Fund grants - personal service	\$ 675,494	0	675,494	675,494	0	675,494
DPS - Office of the Director - Coronavirus Emergency Supplemental Fund grants - expense and equipment	10,758,773	1	10,758,772	10,758,773	7	10,758,766
Total Coronavirus Emergency Supplemental Fund	11,434,267	1	11,434,266	11,434,267	7	11,434,260
FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE) ENHANCEMENT FUND						
Department of Social Services (DSS) - MO HealthNet Division - Medicare Part D Clawback payments ²				100,000,000	74,391,170	25,608,830
DSS - MO HealthNet Division - payment to comprehensive prepaid health care plans as provided by federal or state law or for payments to programs authorized by the Frail Elderly Demonstration Project Waiver as provided by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508, Section 4744) and by Section 208.152 (16), RSMo, provided that the department shall implement programs or measures to achieve cost-savings through emergency room services reform, and further provided that MO HealthNet eligibles described in Section 501(a)(1)(D) of Title V of the Social Security Act may voluntarily enroll in the Managed Care Program ²						
Total FMAP Enhancement Fund				250,000,000	250,000,000	0
				350,000,000	324,391,170	25,608,830
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) FEDERAL						
Free public schools - all expenditures	2,000,000,000	14,579,255	1,985,420,745	1,515,839,292	0	1,515,839,292
School Nutrition Services Program - reimbursements to schools for school food programs				117,552,821	41,894,272	75,658,549
Total DESE Federal Stimulus Fund	2,000,000,000	14,579,255	1,985,420,745	1,633,392,113	41,894,272	1,591,497,841
DESE FEDERAL EMERGENCY RELIEF FUND						
Distributions to free public schools under the Coronavirus Aid, Relief, and Economic Security (CARES) Act	208,443,000	36,442,379	172,000,621	300,000,000	67,469,751	232,530,249
Distributions of the Governor's Emergency Education Relief Funds to the free public schools under the CARES Act	30,000,000	227,684	29,772,316			
Total DESE Federal Emergency Relief Fund	238,443,000	36,670,063	201,772,937	300,000,000	67,469,751	232,530,249
DEPARTMENT OF HIGHER EDUCATION AND WORKFORCE DEVELOPMENT (DHEWD)						
Crowder College	1,718,186	0	1,718,186	1,718,186	0	1,718,186
Crowder College - maintenance and repair	65,732	0	65,732	65,732	0	65,732
Crowder College - equity	133,645	0	133,645	133,645	0	133,645
East Central College	1,622,326	0	1,622,326	1,622,326	0	1,622,326
East Central College - maintenance and repair	47,965	0	47,965	47,965	0	47,965
East Central College - equity	126,188	0	126,188	126,188	0	126,188

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Jefferson College	2,326,275	0	2,326,275	2,326,275	0	2,326,275
Jefferson College - maintenance and repair	114,448	0	114,448	114,448	0	114,448
Jefferson College - equity	180,943	0	180,943	180,943	0	180,943
Metropolitan Community College	9,402,075	0	9,402,075	9,402,075	0	9,402,075
Metropolitan Community College - maintenance and repair	395,635	0	395,635	395,635	0	395,635
Metropolitan Community College - equity	731,315	0	731,315	731,315	0	731,315
Mineral Area College	1,691,577	0	1,691,577	1,691,577	0	1,691,577
Mineral Area College - maintenance and repair	68,720	0	68,720	68,720	0	68,720
Mineral Area College - equity	131,575	0	131,575	131,575	0	131,575
Moberly Area Community College	1,904,480	0	1,904,480	1,904,480	0	1,904,480
Moberly Area Community College - maintenance and repair	45,518	0	45,518	45,518	0	45,518
Moberly Area Community College - equity	148,135	0	148,135	148,135	0	148,135
North Central Missouri College	811,508	0	811,508	811,508	0	811,508
North Central Missouri College - maintenance and repair	16,606	0	16,606	16,606	0	16,606
North Central Missouri College - equity	63,121	0	63,121	63,121	0	63,121
Ozarks Technical Community College	4,398,254	0	4,398,254	4,398,254	0	4,398,254
Ozarks Technical Community College - maintenance and repair	68,116	0	68,116	68,116	0	68,116
Ozarks Technical Community College - equity	342,106	0	342,106	342,106	0	342,106
St. Charles Community College	2,760,428	0	2,760,428	2,760,428	0	2,760,428
St. Charles Community College - maintenance and repair	63,893	0	63,893	63,893	0	63,893
St. Charles Community College - equity	214,713	0	214,713	214,713	0	214,713
St. Louis Community College	12,960,637	0	12,960,637	12,960,637	0	12,960,637
St. Louis Community College - maintenance and repair	473,822	0	473,822	473,822	0	473,822
St. Louis Community College - equity	1,008,108	0	1,008,108	1,008,108	0	1,008,108
State Fair Community College	1,858,709	0	1,858,709	1,858,709	0	1,858,709
State Fair Community College - maintenance and repair	64,102	0	64,102	64,102	0	64,102
State Fair Community College - equity	144,575	0	144,575	144,575	0	144,575
Three Rivers College	1,588,805	0	1,588,805	1,588,805	0	1,588,805
Three Rivers College - maintenance and repair	41,015	0	41,015	41,015	0	41,015
Three Rivers College - equity	123,581	0	123,581	123,581	0	123,581
State Technical College of Missouri	2,010,124	0	2,010,124	2,010,124	0	2,010,124
University of Central Missouri	18,446,119	0	18,446,119	18,446,119	0	18,446,119
Southeast Missouri State University	15,293,156	0	15,293,156	15,293,156	0	15,293,156
Missouri State University	31,333,687	0	31,333,687	31,333,687	0	31,333,687
Lincoln University	7,156,731	0	7,156,731	5,859,958	0	5,859,958
Lincoln University - land grant match				1,296,773	0	1,296,773

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Truman State University	13,886,774	0	13,886,774	13,886,774	0	13,886,774
Northwest Missouri State University	10,395,373	0	10,395,373	10,395,373	0	10,395,373
Missouri Southern State University	8,010,414	0	8,010,414	8,010,414	0	8,010,414
Missouri Western State University	7,415,585	0	7,415,585	7,415,585	0	7,415,585
Harris-Stowe State University	3,487,087	0	3,487,087	3,487,087	0	3,487,087
University of Missouri	138,745,625	0	138,745,625	138,745,625	0	138,745,625
Total DHEWD Federal Stimulus Fund	304,037,512	0	304,037,512	304,037,512	0	304,037,512
DHEWD FEDERAL EMERGENCY RELIEF FUND						
Distributions of the Governor's Emergency Education Relief Funds to institutions of higher education under the CARES Act	23,643,000	3,698,262	19,944,738	200,000,000	0	200,000,000
Total DHEWD Federal Emergency Relief Fund	23,643,000	3,698,262	19,944,738	200,000,000	0	200,000,000
MISSOURI DEPARTMENT OF TRANSPORTATION (MoDOT) FEDERAL STIMULUS FUND						
Transit Program - grants to non-urbanized areas under Sections 5311 and 5340, Title 49, United States Code	61,770,760	4,799,715	56,971,045	20,000,000	4,114,460	15,885,540
Aviation Program - construction, capital improvements, or planning of publicly owned airfields by cities or other political subdivisions, including land acquisition, pursuant to provisions of the State Block Grant Program administered through the Federal Airport Improvement Program	19,870,044	174,136	19,695,908	1,000,000	0	1,000,000
Total MoDOT Federal Stimulus Fund	81,640,804	4,973,851	76,666,953	21,000,000	4,114,460	16,885,540
OFFICE OF ADMINISTRATION (OA) FEDERAL STIMULUS FUND						
Distribution of federal funds to units of local government as provided in the CARES Act				1,071,000,000	520,925,478	550,074,522
Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				316,500	158,016	158,484
Broadband expansion and/or cellular equipment and service to provide fixed or mobile broadband access to emergency services personnel in order to coordinate and dispatch services related to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Broadband expansion to residential and agricultural areas in counties of the state of Missouri with high concentrations of state employees without residential access to broadband internet, for the purpose of enabling state employees to work remotely due to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Reimbursement of broadband services costs, and/or for state purchase of cellular equipment and service to provide fixed or mobile broadband service for state employees required to work from home due to the COVID-19 disease - expense and equipment	2,000,000	0	2,000,000			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				16,000	10,250	5,750
Total OA Federal Stimulus Fund	12,000,000	0	12,000,000	1,071,332,500	521,093,744	550,238,756

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF PUBLIC SAFETY (DPS) FEDERAL STIMULUS FUND						
Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				2,262,000	189,250	2,072,750
Total DPS Federal Stimulus Fund				2,262,000	189,250	2,072,750
STATE EMERGENCY MANAGEMENT FEDERAL STIMULUS FUND						
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - state agency disasters	494,786,197	47,782,410	447,003,787	1,253,200,000	51,396,569	1,201,803,431
Alternative care treatment facility staffing expenses - personal service	35,000,000	3,388	34,996,612	35,000,000	1,119,066	33,880,934
MO HealthNet Division - Long-term care services - care in nursing facilities under the MO HealthNet fee-for-service program and for contracted services to develop model policies and practices that improve the quality of life for long-term care residents - funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional amount of \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020	90,000,000	4,993,006	85,006,994	90,000,000	0	90,000,000
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency and for first responder training programs	1,800,000	1,260,335	539,665	1,800,000	0	1,800,000
Emergency assistance expenses as provided in Section 44.032, RSMo	10,000,000	0	10,000,000	10,000,000	0	10,000,000
State Emergency Management Agency, Boone County Fire Protection District, Missouri Task Force 1 - expenses for response to emergencies and disasters in the State of Missouri and conduct of annual training exercises. Expenses may include, but are not limited to personnel salaries and benefits, supplies, and repair or replacement of damaged equipment	100,000	0	100,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	750,000,000	0	750,000,000			
DESE - Learning Loss Testing	8,400,000	767,077	7,632,923			
DESE - Transportation Costs	9,100,000	0	9,100,000			
DESE - State School Bus Routes	1,000,000	0	1,000,000			
DESE - Sheltered Workshops	4,000,000	115,586	3,884,414			
DESE - Distance Learning	10,000,000	44,485	9,955,515			
DHEWD - Distance Learning	10,000,000	0	10,000,000			
DHEWD - Computer-Based Training	2,000,000	1,000,000	1,000,000			
DHEWD - Workforce Development Boards	800,000	86,662	713,338			
DHEWD - Workforce Training	6,750,000	772,539	5,977,461			
DHEWD - Institutions of Higher Education COVID Expenses	80,000,000	46,016,205	33,983,795			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Department of Revenue (DOR) - Temporary Motor Vehicle and Driver Licensing Division Offices	2,000,000	40,853	1,959,147			
DOR - Technology and infrastructure costs due to the COVID-19 crisis - expense and equipment	363,066	0	363,066			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - personal service	427,109	0	427,109			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - expense and equipment	1,110,000	0	1,110,000			
OA - Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	316,500	228,750	87,750			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	60,000	30,000	30,000			
Missouri Consolidated Health Care Plan - COVID Reimbursement	5,000,000	2,090,863	2,909,137			
Department of Agriculture (MDA) - Division of Animal Health - support, workforce assistance, equipment and capital improvements to meat processing facilities located in the state to address supply chain disruptions and mitigate health and environmental impacts as a result of the COVID-19 pandemic	20,000,000	0	20,000,000			
Department of Economic Development (DED) - Broadband Expansion	12,750,000	0	12,750,000			
DED - Program to provide grants to small businesses incorporated in the state of Missouri with 50 or fewer employees, to reimburse the costs of business interruption caused by required closures in connection with the COVID-19 public health emergency, provided that no grants shall be provided to franchise or chain business entities, and further provided that one-quarter of funds under such program shall be allocated to family-owned farms	30,000,000	0	30,000,000			
DED - Innovation Grants	1,000,000	0	1,000,000			
DED - Manufacturer Retooling	20,000,000	2,420,692	17,579,308			
DED - Nonprofit Stimulus	22,000,000	0	22,000,000			
DED - Destination Marketing Organization Stimulus	15,000,000	215,064	14,784,936			
DPS - Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	2,262,000	727,000	1,535,000			
Department of Corrections (DOC) - Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	11,578,485	6,903,001	4,675,484			
Department of Mental Health (DMH) - Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	8,175,000	6,725,049	1,449,951			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30,			Year Ended June 30,		
	2021 (through September 30, 2020)			2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DMH - Division of Developmental Disabilities - Developmental Disabilities Waiver (DDW) - compensation of all DDW providers during the period that Missouri or the United States falls within an emergency declaration to compensate any DDW provider with a retention payment, gap payment, or temporary rate increase; and additional payment per day during the period which a DDW provider has at least one confirmed positive COVID-19 case on the premises, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need the services	20,000,000	2,956,113	17,043,887			
DMH - Division of Behavioral Health COVID Reimbursements	10,000,000	4,608,460	5,391,540			
DMH - Division of Behavioral Health - suicide prevention initiatives - expense and equipment	620,000	0	620,000			
DMH - Developmental Disabilities Telehealth	2,160,000	720,624	1,439,376			
DMH - Telehealth Training	3,500,000	0	3,500,000			
DMH - Behavioral Health Net	100,500	100,000	500			
DHSS - Contact Tracing and Testing	127,000,000	102,143	126,897,857			
DHSS - Home & Community Based Services COVID Reimbursements	20,000,000	1,779,839	18,220,161			
Department of Social Services (DSS) - Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	1,294,500	394,750	899,750			
DSS - Family Support Division - electronic benefit transfers system - expense and equipment	901,788	354,049	547,739			
Department of Labor & Industrial Relations (DOLIR) Unemployment Insurance System Support	20,000,000	0	20,000,000			
DED Communications Campaign	2,500,000	0	2,500,000			
DPS Missouri National Guard Expenses	2,700,000	119,410	2,580,590			
DHSS Call Center/Data Entry	170,075	136,816	33,259			
DHSS Testing	89,291,600	3,218,642	86,072,958			
DHSS Contact Tracing/Tracking	11,800,000	0	11,800,000			
DHSS Lab Infrastructure	22,360,108	14,702	22,345,406			
DHSS Technology & Data Infrastructure	229,433	128,100	101,333			
DHSS Sewershed	166,081	0	166,081			
DHSS Surveillance	199,583	0	199,583			
DHSS Prevention in High Risk Settings	1,222,775	0	1,222,775			
DHSS COVID Support Services	1,455,200	0	1,455,200			
DHSS Epidemiology and Laboratory Capacity (ELC) Grant	5,000,000	0	5,000,000			
DESE Hearing Aid Distribution	100,000	0	100,000			
DHSS Poison Control	500,000	0	500,000			
Total State Emergency Management Federal Stimulus Fund	2,009,050,000	136,856,613	1,872,193,387	1,390,000,000	52,515,635	1,337,484,365

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF CORRECTIONS (DOC) FEDERAL STIMULUS FUND						
Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				11,578,485	1,514,706	10,063,779
Total DOC Federal Stimulus Fund				11,578,485	1,514,706	10,063,779
DEPARTMENT OF MENTAL HEALTH (DMH) FEDERAL STIMULUS FUND						
Office of the Director - personal service				75,000	2,298	72,702
Office of the Director - expense and equipment				5,000,000	0	5,000,000
Division of Behavioral Health - suicide prevention initiatives - expense and equipment	900,000	0	900,000	900,000	0	900,000
Division of Developmental Disabilities - community program funding, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need services - expense and equipment				15,364,800	0	15,364,800
Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				8,175,000	4,104,264	4,070,736
Office of the Director - Emergency COVID-19 Directed Treatment Services Program - expense and equipment	2,000,000	167,851	1,832,149	2,000,000	63,556	1,936,444
Division of Developmental Disabilities - telehealth physician services related to COVID-19 - expense and equipment	720,000	0	720,000			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - personal service	636,796	35,276	601,520			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - expense and equipment	19,363,204	1,213,742	18,149,462			
Total DMH Federal Stimulus Fund	23,620,000	1,416,869	22,203,131	31,514,800	4,170,118	27,344,682
DEPARTMENT OF HEALTH AND SENIOR SERVICES (DHSS) FEDERAL STIMULUS FUND						
Division of Community and Public Health - community health programs funding and related expenses	224,981	0	224,981	671,000	0	671,000
Division of Community and Public Health - Office of Emergency Coordination - personal service				445,516	0	445,516
Division of Community and Public Health - Office of Emergency Coordination - to address coronavirus preparedness and response - expense and equipment and program distribution	24,887,493	1,268,430	23,619,063	32,556,018	438,189	32,117,829
Division of Community and Public Health - Office of Rural Health and Primary Care - other programs and related expenses - expense and equipment	4,050,000	875,245	3,174,755	4,500,000	0	4,500,000

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Division of Senior and Disability Services - funds for supportive services and meals to be distributed to each Area Agency on Aging - expense and equipment	18,000,000	8,155,478	9,844,522	25,000,000	6,404,165	18,595,835
Division of Community and Public Health - medications	401,508	0	401,508	1,620,000	0	1,620,000
Division of Community and Public Health - child nutrition and commodity assistance programs	185,000,000	18,481,379	166,518,621	30,062,065	30,062,065	0
Division of Community and Public Health - Office of Emergency Coordination - Poison Control Hotline - expense and equipment	100,000	0	100,000			
Division of Regulation and Licensure - program operations and support - personal service	300,000	26,588	273,412			
Division of Regulation and Licensure - program operations and support - expense and equipment	300,000	0	300,000			
Total DHSS Federal Stimulus Fund	233,263,982	28,807,120	204,456,862	94,854,599	36,904,419	57,950,180
DEPARTMENT OF SOCIAL SERVICES (DSS) FEDERAL STIMULUS FUND						
Family Support Division - Emergency Solutions Grant Program payments	9,584,276	0	9,584,276	30,000,000	0	30,000,000
Family Support Division - Food Distribution Program and the receipt and disbursement of donated food program payments	6,026,000	1,050,165	4,975,835	4,326,000	245,203	4,080,797
Family Support Division - grants to not-for-profit organizations for services and programs to assist victims of domestic violence	528,000	50,033	477,967	528,000	0	528,000
Children's Division - child care services to provide immediate financial assistance to child care providers to prevent them from going out of business and to support child care for families, including healthcare workers, first responders, and other professionals in critical roles during the COVID-19 pandemic, the general administration of the programs, including development and implementation of automated systems to enhance time, attendance reporting, contract compliance and payment accuracy, and to support the Educare Program	66,542,726	11,906,163	54,636,563	20,000,000	9,088,706	10,911,294
Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				1,294,500	194,750	1,099,750
Family Support Division - community services programs provided by Community Action Agencies or other not-for-profit organizations under provisions of the Community Services Block Grant	27,847,053	0	27,847,053			
Family Support Division - Low Income Home Energy Assistance Program	17,970,880	15,641	17,955,239			
Children's Division - grants to community-based programs to strengthen the child welfare system locally to prevent child abuse and neglect and divert children from entering into the custody of the Children's Division, provided that the Children's Division shall coordinate the delivery of services with the Parents as Teachers Program within the Department of Elementary and Secondary Education	907,000	0	907,000			
Total DSS Federal Stimulus Fund	129,405,935	13,022,002	116,383,933	56,148,500	9,528,659	46,619,841
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) FEDERAL STIMULUS FUND						
Business and Community Solutions Division - Community Development Block Grant Program - projects awarded on or after July 1, 2019, provided no funds shall be expended at higher education institutions not headquartered in Missouri for purposes of accreditation				20,000,000	0	20,000,000

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Business and Community Solutions Division - Community Development Block Grant Program - projects to support local community development activities - expense and equipment	20,000,000	0	20,000,000			
Total DED Federal Stimulus Fund	20,000,000	0	20,000,000	20,000,000	0	20,000,000
DEPARTMENT OF NATURAL RESOURCES (DNR) FEDERAL STIMULUS FUND						
Low-Income Weatherization Assistance Program payments	1,996,764	0	1,996,764			
Total DNR Federal Stimulus Fund	1,996,764	0	1,996,764			
LIEUTENANT GOVERNOR FEDERAL STIMULUS FUND						
Missouri State Council on the Arts - expense and equipment	517,000	0	517,000			
Missouri Humanities Council - program distribution	605,000	0	605,000			
Total Lieutenant Governor Federal Stimulus Fund	1,122,000	0	1,122,000			
DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS (DOLIR) FEDERAL STIMULUS FUND						
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - personal service				1,000,000	208,806	791,194
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - expense and equipment				700,000	687,146	12,854
Division of Employment Security - personal service	23,948,454	23,290	23,925,164			
Division of Employment Security - expense and equipment	7,600,846	373,388	7,227,458			
Division of Employment Security - administration of programs authorized and funded by the United States Department of Labor, such as Disaster Unemployment Assistance, and provided that all funds shall be expended from discrete accounts and that no monies shall be expended for funding administration of these programs by the Division of Employment Security	17,000,000	0	17,000,000			
OA - Information Technology Services Division - for DOLIR - expense and equipment	1,887,001	965,561	921,440	1,000,000	823,665	176,335
Total DOLIR Federal Stimulus Fund	50,436,301	1,362,239	49,074,062	2,700,000	1,719,617	980,383
SECRETARY OF STATE (SOS) FEDERAL STIMULUS FUND						
Election reform grants, transaction costs, election administration improvements within Missouri, support of Help America Vote Act activities, and the state's share of election costs as required by Chapter 115, RSMo	16,100,000	895,397	15,204,603			
All allotments, grants, and contributions from the federal government or from any sources that may be deposited in the State Treasury for the use of the Missouri State Library	750,000	174,118	575,882			
Total SOS Federal Stimulus Fund	16,850,000	1,069,515	15,780,485			
FEDERAL BUDGET STABILIZATION FUND						
State Technical College of Missouri	549,415	0	549,415			
University of Central Missouri	4,928,740	0	4,928,740			
Southeast Missouri State University	4,094,371	0	4,094,371			
Missouri State University	8,433,094	0	8,433,094			
Lincoln University	1,576,580	0	1,576,580			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through September 30, 2020

	Year Ended June 30, 2021 (through September 30, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Truman State University	3,708,416	0	3,708,416			
Northwest Missouri State University	2,784,388	0	2,784,388			
Missouri Southern State University	2,159,973	0	2,159,973			
Missouri Western State University	1,985,243	0	1,985,243			
Harris-Stowe State University	931,228	0	931,228			
University of Missouri - operation of various campuses and programs	36,939,413	0	36,939,413			
University of Missouri - St. Louis - Biotech	133,378	0	133,378			
University of Missouri - State Historical Society	288,022	0	288,022			
MODOT - for a transportation cost-share program with local communities, provided these funds shall not supplant, and shall only supplement, the current planned allocation of road and bridge expenditures under the most recently adopted state transportation and improvement plan, including all amendments thereto, as of the date of passage of this bill by the General Assembly, and provided the MODOT and DED work cooperatively to select projects with the greatest economic benefit to the State	25,000,000	0	25,000,000			
University of Missouri - Precision Medicine Initiative	10,000,000	0	10,000,000			
Total Federal Budget Stabilization Fund	103,512,261	0	103,512,261			
Total All Funds	\$ 5,260,455,826	242,455,790	5,018,000,036	5,500,254,776	1,065,505,808	4,434,748,968

¹ The appropriation authority is the maximum amount that may be expended for the purpose as documented and approved through appropriations bills.

² For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. Therefore, the Department of Social Services cannot directly expend any receipted monies from the fund, as it could during the fiscal year ended June 30, 2020.

³ Coronavirus Relief Fund assistance must be returned to the federal government if it is not spent to cover allowable costs incurred by December 30, 2020. State officials did not know whether or to what extent the state may have to repay any funding received at the time the appropriation was established. To acknowledge the existence of the obligation, the state established appropriations authorizing the return of up to \$750 million.

Source: Statewide Accounting System (SAM II). The appendix is presented on the state's legal budgetary basis of accounting that records expenditures when the liabilities are recorded, rather than when cash is disbursed.



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
September 2020**

Report No. 2020-104

November 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

September 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended March 31, 2020 Reports Due September 30, 2020.....	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in September 2020.....	6
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due August 31, 2020 Filed in September 2020.....	8



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 50 political subdivisions required to file a financial report by September 30, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in September 2020, after their filing deadline. The filing status for these 50 entities is presented in summary on page 3 and by individual entity in Appendix B-C.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

September 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 50 political subdivisions, other than cities, towns, and villages, with a fiscal year end of March 31, 2020. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 50 political subdivisions, 41 filed an annual financial report timely.

This report also includes the filing status for 50 political subdivisions, other than cities, towns, and villages, that filed their financial report in September 2020, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due September 30, 2020

Fiscal Year Ended March 31, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	PWSD 3 Andrew County	Yes	July 28, 2020
Barry	Monett Marketplace CID	Yes	May 26, 2020
Boone	Centralia Public Library District	Yes	August 7, 2020
Buchanan	Maxwell Heights FPD	Yes	July 25, 2020
Butler	North Cache River Drainage District	Yes	May 13, 2020
Caldwell	Golden Age NHD	Yes	September 25, 2020
Camden	Sunrise Beach Market Center CID	Yes	September 16, 2020
Carroll	Sambo Slough Levee District	No	
Carter	West Carter Ambulance District	Yes	April 29, 2020
Cass	Cedar Tree CID	No	
	Fairfield Inn CID	Yes	September 28, 2020
	PWSD 6 Cass County	Yes	August 13, 2020
	TXRH CID	Yes	April 29, 2020
	Y Belton CID	No	
	Y Belton Two CID	Yes	September 28, 2020
	Y Highway Marketplace CID	Yes	September 25, 2020
Clay	210 Highway CID	Yes	September 30, 2020
	210 Highway TDD	Yes	September 30, 2020
	Kearney West Side CID	Yes	September 16, 2020
	Shoppes at Kearney CID	Yes	September 16, 2020
Cole	PWSD 2 Cole County	Yes	September 15, 2020
Franklin	St. Clair Sewer District	Yes	July 15, 2020
Harrison	Harrison County Hospital District	Yes	September 2, 2020
Henry	Golden Valley Memorial Hospital	Yes	June 5, 2020
Holt	Union Township Levee District	No	
Howell	63 Bypass CID	Yes	September 22, 2020
	Ozark Hills CID	Yes	September 22, 2020
	Ramseur Farm CID	Yes	September 22, 2020
	South 160 CID	Yes	September 22, 2020
	Southern Hills CID	Yes	May 28, 2020
Jasper	Sarcozie Rural FPD	Yes	July 9, 2020
Jefferson	Twin City Mall CID	Yes	April 14, 2020
Lewis	Steffenville Drainage District	No	
Livingston	Livingston Ambulance District	Yes	May 29, 2020
	Stoneybrooke CID	Yes	September 30, 2020
Montgomery	Wellsville Public Library District	Yes	July 8, 2020
Perry	Perry County Memorial Hospital	Yes	September 22, 2020
Pettis	Galaxy West CID	No	
Putnam	Putnam County Care Center	Yes	September 15, 2020
Ray	Levee District 2 Ray County	No	
Saline	Van Meter-Teteseau Levee District	No	
Schuyler	Schuyler County Ambulance District	No	
St. Louis	Jennings Station Road CID	Yes	September 10, 2020
	Kirkwood Square CID	Yes	April 14, 2020
	Manchester Lindbergh Southeast CID	Yes	April 13, 2020
	Market at McKnight CID	Yes	June 26, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due September 30, 2020

Fiscal Year Ended March 31, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Plaza on the Boulevard-Jennings CID	Yes	September 10, 2020
	Rock Hill Public Library District	Yes	September 29, 2020
Stoddard	PWSD 4 Stoddard County	Yes	July 23, 2020
Taney	Southtowne CID	Yes	September 16, 2020
Total Filed		41	
Total Not Filed		9	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in September 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Chariton River Drainage District	Yes	September 1, 2020
Atchison	Phelps City SRD Atchison County	Yes	September 3, 2020
Barry	Purdy FPD	Yes	September 11, 2020
Buchanan	Easton FPD	Yes	September 12, 2020
Butler	Qulin Highway North CID	Yes	September 6, 2020
Caldwell	PWSD 1 Caldwell County	Yes	September 9, 2020
Cape Girardeau	Whitewater FPD	Yes	September 15, 2020
Chariton	PWSD 2 Chariton County	Yes	September 4, 2020
Christian	Avicenna CID	Yes	September 7, 2020
	Clever Highway 14 CID	Yes	September 7, 2020
	Deerbrook Marketplace CID	Yes	September 1, 2020
	Ozark Downtown CID	Yes	September 7, 2020
Clay	North Kansas City SRD 9 Clay County	Yes	September 21, 2020
Cole	Russellville Route C CID	Yes	September 6, 2020
Cooper	Boonville Highway 5 CID	Yes	September 7, 2020
Dallas	Urbana Highway 65 CID	Yes	September 7, 2020
Daviess	Coffey FPD	Yes	September 18, 2020
Dent	PWSD 1 Dent County	Yes	September 15, 2020
Dunklin	PWSD 2 Dunklin County	Yes	September 3, 2020
	Senath Commercial Street CID	Yes	September 8, 2020
Franklin	PWSD 4 Franklin County	Yes	September 4, 2020
Gasconade	Hermann Area Ambulance District	Yes	September 2, 2020
Harrison	Gilman City FPD	Yes	September 14, 2020
Henry	Tightwad FPD	Yes	September 13, 2020
Holt	Drainage District 2 Holt County	Yes	September 16, 2020
Jackson	Ritter Plaza CID	Yes	September 20, 2020
Jefferson	Jefferson County Public SwrD	Yes	September 28, 2020
Johnson	Knob Noster Ninth Street CID	Yes	September 7, 2020
McDonald	Goodman Area FPD	Yes	September 9, 2020
Montgomery	Bellflower FPD	Yes	September 14, 2020
New Madrid	Lilbourn Highway D CID	Yes	September 7, 2020
	PWSD 4 New Madrid County	Yes	September 9, 2020
Pemiscot	Steele Highway 61 CID	Yes	September 7, 2020
Perry	Perryville Highway 61 & 51 CID	Yes	September 7, 2020
Pulaski	Crocker Highway 17 CID	Yes	September 7, 2020
Schuyler	Consolidated PWSD 1 Schuyler County	Yes	September 6, 2020
St. Charles	Hutchings Farm Plaza TDD	Yes	September 10, 2020
	New Melle FPD	Yes	September 4, 2020
St. Clair	Collins CID	Yes	September 7, 2020
	Sac Osage FPD	Yes	September 14, 2020
St. Louis	Kinloch FPD	Yes	September 30, 2020
	Metropolitan Taxicab Commission	Yes	September 2, 2020
Stoddard	Dudley SRD Stoddard County	Yes	September 4, 2020
Texas	Licking Route 32 CID	Yes	September 7, 2020

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in September 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Wright	Wright County 911 Board	Yes	September 28, 2020
Total Filed		45	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due August 31, 2020

Filed in September 2020

Fiscal Year Ended February 29, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Mill Creek Dyke Drainage District	Yes	September 22, 2020
Audrain	Van-Far Ambulance District	Yes	September 22, 2020
Carroll	Dewitt Drainage & Levee District	Yes	September 22, 2020
Marion	Fabius River Drainage District	Yes	September 1, 2020
St. Charles	Dardenne Creek Drainage District 3	Yes	September 10, 2020
Total Filed		5	



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
September 2020**

Report No. 2020-103

November 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

September 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended March 31, 2020 Reports Due September 30, 2020.....	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in September 2020.....	7
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in September 2020.....	8
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in September 2020.....	9
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due August 31, 2020 Filed in September 2020.....	11



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipality required to file a financial report by September 30, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 51 cities and 25 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in September 2020, after their filing deadline. The filing status for these 51 cities, 1 town, and 10 villages is presented in summary on pages 3 and 4 and by individual entity in Appendixes B to E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

September 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 51 cities and 25 villages with a fiscal year end of March 31, 2020, whose financial report was due by September 30, 2020. Of the 76 municipalities, 54 filed the financial report timely. Of the 54 municipalities required to file an addendum, 28 filed timely. Of the 30 municipalities required to file a certification, 17 filed the certification timely.



Monthly Report on Municipal Court and Revenue Filings
September 2020
Executive Summary

This report includes the filing status for 51 cities, 1 town, and 10 villages that filed at least one of the items (financial report, addendum, or certification) in September 2020, after their filing deadline. Of these municipalities, 18 filed an annual financial report, 35 filed an addendum, and 20 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2020

Fiscal Year Ended March 31, 2020

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Adair	Village of Gibbs Village	No		n/a	n/a
Atchison	City of Tarkio	Yes	April 14, 2020	Yes	Yes
Audrain	City of Martinsburg	Yes	April 16, 2020	Yes	n/a
	Village of Benton City	No		No	n/a
Barry	City of Monett	No		Yes	Yes
Bates	City of Butler	Yes	September 4, 2020	Yes	No
Boone	City of Centralia	No		No	n/a
Buchanan	Village of Agency	Yes	September 28, 2020	n/a	n/a
	Village of Lewis & Clark	Yes	July 27, 2020	n/a	n/a
Camden	Village of Sunrise Beach	Yes	September 9, 2020	No	No
Cape Girardeau	Village of Old Appleton	Yes	August 26, 2020	n/a	n/a
	Village of Pocahtontas	Yes	August 26, 2020	n/a	n/a
Carroll	City of Norborne	Yes	September 15, 2020	Yes	n/a
Cass	City of Belton	Yes	September 30, 2020	Yes	Yes
	City of Pleasant Hill	No		No	No
Chariton	City of Triplett	Yes	September 26, 2020	n/a	n/a
Clark	City of Kahoka	Yes	August 6, 2020	No	n/a
Clay	City of Holt	No		No	n/a
	City of Kearney	Yes	September 10, 2020	Yes	Yes
	City of Mosby	Yes	September 2, 2020	Yes	n/a
	Village of Claycomo	No		No	No
	Village of Oakview	Yes	August 26, 2020	Yes	Yes
	Village of Grayson	No		n/a	n/a
Clinton	City of Lohman	Yes	August 12, 2020	n/a	n/a
Cooper	City of Blackwater	Yes	August 21, 2020	No	n/a
	City of Boonville	Yes	September 17, 2020	No	n/a
	City of Pilot Grove	Yes	April 1, 2020	Yes	n/a
	City of Osborn	Yes	August 26, 2020	Yes	n/a
Franklin	Village of Leslie	No		n/a	n/a
Grundy	City of Spickard	No		n/a	n/a
Henry	City of Calhoun	Yes	September 23, 2020	Yes	n/a
Holt	Village of Corning	No		n/a	n/a
Howell	City of West Plains	Yes	September 22, 2020	Yes	Yes
Jefferson	City of Crystal City	Yes	September 23, 2020	No	No
	Village of Scotsdale	Yes	June 23, 2020	n/a	n/a
Lafayette	City of Lexington	Yes	July 29, 2020	No	No
	City of Napoleon	Yes	July 27, 2020	No	n/a
	City of Odessa	Yes	September 28, 2020	Yes	Yes
	Village of Dover	Yes	August 31, 2020	n/a	n/a
Lawrence	City of Pierce City	Yes	September 16, 2020	No	n/a
	City of Verona	No		No	No
Livingston	City of Chillicothe	Yes	September 30, 2020	Yes	n/a
Miller	City of Iberia	Yes	July 7, 2020	Yes	Yes
	Village of Olean	Yes	September 26, 2020	n/a	n/a
Mississippi	City of East Prairie	No		No	No
Moniteau	City of California	Yes	September 14, 2020	No	n/a
Monroe	City of Paris	Yes	July 29, 2020	No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2020

Fiscal Year Ended March 31, 2020

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Montgomery	City of Jonesburg	No		No	n/a
	City of McKittrick	Yes	April 13, 2020	n/a	n/a
	City of Wellsville	No		Yes	n/a
	Village of Rhineland	No		No	n/a
Osage	City of Westphalia	Yes	April 24, 2020	n/a	n/a
Perry	City of Perryville	Yes	August 5, 2020	Yes	Yes
Pettis	City of Sedalia	Yes	September 30, 2020	Yes	Yes
Pike	Village of Eolia	Yes	April 22, 2020	No	n/a
Putnam	City of Unionville	Yes	September 18, 2020	Yes	n/a
Ray	City of Hardin	Yes	September 3, 2020	Yes	Yes
Saline	City of Sweet Springs	Yes	August 12, 2020	Yes	Yes
	Village of Arrow Rock	Yes	June 30, 2020	n/a	n/a
	Village of Mount Leonard	Yes	June 19, 2020	n/a	n/a
Scotland	Village of Arbela	Yes	August 17, 2020	n/a	n/a
Scott	City of Chaffee	Yes	September 3, 2020	Yes	Yes
	City of Oran	No		No	n/a
Shelby	Village of Bethel	Yes	September 8, 2020	n/a	n/a
St. Clair	Village of Vista	No		n/a	n/a
St. Francois	City of Leadwood	Yes	April 29, 2020	Yes	Yes
St. Louis	City of Jennings	Yes	September 28, 2020	Yes	Yes
	City of Kirkwood	Yes	September 25, 2020	Yes	Yes
	City of Rock Hill	Yes	September 25, 2020	No	No
	City of Velda Village Hills	No		No	No
	Village of Hillsdale	No		No	n/a
	Village of Sycamore Hills	Yes	August 13, 2020	No	No
Taney	City of Hollister	Yes	August 7, 2020	No	No
Texas	City of Licking	Yes	September 28, 2020	Yes	No
Vernon	Village of Harwood	No		n/a	n/a
Wright	City of Mansfield	No		Yes	Yes
Total Filed		54		28	17
Total Not Filed		22		26	13
Total n/a		0		22	46

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in September 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Country Club Hills	**	July 16, 2019	***	Yes
Total Filed		0		0	1

** Filed by December 31, 2019.

*** Filed after December 31, 2019, but before September 2020.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2020
Filed in September 2020

Fiscal Year Ended September 30, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Cool Valley	Yes	September 22, 2020	No	**
Total Filed		1		0	0

** Filed by March 31, 2020.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in September 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Barry	City of Wheaton	**	April 27, 2020	Yes	Yes
Barton	City of Liberal	***	July 27, 2020	Yes	n/a
Bates	City of Hume	Yes	September 23, 2020	n/a	n/a
	City of Rich Hill	**	June 25, 2020	Yes	n/a
Benton	City of Cole Camp	**	June 17, 2020	Yes	Yes
	City of Lincoln	**	June 29, 2020	Yes	Yes
Cape Girardeau	City of Jackson	**	June 2, 2020	Yes	Yes
Carroll	City of Bosworth	***	August 17, 2020	Yes	n/a
	Town of Carrollton	***	July 27, 2020	Yes	n/a
Cass	City of East Lynne	***	August 17, 2020	Yes	n/a
	City of Lake Winnebago	**	May 22, 2020	Yes	Yes
Clay	City of Liberty	**	June 30, 2020	Yes	No
	City of Missouri City	**	May 13, 2020	Yes	n/a
Cole	Village of Wardsville	**	June 29, 2020	Yes	n/a
DeKalb	City of Union Star	***	July 27, 2020	Yes	n/a
Franklin	City of Gerald	Yes	September 14, 2020	No	n/a
Harrison	City of Bethany	**	June 26, 2020	Yes	n/a
	City of Gilman City	Yes	September 10, 2020	No	n/a
	City of New Hampton	**	June 26, 2020	Yes	n/a
Howell	City of Willow Springs	***	August 17, 2020	Yes	***
Iron	City of Annapolis	***	January 3, 2020	Yes	n/a
Jasper	City of Duenweg	**	June 22, 2020	Yes	Yes
	City of Sarcxie	**	March 5, 2020	Yes	n/a
Johnson	City of Chilhowee	**	January 30, 2020	Yes	n/a
	City of Kingsville	***	July 10, 2020	Yes	n/a
Knox	City of Edina	**	April 14, 2020	Yes	n/a
Lawrence	Village of Freistatt	Yes	September 8, 2020	No	n/a
Lincoln	City of Moscow Mills	**	April 24, 2020	**	Yes
	Village of Fountain 'N Lakes	Yes	September 2, 2020	No	n/a
Livingston	Village of Ludlow	Yes	September 28, 2020	n/a	n/a
Miller	City of Eldon	**	June 4, 2020	Yes	n/a
Mississippi	Village of Pinhook	Yes	September 8, 2020	n/a	n/a
New Madrid	City of Matthews	Yes	September 2, 2020	No	***
	City of Morehouse	**	January 2, 2020	**	Yes
	Village of Tallapoosa	Yes	September 14, 2020	n/a	n/a
Newton	City of Seneca	**	May 5, 2020	No	Yes
Nodaway	Village of Clyde	**	February 7, 2020	Yes	n/a
Pettis	City of Houstonia	Yes	September 10, 2020	No	n/a
Phelps	City of Edgar Springs	***	August 3, 2020	Yes	n/a
Platte	City of Lake Waukomis	**	June 29, 2020	Yes	n/a
	City of Parkville	***	August 18, 2020	***	Yes
Pulaski	City of Richland	**	June 29, 2020	Yes	Yes
Ray	City of Orrick	**	February 4, 2020	**	Yes
Saline	City of Slater	**	April 9, 2020	Yes	n/a
Schuyler	City of Queen City	**	June 30, 2020	Yes	n/a
St. Charles	City of West Alton	Yes	September 15, 2020	n/a	n/a

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in September 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
St. Louis	City of Bel Ridge	Yes	September 8, 2020	No	**
	City of Chesterfield	***	July 27, 2020	**	Yes
	City of Des Peres	**	May 28, 2020	Yes	Yes
	City of Wildwood	**	June 30, 2020	**	Yes
	Village of Glen Echo Park	***	August 21, 2020	No	Yes
Stone	City of Galena	**	June 3, 2020	**	Yes
Texas	City of Houston	No		Yes	No
Vernon	City of Metz	Yes	September 14, 2020	n/a	n/a
Warren	City of Wright City	**	June 24, 2020	Yes	Yes
Webster	City of Marshfield	**	April 24, 2020	**	Yes
Total Filed		13		33	19

** Filed by June 30, 2020.

*** Filed after June 30, 2020, but before September 2020.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2020
Filed in September 2020

Fiscal Year Ended February 29, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Fillmore	Yes	September 21, 2020	n/a	n/a
Osage	Village of Freeburg	Yes	September 25, 2020	Yes	n/a
St. Louis	City of Pasadena Hills	Yes	September 16, 2020	Yes	No
St. Louis	Village of Uplands Park	Yes	September 27, 2020	No	No
Total Filed		4		2	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

**Seventeenth Judicial Circuit
Johnson County**

Report No. 2020-102

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Seventeenth Judicial Circuit Johnson County

Time-Payment Fee	The court did not assess the time-payment fee on all cases as required by Missouri Supreme Court operating rules.
Payment Plans	The Circuit Clerk and the court do not have controls in place to ensure payment plans are established in the Judicial Information System (JIS) for all amounts not paid in full at case disposition as required by court rule.
Bond Accountability	The Sheriff's office does not issue prenumbered bond forms.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Seventeenth Judicial Circuit

Johnson County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Time Payment Fee.....4
Findings	2. Payment Plans4
	3. Bond Accountability.....5

Organization and Statistical	6
Information	

Appendixes	
	A Circuit Clerk and Court en Banc's Response.....7
	B Sheriff's Response8



NICOLE GALLOWAY, CPA

Missouri State Auditor

Presiding Judge and Court en Banc
and
Circuit Clerk of the
Seventeenth Judicial Circuit
Johnson County, Missouri

We have audited certain operations of the Seventeenth Judicial Circuit, Johnson County in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

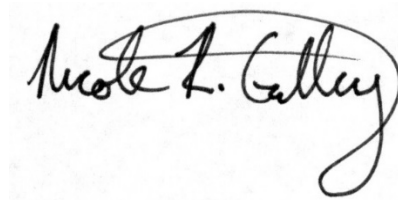
1. Evaluate the court's internal controls over significant financial functions.
2. Evaluate the court's compliance with certain legal provisions.
3. Evaluate the court's compliance with certain court rules.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the court, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the court's management, the Office of State Courts Administrator, and Johnson County and was not subjected to the procedures applied in our audit of the court.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) noncompliance with court rules. The accompanying Management Advisory Report presents our findings arising from our audit of the Seventeenth Judicial Circuit, Johnson County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Michelle Pummill, CFE
Audit Staff:	Thomas R. Johnson, MAcc
	Logan J. Vogel

Seventeenth Judicial Circuit

Johnson County

Management Advisory Report - State Auditor's Findings

1. Time-Payment Fee

The court did not assess the time-payment fee on all cases as required by Missouri Supreme Court operating rules. On December 13, 2018, the Presiding Judge signed an administrative order to suspend collection and assessment of the time-payment fee. The Presiding Judge indicated he issued the order because during a meeting with the presiding judges throughout the state, the Missouri Supreme Court directed the circuit courts to stop punishing defendants monetarily and to stop collecting fees. However, the court has not received anything in writing from the Missouri Supreme Court regarding this directive. We confirmed with the Missouri Supreme Court that an order suspending the assessment and collection of any fees, including the time payment fee, has not been issued. We reviewed 25 cases and determined that 15 cases did not have the time payment fee charged. The time payment fee was assessed on the other 10 cases reviewed prior to December 13, 2018.

Missouri Supreme Court Operating Rule (COR) 21.13 requires all divisions of the circuit courts, except municipal divisions, to assess a \$25 time-payment fee on all cases not paid in full within 30 days of disposition. Failure to follow this rule results in lost revenue to the court and the state.

Recommendation

The Circuit Clerk ensure time-payment fees are assessed in accordance with court operating rules.

Auditee's Response

The Circuit Court's written response, provided by the Circuit Clerk and the Presiding Judge, is included at Appendix A.

2. Payment Plans

The Circuit Clerk and the court do not have controls in place to ensure payment plans are established in the Judicial Information System (JIS) for all amounts not paid in full at case disposition as required by court rule. Our review of 25 cases with accrued court costs noted 2 cases (8 percent) did not have established payment plans in the JIS. In addition, no alternative procedures were performed by the court to ensure the collection of amounts owed.

For cases with established payment plans, the JIS automatically forwards unpaid balances to the contracted debt collection servicer if amounts owed are not paid within 60 days of the final payment plan date. However, if a payment plans is not established in the JIS, and no alternative procedures are performed, unpaid balances may not be collected. The court is required to create payment plans in the JIS for all amounts not paid in full at case disposition by COR 21.07.

Recommendation

The Circuit Clerk implement policies and procedures to ensure all accounts that are not paid within 30 days have payment plans established in the system.

Auditee's Response

The Circuit Court's written response, provided by the Circuit Clerk and the Presiding Judge, is included at Appendix A.



Seventeenth Judicial Circuit
Johnson County
Management Advisory Report - State Auditor's Findings

3. Bond Accountability

The Sheriff's office does not issue prenumbered bond forms. In addition, while a bond log is maintained, it is not sequentially numbered and the receipt slips issued for bond money received is not reconciled with the bond log. As a result, neither the Circuit Clerk nor the Sheriff's office can account for all bond forms issued. Additionally, the use of unnumbered bond forms decreases the ability to ensure bond receipts are recorded and properly transmitted to the court. Properly accounting for the numerical sequence of bonds forms is necessary to ensure all bonds received are properly submitted to the court for processing, and to reduce the risk of loss, theft, or misuse of bond funds going undetected.

Recommendation

The Circuit Clerk work with the Sheriff's office to ensure prenumbered bond forms are issued and accounted for properly.

Auditee's Response

The Circuit Court's written response, provided by the Circuit Clerk and the Presiding Judge is included at Appendix A. A written response from the Sheriff is included at Appendix B.

Seventeenth Judicial Circuit

Johnson County

Organization and Statistical Information

The Seventeenth Judicial Circuit consists of Johnson County and Cass County.

The Seventeenth Judicial Circuit consists of 2 circuit judges and 2 associate judges. The circuit judges hear cases in Johnson and Cass counties. Of the 6 associate judges, 2 are located in Johnson county and 4 in Cass County. Circuit personnel located in Cass County are not included in the scope of the audit.

Personnel

At December 31, 2019, the judges and Circuit Clerk of the Seventeenth Judicial Circuit, Johnson County, were as follows:

Title	Name
Presiding Circuit Judge (1)	William B. Collins
Circuit Judge, Division II (1)	R. Michael Wagner
Associate Circuit Judge	Sue Dodson
Associate Circuit Judge	Brent F. Teichman
Circuit Clerk	Stephanie Elkins

(1) The Presiding Circuit Judge and Circuit Judge, Division II are located in Cass County but also hear cases in Johnson County.

In addition, the Seventeenth Judicial Circuit, Johnson County, employed 14 full-time employees and 1 part-time employee on December 31, 2019.

Financial Information

Receipts of the Seventeenth Judicial Circuit, Johnson County, were as follows:

	Year Ended December 31, 2019
Court deposits, fees, bonds, and other	\$ 1,184,801
Interest income	12,166
Total	\$ 1,196,966

Caseload Information

From the Office of State Courts Administrator Missouri Judicial Reports, case filings of the Seventeenth Judicial Circuit, Johnson County, were as follows:

	Year Ended June 30, 2019
Civil	1,856
Criminal	3,753
Juvenile	180
Probate	178
Total	5,967



Appendix A
Seventeenth Judicial Circuit Johnson County
Circuit Clerk and Court en Banc's Response

Stephanie Elkins

CIRCUIT CLERK

Johnson County Justice Center
101 West Market
WARRENSBURG, MISSOURI 64093
PHONE (660) 422-7413
FAX (660) 422-7417

MARCY ANDERSON, SUPERVISOR
CINDY CORREA, SUPERVISOR
CARISSA SMALL, SUPERVISOR
ERIN PETERSON, SUPERVISOR
FIONA TAUS, DEPUTY
KATELYNN CANTRELL, DEPUTY

GLORIA BARNHART, DEPUTY
ALICIA MYERS, DEPUTY
BETH BURKHART, DEPUTY
KATE ADAMS, DEPUTY
DONNA TURNER-WITBECK, DEPUTY

September 25, 2020

AUDIT RESPONSES

1. TIME-PAYMENT FEE

RECOMMENDATION: The Circuit Clerk ensure time-payment fees are assessed in accordance with court operating rules

RESPONSE: The Show Me Courts Judicial information system will automatically allocate the fee to be collected. We will comply with the court operating rule.

2. PAYMENT PLANS

RECOMMENDATION: The Circuit Clerk implement policies and procedures to ensure all accounts that are not paid within 30 days have payment plans established in the system

RESPONSE: It is our policy to ensure payment plans have been established on all applicable cases. Supervisors in the office are running management reports on a timely basis to check accuracy.

3. BOND ACCOUNTABILITY

RECOMMENDATION: The Circuit Clerk work with the Sheriff's office to ensure prenumbered bond forms are issued and accounted for properly

RESPONSE: We will work with the Sheriff's office to implement a procedure for accepting prenumbered bond forms.

William B Collins
Presiding Judge
17th Judicial Circuit

Stephanie Elkins
Circuit Clerk
17th Judicial Circuit
Johnson County



Appendix B
Seventeenth Judicial Circuit Johnson County
Sheriff's Response

State of Missouri
Johnson County Sheriff's Office



Scott W. Munsterman
Sheriff

To: Julie A. Moulden, MBA, CPA - Audit Manager
From: Sheriff Scott Munsterman
Reference: Management Advisory Report - Sheriff's Written Response

Recommendations: We as the Johnson County Sheriff's Office will be working with the Johnson County Court Clerks to implement a procedure for numbering bond forms.

A handwritten signature in blue ink, appearing to read "Scott W. Munsterman".

Scott W. Munsterman, Sheriff

The seal of the Missouri State Auditor is a circular emblem. It features a central shield with a balance scale and a plow. The shield is surrounded by a wreath. The outer ring of the seal contains the text "SEAL OF THE STATE AUDITOR" at the top and "MISSOURI 1820 1892" at the bottom. A banner across the middle of the seal reads "WE STAND DIVIDED".

Nicole Galloway, CPA

Missouri State Auditor

Dunklin County

Report No. 2020-101

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Dunklin County

Sheriff's Controls and Procedures	The Sheriff's office has not established adequate controls and procedures over commissary items and phone cards sold to inmates. The office allows inmates to purchase commissary items when the inmate does not have a positive account balance and does not have adequate procedures to ensure an inmate's remaining account balance is refunded upon release. The office does not prepare a monthly list of liabilities for the inmate commissary account (as a result liabilities are not agreed to the reconciled bank balance) and the fee account has an unidentified balance. The office does not charge or collect sales taxes on phone cards and e-cigarettes sold to inmates not handled by the commissary vendor, and no sales taxes are remitted to the Department of Revenue. The office is collecting a \$7.10 commissary account set-up fee that is not allowed by state law.
Prosecuting Attorney's Controls and Procedures	The Prosecuting Attorney's office does not prepare a monthly list of liabilities, and consequently liabilities are not compared to the reconciled bank balance.
Medicare Payments	The County Commission has not established a group health plan and made Medicare supplement insurance payments to employees that were deemed unallowable by legal counsel.
Electronic Data Security	Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.
Public Hearings	The January 31, 2019, County Commission meeting minutes did not document the public hearing and votes related to the 2019 county budget. The County Commission did not hold a public hearing and approve the county's 2019 tax rates.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Dunklin County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Sheriff's Controls and Procedures4 2. Prosecuting Attorney's Controls and Procedures7 3. Medicare Payments8 4. Electronic Data Security.....9 5. Public Hearings10
---	---

Organization and Statistical Information	11
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Dunklin County

We have audited certain operations of Dunklin County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

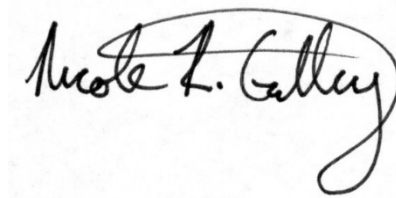
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we (1) identified deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Dunklin County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Chris Vetter, CPA, CFE, CGAP
In-Charge Auditor:	Mackenzie J. Wooster
Audit Staff:	Dacia Rush, M.Acct., CIA, CFE, CGAP
	Ethan D. Evans, CFE, CGAP
	Thomas R. Johnson, MAcc
	Kayla G. Gipson

Dunklin County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected payments for civil fees, concealed carry weapon permits, bonds, and other miscellaneous receipts totaling approximately \$225,000 during the year ended December 31, 2019. In addition, the Sheriff's office had commissary sales of approximately \$311,000 during the year ended December 31, 2019.

1.1 Commissary inventory and phone cards

The Sheriff's office has not established adequate controls and procedures over commissary items and phone cards sold to inmates. Commissary sales are not reconciled to the commissary inventory records. When the monthly inventory counts are performed for commissary items, the amount counted is recorded on the inventory records. However, by not reconciling the inventory count to the sales records, there is no assurance the number of items counted is the number of items that should be on hand. In addition, access is not adequately restricted for phone cards. All jailers have access to the phone cards. The cards are stored in an unlocked drawer next to the visitation window.

Loss, theft, or misuse of the commissary items and phone cards may go undetected without adequate inventory records and procedures. Detailed inventory records that include tracking sales are necessary to adequately account for commissary items and phone cards. A comparison of a periodic physical inventory to sales and items on hand is necessary to ensure commissary items and phone cards and related payments collected are properly recorded and handled.

1.2 Inmate bill balances

The Sheriff's office allows inmates to purchase commissary items when the inmate does not have a positive account balance. Instead, the inmate is billed for the purchase. Account balances are not checked to ensure the inmate has a balance before receiving the commissary items. If the inmate does not have a balance, the Sheriff's office still charges the purchase to the account, creating a negative account balance. As of December 31, 2019, current and former inmate accounts owed the county \$81,563. Of this amount, current inmates owed \$4,950. Part of the amount due could be for other services and costs charged to the inmates, including medical services, destruction of property, and repairing jail bracelets. In addition, some inmates accounts have a cash balance and a balance due, and the cash balance has not been used to pay down the balance due.

Allowing an inmate to receive commissary items without ensuring he/she has a sufficient account balance for the purchase increases the risk of loss if the money is uncollectible. These procedures also cause a reduction in commissary operating funds available to the Sheriff and reduces the net proceeds available for the Inmate Prisoner Detainee Security Fund.

1.3 Inactive inmate account balances

The Sheriff's office does not have adequate procedures to ensure an inmate's remaining account balance is refunded upon release. As of December 31, 2019, the Sheriff's office was holding \$15,029 for 4,161 former inmates in



Dunklin County Management Advisory Report - State Auditor's Findings

the commissary bank account. These inmates were released from the county jail, but did not claim their commissary account balance.

Follow up on inactive accounts is necessary to ensure remaining commissary account balances are appropriately disbursed to the former inmates or as otherwise provided by state law. In addition, establishing procedures to refund all inmates their remaining commissary account balance upon release will allow the Sheriff to more adequately safeguard any money being held and reduce the risk of its loss, theft, or misuse.

1.4 Liabilities

The Sheriff's office does not prepare a monthly list of liabilities for the inmate commissary account; and consequently, liabilities are not agreed to the reconciled bank balance. In addition, the fee account has an unidentified balance.

Liabilities for the inmate commissary account were \$16,076 at December 31, 2019. The December 31, 2019, reconciled bank balance was \$80,926, leaving an unidentified balance of \$64,850. The Jail Administrator indicated some of the unidentified balance is money kept in the account to meet cash flow needs and to operate the commissary.

Liabilities for the fee account were \$10,150 at December 31, 2019. The December 31, 2019, reconciled bank balance was \$10,984, leaving an unidentified balance of \$834. The Office Manager indicated the balance was extra monies in the account to prevent overdrafts.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and money is available to satisfy all liabilities. Differences must be adequately investigated and explained. Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer.

1.5 Sales tax

The Sheriff's office does not charge or collect sales taxes on phone cards and e-cigarettes sold to inmates not handled by the commissary vendor, and no sales taxes are remitted to the Department of Revenue (DOR).

Pursuant to 12 Code of State Regulations 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax. Therefore, the Sheriff should be charging and collecting sales tax and remitting tax collections to the DOR.



Dunklin County
Management Advisory Report - State Auditor's Findings

1.6 Commissary account set-up fee

The Sheriff's office is collecting a \$7.10 commissary account set-up fee that is not allowed by state law. Office personnel indicated the fee is collected from inmates at the time of booking to set up a commissary account even though the commissary contractor does not charge commissary account set-up fees. There is no statutory authority allowing the Sheriff to charge and collect such a fee.

Similar conditions
previously reported

Similar conditions to sections 1.3 and 1.4 were noted in our prior 2 audit reports, and a similar condition to section 1.6 was noted in our prior audit report.

Recommendations

The Sheriff:

- 1.1 Reconcile commissary and phone card records to inventories purchased and sold. In addition, the Sheriff should restrict access to phone cards.
- 1.2 Ensure all inmates have an available cash balance before allowing commissary item purchases. In addition, the Sheriff should follow up on commissary accounts that have outstanding balances due.
- 1.3 Refund inmates their remaining balance upon release. In addition, the Sheriff should attempt to return unclaimed balances to the former inmates. If the payee cannot be located, the amount should be disbursed in accordance with state law.
- 1.4 Prepare a monthly list of liabilities for inmate commissary account and reconcile the list to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved for both the inmate commissary and fee accounts. In addition, the Sheriff should ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.
- 1.5 Contact the DOR for guidance on establishing procedures for charging and collecting sales tax on phone card and e-cigarettes and ensure future sales tax collections are remitted to the DOR.
- 1.6 Discontinue charging and collecting the commissary set-up fee.

Auditee's Response

- 1.1 *We will reconcile the inventory records to the sales records. Phone cards are no longer used at the jail.*
- 1.2 *Inmates are charged for medical items, toiletry items, and property damage even if they do not have a cash balance. When those inmates*



Dunklin County
Management Advisory Report - State Auditor's Findings

receive funds, those funds are used to reimburse the county. The jail now has a \$10 limit on the commissary. If an inmate owes the county \$10 they can no longer order commissary items until their bill is paid. We will follow up on commissary accounts that have an outstanding balance due.

1.3 *There are 2 ways to refund monies. One way is the issuance of a debit card which is immediately taken off the account and the second way is a check is issued when a debit card cannot be issued. The \$15,029 for 4,161 inmates has been delivered to unclaimed property with the state. Every month unclaimed properties are now sent to the state.*

1.4 *A significant amount of the \$64,850 has been transferred to the Inmate Prisoner Detainee Security Fund which is administered by the county and a monthly balance is now retained at a lower amount. The \$834 in the fee account is retained as a security amount to prevent any overdraft charges stemming from any possible unforeseeable charges.*

1.5 *The jail no longer sells phone cards, and at the time of the audit we had already stopped selling e-cigarettes.*

1.6 *Inmates receive property with these funds all of which is toiletry items. This assures hygiene is maintained when entering this facility. When an individual comes into this facility they receive toiletry items for which we charge. Providing for these items guarantee this facility maintains good hygiene. If we let these items be brought into the facility and not purchased from this facility that would bring a serious security issue.*

Auditor's Comment

1.6 While the commissary account set-up fee is used for the benefit of the inmates, there is no statutory authority to support charging and collecting the fee.

2. Prosecuting Attorney's Controls and Procedures

The Prosecuting Attorney's office does not prepare a monthly list of liabilities, and consequently liabilities are not compared to the reconciled bank balance. The office collected bad check restitution and fees, and court-ordered restitution and fees totaling approximately \$162,200 during the year ended December 31, 2019.

We determined the liabilities for the account were \$4,390 at December 31, 2019. The December 31, 2019, reconciled bank balance totaled \$2,660 leaving an account shortage of \$1,730. In addition, the office has not established procedures to routinely follow-up on outstanding checks. As of December 31, 2019, the office has \$37,100 in checks that have been outstanding for more than a year, with some checks dating back to 2003. The



Dunklin County
Management Advisory Report - State Auditor's Findings

December 31, 2019, bank reconciliation indicates \$8,725 of the outstanding checks were from 2003 to 2011, but office personnel did not have any documentation supporting this amount.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and money is available to satisfy all liabilities. Differences must be adequately investigated and explained. In addition, procedures to routinely follow up on outstanding checks are necessary to prevent money from accumulating in the account and ensure it is appropriately disbursed to the payee or as otherwise provided by state law.

A similar condition was noted in our prior 3 audit reports.

Recommendation

The Prosecuting Attorney should prepare a monthly list of liabilities and reconcile it to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved. In addition, establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be located. If payees cannot be located, the money should be disposed of in accordance with state law.

Auditee's Response

The current Prosecuting Attorney took office in January of 2019. Since that time, the office has begun processing outstanding checks in accordance with state law. Since taking office we have investigated and submitted seven years of outstanding checks to the Missouri State Treasurer as unclaimed property totaling more than \$25,000.

The Prosecuting Attorney's Office requested the State Auditor to examine the account to determine what was preventing the account from maintaining a zero balance, and the audit staff were not able to determine the cause. To remedy this in the future, the office has set up a new restitution account to maintain a zero balance.

3. Medicare Payments

The County Commission has not established a group health plan and made Medicare supplement insurance payments on behalf of employees that were deemed unallowable by the County Commission's legal counsel. In December 2019, they advised the County Commission to stop making the payments because a proper health plan had not been established in accordance with Section 105 of the Internal Revenue Code. As of September 2020, the County Commission continues to make Medicare supplement insurance payments on Part B and D deductibles for one employee. Prior to January 2020, 2 employees were on this plan until one retired in December 2019. During the year ended December 31, 2019, the County Commission paid \$9,896 in Medicare supplement insurance payments to a vendor.



Dunklin County
Management Advisory Report - State Auditor's Findings

Internal Revenue Service Guidance 2015-17 stipulates that an arrangement under which an employer reimburses (or pays directly) some or all of Medicare Part B or Part D premiums for employees constitutes an employer payment plan, as described in Notice 2013-54, and if such an arrangement covers 2 or more active employees, is a group health plan subject to the market reforms.

Recommendation

The County Commission review its use of the Medicare reimbursement plan and only provide a process or plan to employees that is in compliance with federal law.

Auditee's Response

We will take the recommendation under advisement.

4. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

4.1 Passwords

The County Assessor, County Clerk, County Collector-Treasurer, Prosecuting Attorney, Public Administrator, and Recorder of Deeds have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically.

Passwords are necessary to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords are not periodically changed in certain offices, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

4.2 Security controls

County officials do not have security controls in place to lock computers after a specified number of incorrect logon attempts.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive invalid logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

4.3 Data backups

The County Assessor, County Clerk, and Public Administrator do not store backup data at an off-site location. In addition, the County Assessor, County Clerk, Prosecuting Attorney, Recorder of Deeds, and Sheriff do not perform periodic testing of backup data.



Dunklin County Management Advisory Report - State Auditor's Findings

Failure to store computer backup data at a secure off-site location results in the backup data being susceptible to the same damage as the data on the computer. To help prevent loss of information and ensure essential information and computer systems can be recovered, computer data should be stored off-site and tested on a periodic basis.

Recommendations

The County Commission work with other county officials to:

- 4.1 Require passwords for each employee to be periodically changed to prevent unauthorized access to the county's computers and data.
- 4.2 Require county computers have security controls in place to lock each computer after a specified number of incorrect logon attempts.
- 4.3 Ensure computer backup data is stored in a secure off-site location and tested on a regular basis.

Auditee's Response

- 4.1 & 4.2 *We will work to improve password and security controls.*
- 4.3 *We will work to store backup data off-site and ensure backup data is tested regularly.*

5. Public Hearings

The January 31, 2019, County Commission meeting minutes did not document the public hearing and votes related to the 2019 county budget. The County Clerk indicated the meeting included a public hearing and vote by the County Commission on approval of the budget. The County Commission did not hold a public hearing and approve the county's 2019 tax rates. The County Clerk indicated a hearing was not held because the tax rates did not change from the previous year.

Section 610.020.7, RSMo, states minutes of open and closed meetings shall be taken and retained by the public governmental body, including, but not limited to, a record of any votes taken at such meetings. The minutes shall include the date, time, place, members present, members absent, and a record of any votes taken. In addition, Section 137.055.2, RSMo, states the county governing body shall hold a public hearing prior to approving the tax rates of the county.

Recommendation

The County Commission ensure all votes are included in the meeting minutes, including but not limited to the approval of the county budget. In addition, a public hearing should be held each year prior to approving the property tax rates.

Auditee's Response

We will ensure all votes are included in the meeting minutes. A public hearing will be held each year prior to approving the property tax rate even though it is zero.

Dunklin County

Organization and Statistical Information

Dunklin County is a township-organized, third-class county. The county seat is Kennett.

Dunklin County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 92 full-time employees and 3 part-time employees on December 31, 2019. The townships maintain county roads.

In addition, county operations include the Senate Bill 40 Board and the 911 Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Don Collins, Presiding Commissioner	\$	33,285
Patrick McHaney, Associate Commissioner		31,185
Ron Huber, Associate Commissioner		31,185
Connie Green, Recorder of Deeds		47,250
Kent Hampton, County Clerk		47,250
Nicholas D. Jain, Prosecuting Attorney		140,667
Bob Holder, Sheriff		52,500
James B. Powell, County Coroner		16,800
Matthew W. Jackson, Public Administrator		47,250
Kathy Rasberry, County Collector-Treasurer (1), year ended March 31,	50,389	
Karen Vandiver, County Assessor, year ended August 31,		47,250

(1) Includes \$3,139 of commissions earned for collecting drainage district property taxes.



Nicole Galloway, CPA

Missouri State Auditor

Madison County

Report No. 2020-100

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Madison County

Sheriff's Controls and Procedures	<p>The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed. The Sheriff has not established adequate procedures for receipting, depositing, transmitting, and disbursing monies. Sheriff's office personnel do not prepare a monthly list of liabilities for the civil paper service/bond account or the commissary account, and consequently, liabilities are not agreed to the reconciled bank balances. The Sheriff has not resolved inactive bank accounts remaining from the prior Sheriff. The Sheriff's office has not established adequate records and procedures over inmate ledgers and commissary orders. The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law and the Sheriff used commissary net proceeds to purchase items for jail operations outside the normal county procurement or budget process. The Sheriff's office does not maintain perpetual inventory records of commissary items and periodic physical inventory counts are not performed. The Sheriff's office does not charge or collect sales taxes on commissary sales, and no sales taxes are remitted to the Missouri Department of Revenue. The Sheriff has not established adequate procedures to ensure timely collection of amounts billed for mileage relating to civil paper service. The Sheriff has not entered into written agreements with the surrounding counties or cities for the boarding of prisoners detailing the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. The Sheriff's office has not established adequate controls and procedures over seized property.</p>
Prosecuting Attorney's Controls and Procedures	<p>The Prosecuting Attorney's bad check bank account had \$426 of unidentified monies at December 31, 2019. The Prosecuting Attorney has not established adequate procedures to ensure restitution amounts owed by defendants are accurately entered into the computer system.</p>
Recorder of Deeds' Controls and Procedures	<p>The Recorder of Deeds does not record some monies received and some receipts are not disbursed. The Recorder of Deeds does not account for the numerical sequence of receipt slip numbers and has not resolved the unidentified balance in her bank account.</p>
Property Tax Levy Reductions	<p>The County Clerk did not use accurate assessed valuation amounts when performing his annual property tax reduction calculations.</p>
Electronic Data Security	<p>The Public Administrator, Recorder of Deeds, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Clerk, County Treasurer, Public Administrator, Recorder of Deeds, and Sheriff do not have security controls in place to lock computers after a specified number of incorrect logon attempts and/or after a certain period of inactivity.</p>

Additional Comments

Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was Fair .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Madison County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Sheriff's Controls and Procedures4 2. Prosecuting's Attorney Controls and Procedures12 3. Recorder of Deeds' Controls and Procedures13 4. Property Tax Levy Reductions15 5. Electronic Data Security.....16
---	--

Organization and Statistical Information	18
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Madison County

We have audited certain operations of Madison County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

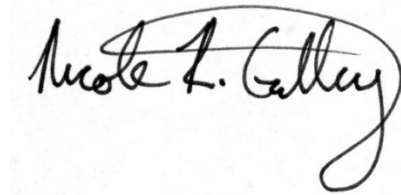
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Madison County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA, CGAP
In-Charge Auditor:	Steven Barton
Staff:	Misty Bowen, MSED, CFE
	Spenser Hackmann, CFE

Madison County

Management Advisory Report

State Auditor's Findings

1. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff operates a jail and provides an in-house commissary for inmates to purchase various snacks and personal items, in addition to handling money for bonds, civil paper service receipts, and concealed carry weapon (CCW) permits. The office collected approximately \$19,500 for inmate commissary receipts, \$146,600 for bond monies, \$21,800 for civil paper service receipts, and \$4,800 for CCW permits during the year ended December 31, 2019.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure supervisory reviews of detailed accounting and bank records are performed.

- The Dispatcher is primarily responsible for civil paper service and bond transactions, including receipting, recording, and depositing monies; preparing checks; and preparing the bank reconciliation for the civil paper service/bond account.
- A deputy is primarily responsible for CCW transactions, including receipting, recording, and transmitting monies to the County Treasurer for deposit.
- The Jail Administrator is primarily responsible for inmate monies, including receipting, recording, and depositing monies; preparing and signing checks; and preparing the bank reconciliation for the commissary account. The Jail Administrator also handles the commissary inventory, including purchasing and stocking inventory items, distributing ordered items to inmates, and maintaining commissary records.

In addition, although the monthly bank reconciliations indicate they have been reviewed by the Sheriff, this review is not always completed. The monthly bank reconciliations prepared by the Dispatcher and the Jail Administrator for the civil paper service/bond account and the commissary account, respectively, include a cover page with the Sheriff's signature. However, the cover pages are prepared by the respective employees who also apply the Sheriff's signature electronically, or by using a stamp. Even though the cover pages include the Sheriff's signature, the Sheriff indicated she does not always have time to review the bank reconciliations.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receipting, recording, depositing, transmitting, disbursing, and reconciling monies, and also purchasing, recording, and distributing commissary items to inmates. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records, as well as commissary records, are essential. In addition, the Sheriff should sign the



Madison County
Management Advisory Report - State Auditor's Findings

bank reconciliations only after performing a detailed review of the accounting and bank records.

1.2 Receipting, depositing, transmitting, and disbursing

The Sheriff has not established adequate procedures for receipting, depositing, transmitting, and disbursing monies.

- Manual receipt slips are not always issued when monies are received for the commissary account. As a result, receipt slips issued cannot be reconciled to the deposits. The Jail Administrator indicated receipt slips are not always issued for monies received in the mail or when inmates have cash at the time of their arrest.
- The Dispatcher does not always deposit civil paper service and bond receipts timely. For example, monies received from August 10 through August 20, 2019, totaling \$1,072, were not deposited until September 3, 2019. In addition, monies received from August 29 through August 31, 2019, totaling \$461, were not deposited until September 23, 2019.
- Civil paper service fees are not always disbursed to the County Treasurer timely. Although the Dispatcher prepares disbursement checks monthly, the Sheriff stated she may hold the checks to ensure a balance was retained in the bank account. For example, fees for March 2019 through July 2019 were not disbursed to the County Treasurer until August 5, 2019, and fees for August 2019 through November 2019 were not disbursed to the County Treasurer until December 11, 2019.
- CCW permit fees are not always transmitted to the County Treasurer timely. For example, monies received from May 2019 through July 2019, totaling \$710, were not transmitted until July 26, 2019.

Failure to implement adequate receipting, depositing, transmitting, and disbursing procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected. In addition, Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay such monies monthly to the County Treasurer. Also, pursuant to Section 50.380, RSMo, the Sheriff may be subject to penalties for failure to timely disburse monies.

1.3 Liabilities

Sheriff's office personnel do not prepare a monthly list of liabilities for the civil paper service/bond account or the commissary account, and consequently, liabilities are not agreed to the reconciled bank balances.

For the civil paper service/bond account, we identified liabilities totaling \$1,728 at December 31, 2019. The reconciled bank balance was \$2,033, leaving an unidentified balance of \$305. For the commissary account, the reconciled bank balance was \$3,503 at December 31, 2019. Liabilities of this



Madison County Management Advisory Report - State Auditor's Findings

account could not be easily identified, and included inmate monies as well as commissary net proceeds. No comprehensive list of inmate balances is maintained and the amount of net proceeds in the account is unknown.

Monthly lists of liabilities should be prepared and reconciled to cash balances to ensure records are in balance, errors are detected and corrected timely, and sufficient cash is available for the payment of all liabilities. Prompt follow up on discrepancies is necessary to resolve errors and ensure monies are properly disbursed. Various statutory provisions provide for the disposition of unidentified monies.

- 1.4 Inactive bank accounts** The Sheriff has not resolved inactive bank accounts remaining from the prior Sheriff. The office has 3 old inactive bank accounts including an old jail commissary account, an old jail commissary profit account, and a drug task force account with balances of \$599, \$320, and \$1,000, respectively, as of December 31, 2019.

The Sheriff's office does not have a list of liabilities for the old jail commissary account and the Sheriff is unaware of any documentation identifying the proper balances of the other 2 accounts. In addition, the old jail commissary and jail commissary profit accounts are incurring monthly service charges of \$5 each. The Sheriff indicated the accounts have incurred the service charges since at least January 2017, when she took office.

Maintaining old inactive accounts increases the risk of loss, theft, or misuse of funds. The Sheriff's office should attempt to identify and distribute the funds held in old inactive bank accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.

1.5 Inmate ledgers and commissary orders

The Sheriff's office has not established adequate records and procedures over inmate ledgers and commissary orders. The Sheriff maintains a commissary bank account for the deposit of inmate monies. These monies are held in trust for the inmates and may be used to purchase various items from the in-house commissary. Monies received, commissary purchases made, and the available cash balance are recorded on a manual ledger for each inmate. Inmates order items from the commissary using manual order forms, and the payments are deducted from the inmates' available balances. Any remaining monies are paid to inmates upon release. During our review of inmate ledgers and commissary order forms for June and July 2019 for 10 inmates, we identified the following concerns:

- The Sheriff's office does not maintain documentation to support all commissary transactions. Sheriff's office personnel could not provide the inmate ledger covering part of July 2019 for 2 inmates. Order forms indicate 1 of the inmates made at least 3 purchases and the other inmate made 1 purchase during that time period. Also, Sheriff's office personnel



Madison County Management Advisory Report - State Auditor's Findings

could not provide commissary order forms or the forms did not exist for 2 purchases made by other inmates.

- The Sheriff's office does not have adequate procedures to ensure the accuracy of commissary order forms. Errors were noted with the mathematical accuracy of 4 commissary order forms reviewed. As a result, the inmates were charged incorrect amounts for their commissary purchases.
- One inmate's balance was overdrawn by \$33. The inmate made a purchase totaling \$33 and received the items. The inmate's balance at the time of the purchase showed the inmate had sufficient funds for the purchase because the inmate had added funds to the account the same day. The Jail Administrator indicated the added funds were received and added to the inmate's balance, but were returned to the inmate before being deposited because the inmate was transferred to another facility. Because the inmate's funds were refunded, the inmate actually had insufficient funds for the purchase and the account was overdrawn.

Adequate records and procedures over inmate ledgers and commissary orders are necessary to ensure inmate commissary account balances are accurate.

1.6 Commissary net proceeds

The Sheriff does not disburse commissary net proceeds to the county Inmate Prisoner Detainee Security Fund as required by state law. In addition, the Sheriff used commissary net proceeds to purchase items for jail operations outside the normal county procurement or budget process.

All commissary net proceeds from commissary sales are retained with inmate monies in the commissary bank account. As of December 31, 2019, the reconciled bank balance of the commissary account was \$3,503. As discussed in section 1.3, it is unknown how much of this balance was inmate money and how much was commissary net proceeds.

Disbursements made from the commissary bank account for jail operations include supplies to build a jail garden, a new washing machine, laundry supplies, a monthly satellite television subscription, and cleaning supplies. These purchases did not go through the normal county procurement or budget process and the County Commission did not approve them.

Section 221.102, RSMo, requires each county jail to keep revenues from its commissary in a separate account and pay for goods and other expenses from that account, allows retention of a minimum amount of money in the account for cash flow purposes and current expenses, and requires deposit of the remaining funds (net proceeds) into the county Inmate Prisoner Detainee Security Fund held by the County Treasurer. In addition, Section 488.5026.3,



Madison County
Management Advisory Report - State Auditor's Findings

RSMo, mandates how the funds deposited in the Inmate Prisoner Detainee Security Fund shall be used.

1.7 Commissary inventory The Sheriff's office does not maintain perpetual inventory records of commissary items and periodic physical inventory counts are not performed.

Loss, theft, or misuse of the commissary inventory and related monies may go undetected without adequate inventory records and procedures. Detailed inventory records are necessary to adequately account for commissary inventory. Comparison of a periodic physical inventory to inventory records is necessary to ensure commissary items and related monies are properly recorded and handled.

1.8 Sales taxes The Sheriff's office does not charge or collect sales taxes on commissary sales, and no sales taxes are remitted to the Missouri Department of Revenue (DOR). Pursuant to 12 CSR 10-110.955(3)(B), sales by the state of Missouri and its political subdivisions are subject to tax.

To ensure sales taxes are properly handled, the Sheriff should contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on commissary sales, and ensure all future sales tax collections are remitted to the DOR.

1.9 Civil paper service mileage fees The Sheriff has not established adequate procedures to ensure timely collection of amounts billed for mileage relating to civil paper service. Approximately \$21,800 in civil paper service fees and mileage was collected for the year ended December 31, 2019.

The Sheriff's office typically collects fees for performing civil paper service prior to serving the papers, but mileage costs are not collected until after the papers have been served. If a deputy drives more than 5 miles round trip to serve the papers, the Sheriff's office will send a bill for mileage costs incurred. However, the Sheriff's office does not track the mileage billings sent or retain copies of mileage billings. As a result, an accounts receivable balance cannot be determined and the Sheriff's office is unable to follow up on outstanding billings to ensure all billed amounts have been collected.

To ensure timely collection of amounts billed, the Sheriff should maintain a complete and accurate list of all civil paper service mileage amounts billed. Unpaid amounts should be monitored and appropriate follow-up action taken to ensure all billed amounts are received.

1.10 Prisoner boarding The Sheriff has not entered into written agreements with the surrounding counties or cities for the boarding of prisoners detailing the housing rate to be paid, the services to be provided, or any required notification for emergency or non-routine situations. The Sheriff does not bill any county or city for the



Madison County Management Advisory Report - State Auditor's Findings

boarding of prisoners. The Sheriff stated she has several verbal agreements to allow Madison County to house prisoners at other jails without paying if Madison County will also house prisoners for that county or city at no cost. The Sheriff has not performed an analysis to determine if such an arrangement is cost effective.

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. In addition, the county should periodically analyze incarceration costs to ensure agreements with surrounding counties and cities to not bill for housing prisoners is cost effective.

1.11 Seized property

The Sheriff's office has not established adequate controls and procedures over seized property. We identified the following concerns:

- A complete seized property evidence listing is not maintained. Seized property is stored in 2 evidence rooms. Room 1 holds property seized prior to 2017, and Room 2 holds property seized from 2017 to present. The seized property evidence listing includes only evidence in Room 1. Sheriff's office personnel have not added the seized property in Room 2 to the evidence listing. The Evidence Officer has been working on improving and updating the records for Room 1, and is in the process of training another employee to assist with the seized property records.
- We tested 9 seized property items in Room 1 and identified concerns with 1 item (11 percent) that was not properly tagged and could not be found on the evidence listing. The Evidence Officer investigated the item and determined the property was seized in 2018, and should have been stored in Room 2.
- The Sheriff's office has not performed a physical inventory of seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory records including information such as description, current location, case number, date of seizure, and disposition of such property should be maintained, and periodic physical inventories performed with the results compared to inventory records to ensure seized property is accounted for properly. In addition, all seized property should be properly tagged to identify the property to a specific case.



Madison County
Management Advisory Report - State Auditor's Findings

Similar conditions previously reported

A similar condition to section 1.1 was noted in our prior 2 audit reports, a similar condition to section 1.2 was noted in our prior 4 audit reports, and similar conditions to sections 1.3, 1.5, 1.6, 1.7, and 1.10 were noted in our prior audit report.

Recommendations

The Sheriff:

- 1.1 Segregate accounting duties or ensure independent or supervisory reviews of detailed accounting, bank, and commissary records are performed and documented. In addition, the Sheriff should only sign the bank reconciliations after a review of the detailed accounting and bank records has been performed.
- 1.2 Issue receipt slips for all monies received, deposit monies timely, and transmit or disburse monies monthly in accordance with state law.
- 1.3 Prepare monthly lists of liabilities and reconcile the lists to the available cash balances. Any differences between accounting records and reconciliations should be promptly investigated and resolved. Any unidentified monies should be disposed of in accordance with state law.
- 1.4 Attempt to identify and distribute the funds held in old inactive bank accounts, dispose of any unclaimed or unidentified funds in accordance with state law, and close the accounts.
- 1.5 Establish procedures to ensure the accuracy of all inmate ledgers and available balances, including maintaining documentation for all commissary transactions, reviewing commissary order forms for accuracy, and deducting all commissary purchases from inmate balances.
- 1.6 Ensure existing and future commissary net proceeds not necessary to meet cash flow needs or current operating expenses are disbursed to the County Treasurer for deposit in the Inmate Prisoner Detainee Security Fund.
- 1.7 Maintain inventory records of commissary items and reconcile the records to purchases, sales, and periodic physical inventory counts.
- 1.8 Contact the DOR for guidance on establishing procedures for charging and collecting sales taxes on commissary sales, and ensure all future sales tax collections are remitted to the DOR.
- 1.9 Establish procedures to track, monitor, and pursue collection of amounts billed for civil paper service mileage.



Madison County
Management Advisory Report - State Auditor's Findings

- 1.10 Work with the County Commission to obtain written agreements with counties and cities for the boarding of prisoners. In addition, the Sheriff and the County Commission should periodically analyze incarceration costs to ensure boarding prisoners at no charge is cost effective.
- 1.11 Maintain a complete and accurate seized property evidence listing and ensure periodic physical inventories are conducted and reconciled to the seized property evidence listing. Any differences should be investigated and resolved. In addition, all seized property should be properly tagged to identify the property to a specific case.

Auditee's Response

The Sheriff provided the following responses:

- 1.1 *I will segregate the accounting duties for the following accounts: civil paper service/bond, CCW, and commissary. I will also review each of these accounts monthly and I will personally sign off on each account after I have reviewed it.*
- 1.2 *Receipt slips will be issued when monies are received for the following accounts: civil paper service/bond, CCW, and commissary. Monies received for these accounts will be deposited in a timely manner. Civil paper service fees, CCW permit fees, and any commissary net proceeds will be disbursed to the County Treasurer monthly in accordance with state law.*
- 1.3 *A list of liabilities will be prepared monthly and reconciled to available cash balances. If a difference is found, it will be investigated immediately so that it may be resolved. The civil paper service/bond account was recently set up with online banking access. This is another way to check for liabilities and resolve these issues quickly.*
- 1.4 *All 3 old bank accounts have been closed. I will research the accounts further to attempt to locate the owners of the monies.*
- 1.5 *After careful consideration, the Jail Administrator has decided to go with an outside supplier for commissary needs. By using an outside vendor, this will ensure all inmate ledgers and balances will be accurate, sales tax will be collected and distributed to the DOR, and any profit checks will be sent directly to the County Treasurer.*
- 1.6 *With the use of an outside commissary supplier, the supplier will then be able to send the net proceeds monies directly to the County Treasurer to be deposited in the Inmate Prisoner Detainee Security Fund. Also, the Jail Administrator will be made aware of Section*



Madison County
Management Advisory Report - State Auditor's Findings

488.5026.3, RSMo, and what the funds in this account shall be used for.

- 1.7 An inventory of commissary items will be maintained and this will be reconciled with the purchases and sales until the in-house commissary is closed and an outside commissary supplier takes over.*
- 1.8 The DOR will be contacted on the proper procedure for collecting taxes from commissary sales.*
- 1.9 Procedures will be established to track, monitor, and pursue collection of mileage for civil paper service.*
- 1.10 A prisoner boarding agreement will be written with the assistance of the County Commissioners and will be distributed to counties requesting to house inmates in the Madison County jail.*
- 1.11 A complete list of evidence will be maintained for each of the 2 evidence rooms. An annual inventory will be conducted on both evidence rooms. If any discrepancies are located, they will be investigated and corrected immediately.*

The County Commission provided the following response:

- 1.10 We will work with the Sheriff to implement the recommendation.*

2. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$11,400 for bad check restitution and fees and \$24,400 for court-ordered restitution and fees during the year ended December 31, 2019.

2.1 Unidentified monies

The Prosecuting Attorney's bad check bank account had \$426 of unidentified monies at December 31, 2019. The Legal Assistant disburses all new receipts each month, and reconciles the bank balance to the unidentified balance of \$426 on a monthly basis. The Legal Assistant indicated the unidentified monies have been in the account for at least 15 years. Since records are not sufficient to identify to whom this money is owed, it should be disposed of in accordance with state law.

Maintaining unidentified balances in the bank account increases the risk of loss, theft, or misuse of such funds. Various statutory provisions address the disposal of unidentified monies.

A similar condition was noted in our prior audit report.



Madison County
Management Advisory Report - State Auditor's Findings

2.2 Court-ordered restitution The Prosecuting Attorney has not established adequate procedures to ensure restitution amounts owed by defendants are accurately entered into the computer system.

During our test of restitution receipts, we noted the total restitution amount owed by the defendant per the computer system did not agree to documentation from the court for 3 of the 5 receipts reviewed. For example, court documentation indicated a defendant owed \$3,110; however \$2,530 was entered into the computer system for a difference of \$580. The Legal Assistant indicated the amount entered into the computer system was an error, and as of December 31, 2019, the defendant was still in the process of making restitution payments.

To ensure the accuracy of all amounts owed, and subsequently paid by defendants, restitution amounts entered into the computer system should be reviewed and compared with court documentation. Any differences should be promptly investigated and resolved to ensure the proper amount of restitution is collected.

Recommendations

The Prosecuting Attorney:

- 2.1 Disburse unidentified monies in accordance with state law.
- 2.2 Establish procedures to review restitution amounts entered into the computer system to ensure amounts agree with court documentation. Any differences should be promptly investigated and resolved.

Auditee's Response

- 2.1 *We will disburse the unidentified monies in accordance with state law.*
- 2.2 *We will be more diligent about entering restitution amounts into the computer system. Any differences identified will be investigated and resolved.*

3. Recorder of Deeds' Controls and Procedures

Controls and procedures in the Recorder of Deeds' office need improvement. The office collected approximately \$80,400 for recording documents such as marriage licenses and deeds, and for other miscellaneous receipts during the year ended December 31, 2019.

3.1 Receipts and disbursements

The Recorder of Deeds does not record some monies received and some receipts are not disbursed. In addition, the Recorder of Deeds does not account for the numerical sequence of receipt slip numbers.

Electronic payments

The Recorder of Deeds receives electronic payments for records access; however, these payments are not recorded in the computer system, are not



Madison County Management Advisory Report - State Auditor's Findings

assigned receipt numbers, and have not been disbursed. During the year ended December 31, 2019, \$1,350 in records-access receipts have accumulated in the Recorder of Deeds' bank account that should be disbursed.

Numerical sequence

The Recorder of Deeds does not account for the numerical sequence of receipt slip numbers issued to ensure monies received have been properly recorded and deposited.

To reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all monies received are properly receipted and disbursed appropriately. Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to disburse such monies monthly to the County Treasurer. In addition, procedures should be established to account for the numerical sequence of receipt slips.

3.2 Unidentified monies

The Recorder of Deeds has not resolved the unidentified balance in her bank account. As of December 31, 2019, the reconciled bank balance was \$3,994. Of this amount, \$1,350 was identified as the accumulated records access receipts discussed in section 3.1. The remaining balance of \$2,644 appears to be money remaining in the bank account from the prior Recorder of Deeds. The Recorder of Deeds cannot locate the applicable records from the prior Recorder of Deeds to identify to whom this money is owed. As a result, it should be disposed of in accordance with state law.

Maintaining unidentified balances in the bank account increases the risk of loss, theft, or misuse of such funds. Various statutory provisions address the disposal of unidentified monies.

Recommendations

The Recorder of Deeds:

- 3.1 Ensure all monies received are properly receipted and disbursed and account for the numerical sequence of receipt slips issued.
- 3.2 Disburse unidentified monies in accordance with state law.

Auditee's Response

- 3.1 *The Recorder of Deeds' office has disbursed the fees for the electronic payments that had not been previously disbursed. We will now receipt and disburse these fees each month.*

The Recorder of Deeds' office is now making a paper list of the sequence of receipt numbers and instrument numbers for the documents that are recorded. Copies are included in these receipt numbers, but will not have a document instrument number. If a receipt has been deleted for some reason, such as rejecting a deed once we start recording, the information is written in red on our copy. Once the month is over, we print a computer copy of the sequence of



Madison County
Management Advisory Report - State Auditor's Findings

receipt numbers (which includes instrument numbers). We compare the two lists and write down any deleted information on the computer copy. We then file these with the monthly reports.

Marriage licenses are listed the same way. The Recorder of Deeds' office is now keeping a hand-written list of marriage licenses that have been issued and recorded. Once the month has concluded, the computer list is printed and matched with the hand-written one. If anything has been deleted, it is written in red on both copies, then the lists are filed with the monthly reports.

- 3.2 *As previously explained, all monies for the electronic payment fees have been disbursed. I currently have an unidentified balance of \$963. The Recorder of Deeds' office is still trying to locate where the remaining amount goes. If that cannot be determined, the monies will be disbursed in accordance with state law.*

4. Property Tax Levy Reductions

The County Clerk did not use accurate assessed valuation amounts when performing his annual property tax reduction calculations. For example, the County Clerk's 2019 calculation did not include assessed valuation of \$5.6 million for railroad and utility property. As a result, the 2019 general revenue property tax levy was reduced by approximately \$16,000 more than required by law.

Section 67.505, RSMo, requires the county to reduce property taxes for a percentage of sales taxes collected. Madison County voters enacted a one-half of 1 percent general sales tax with a provision to reduce property taxes by 50 percent of sales taxes collected. To determine the required reduction in property tax revenue, the County Clerk must annually calculate an estimated property tax levy using the county's total assessed valuation, tax rate ceiling, and estimated sales tax revenue for the current year. Understating the assessed valuation in this calculation results in reducing the property tax levy by more than required. To ensure property tax levies are properly set, the County Commission and the County Clerk should ensure property tax reductions are accurately calculated, including using the correct assessed valuation.

Recommendation

The County Commission and the County Clerk properly calculate property tax rate reductions.

Auditee's Response

The County Clerk refigured the assessed value of Madison County including the railroad and utility assessed valuation for 2020. It changed the rollback amount which produced a General Revenue levy for 2020 of 0.1788. We will ensure the property tax rate reductions are properly calculated in the future.



5. Electronic Data Security

5.1 Passwords

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

The Public Administrator, Recorder of Deeds, and Sheriff have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically and/or use passwords with a minimum number of characters to help ensure passwords remain known only to the assigned user.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords in certain offices are not required to be periodically changed or contain a minimum number of characters, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, changed periodically, and contain a minimum number of characters to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

5.2 Security controls

The County Clerk, County Treasurer, Public Administrator, Recorder of Deeds, and Sheriff do not have security controls in place to lock computers after a specified number of incorrect logon attempts and/or after a certain period of inactivity.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Without effective security controls and effective procedures to remove user access, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendations

The County Commission work with other county officials to:

- 5.1 Require each employee to have a confidential password with a minimum number of characters that is periodically changed.
- 5.2 Require each county computer to have security controls in place to lock it after a specified number of incorrect logon attempts and after a certain period of inactivity.



Madison County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission provided the following response:

We agree and will work with the other county officials to improve electronic data security controls.

The Recorder of Deeds provided the following responses:

- 5.1 *The Recorder of Deeds has contacted the county's information technology vendor to set up the password controls for this office's computers. The Recorder of Deeds' office will be requiring passwords be changed every 3 months. At this time, we are awaiting the arrival of a technician to set this up. The Recorder of Deeds also had the software company that we use set up a mandatory changing of passwords every 3 months within the software program.*
- 5.2 *Along with the passwords being mandatorily changed every 3 months, login attempt controls are being set up. This will be 3 login attempts before locking the computer or the recording software, whichever the login attempt is being tried on.*

The Sheriff provided the following responses:

- 5.1 *Each employee will have a confidential password that they will have to periodically change and that contains a certain amount of characters.*
- 5.2 *Each Sheriff's office computer will be assigned a password to be logged in and then will be set to lock after a specific amount of inactivity.*

The County Clerk provided the following response:

- 5.2 *Security of the computers in the County Clerk's office is now set to shut off after 10 minutes if no key strokes are made. One must log back in using their password. If that does not work, we must call our technology company to get the password reset.*

Madison County

Organization and Statistical Information

Madison County is a county-organized, third-class county. The county seat is Fredericktown.

Madison County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 63 full-time employees and 16 part-time employees on December 31, 2019.

In addition, county operations include the Senate Bill 40 Board, Law Enforcement Restitution Board, and the Tax Increment Financing Commission. Also, the county has 911 operations.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Jason Green, Presiding Commissioner	\$	28,184
Tom Stephens, Associate Commissioner		26,104
Larry Kemp, Associate Commissioner		26,104
Saundra K. Ivison, Recorder of Deeds		39,540
Donal E. Firebaugh, County Clerk		39,540
M. Dwight Robbins, Prosecuting Attorney		46,820
Katy J. McCutcheon, Sheriff		43,700
Jessica Stevens, County Treasurer (1)		22,812
Nadean Rice, County Treasurer (1)		16,728
Collin L. Follis, County Coroner		11,460
Carol LaChance, Public Administrator		25,916
Debby Boone, County Collector, year ended February 29,	39,540	
Sue Harmon Yount, County Assessor, year ended August 31,		39,540
William Douglas McFarland, County Surveyor (2)		

- (1) Nadean Rice served as County Treasurer until she resigned effective May 31, 2019. Jessica Stevens was appointed and took office on June 1, 2019.
- (2) William Douglas McFarland served as County Surveyor until he passed away on July 8, 2019. The position was vacant during the remainder of 2019. Compensation for the position is on a fee basis.



Nicole Galloway, CPA

Missouri State Auditor

Thirty-Eighth Judicial Circuit
City of Clever
Municipal Division

Report No. 2020-099

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Thirty-Eighth Judicial Circuit - City of Clever Municipal Division

Accounting Controls and Procedures	Municipal Division employees do not always deposit receipts timely. Because the city has not established a separate fund or accounting for 3 court costs collected, the municipal division and the city have little assurance these court costs were properly used in compliance with state law.
Case Dispositions	The Municipal Judge does not always approve the final disposition of cases brought before the court or the fines handled through the Violation Bureau.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Thirty-Eighth Judicial Circuit

City of Clever Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Accounting Controls and Procedures4
Findings	2. Case Dispositions5

Organization and Statistical	6
Information	



NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Thirty-Eighth Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the Board of Aldermen
Clever, Missouri

We have audited certain operations of the City of Clever Municipal Division of the Thirty-Eighth Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

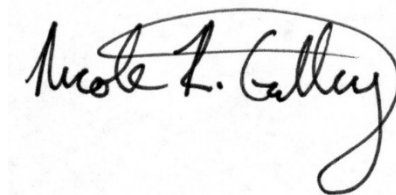
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) no significant noncompliance with court rules, and (4) no noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Clever Municipal Division of the Thirty-Eighth Judicial Circuit.

An additional report, No. 2020-098, *City of Clever*, fulfilling our obligations under Section 29.230, RSMo, was issued in November 2020.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Erin N. Dierksen
Audit Staff:	Stephanie M. Kroner
	Hunter O'Donnell, M.Acct.

Thirty-Eighth Judicial Circuit

City of Clever Municipal Division

Management Advisory Report - State Auditor's Findings

1. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the year ended June 30, 2019, the municipal division collected \$21,442 in fines and court costs.

1.1 Deposits

Employees do not always deposit receipts timely. The Court Clerk also serves as the City Clerk. City employees did not deposit court receipts of \$50 (cash) collected on November 27, 2018, and \$150 (cash) collected on December 3, 2018, into the Municipal Division bank account until December 10, 2018. The city received no other court receipts between December 3 and December 10. This money was not deposited even though employees made 3 deposits of city-related receipts totaling \$2,050 into the General Fund bank account on December 3, 2018, and December 5, 2018. The Court Clerk could not explain why the court receipts did not get deposited timely.

To safeguard receipts and to reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all payments received are deposited timely and intact.

1.2 Restricted funds

The municipal division and the city have little assurance that certain court costs were properly used in compliance with state law. The city did not establish a separate fund and/or accounting for money collected for 3 different court costs assessed, is not tracking the amounts expended, does not know what has been spent or the remaining balance, and, as a result, cannot demonstrate whether the money collected from these court costs was used for the purposes required by statute. During the year ended June 30, 2019, the municipal division transmitted \$797.50 collected for these 3 court costs (\$322 law enforcement training, \$316.50 biometric verification, and \$159 judicial education) to the city monthly. Each month, city personnel deposit this money as a single combined payment into the city's General Fund bank account.

The city passed an ordinance in January 2015 to assess and collect a court cost of \$2 for law enforcement training and \$2 for biometric verification. Section 488.5336.2, RSMo, requires the law enforcement training funds to be used only for the training of law enforcement officers. Section 488.5026.3, RSMo, requires establishment of an Inmate Prisoner Detainee Security Fund and provides requirements concerning the usage of biometric verification funds. Allowable uses include acquisition and development of a biometric verification system and information sharing; maintenance, repair, and replacement of the information sharing or biometric verification system; and any expenses related to detention, custody, and housing and other expenses for inmates, prisoners, and detainees. Section 479.260, RSMo, allows the municipal court to establish a separate fund under the control of the municipal court, and deposit \$1 of court costs into the fund to pay for the education and certification of the municipal judge and judicial education and training for the court clerk.



Thirty-Eighth Judicial Circuit
City of Clever Municipal Division
Management Advisory Report - State Auditor's Findings

To ensure compliance with applicable state laws, separate funds and/or accounting of receipts and related disbursements associated with specific activities or restricted usage should be maintained.

Recommendations

The City of Clever Municipal Division:

- 1.1 Ensure receipts are deposited timely.
- 1.2 Work with the city to ensure court costs collected for restricted purposes are adequately tracked or deposited into a separate bank account and used for statutorily allowed purposes.

Auditee's Response

- 1.1 *To ensure proper segregation of duties, the Court Clerk does not make deposits. The Assistant City Clerk makes the deposits. If the Assistant City Clerk is not available to make a timely deposit in accordance with standard operating procedure, the Court Clerk will make the deposit with a secondary accompaniment of the Municipal Judge, Mayor, or a member of the Board of Aldermen to maintain the security of the deposits.*
- 1.2 *We have created a secondary general ledger to track receipts and disbursements of restricted court monies and to ensure that court costs collected for restricted purposes are spent in accordance with statutory requirements.*

2. Case Dispositions

The Municipal Judge does not always approve the final disposition of cases brought before the court or the fines handled through the Violation Bureau.

The Court Clerk records the case activity and final disposition of each case in the case management system. Our review of 10 tickets noted 2 (20 percent) tickets did not have the Municipal Judge's approval of final disposition documented on either the court docket or the manual docket.

To ensure the proper disposition of all cases has been entered in the municipal division records, the Municipal Judge should sign the court docket to indicate approval of the recorded disposition.

Recommendation

The City of Clever Municipal Division ensure the Municipal Judge signs all court dockets.

Auditee's Response

The 2 instances found by the auditors are aberrations in our existing practices. Great care is taken to ensure that the final disposition of all cases has a final docket entry that the case is to be closed and that entry is signed off on or initialed by the Judge.

Thirty-Eighth Judicial Circuit

City of Clever Municipal Division

Organization and Statistical Information

The City of Clever Municipal Division is in the Thirty-Eighth Judicial Circuit, which consists of Christian County. The Honorable Laura J. Johnson serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division utilizes the Office of State Court Administrator's (OSCA) statewide automated case management system known as JIS.

Personnel

At June 30, 2019, the municipal division employees were as follows:

Title	Name
Municipal Judge	Matthew Owen
Court Clerk	Kristy Keithley
Prosecuting Attorney	Patty Shilling

Financial and Caseload Information

	Year Ended June 30, 2019
Receipts	\$21,442
Number of cases filed	198

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 11.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Sheriff's Retirement	3.00
Judicial Education	1.00
Court Automation	7.00
Inmate Security (Biometric Verification)	2.00



Nicole Galloway, CPA

Missouri State Auditor

City of Clever

Report No. 2020-098

November 2020

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Clever

Payroll Controls and Procedures	The city does not have a separate personnel policy or a provision in the employee handbook authorizing a "safety bonus payment" or "safety incentive payment." Supervisory review performed over biweekly payroll is not sufficient. We identified a payroll calculation error based on the city's policies. City officials allow employees to record leave usage in increments that are not approved by the employee handbook.
Disbursements	The city does not have a long-range plan for the development of a recent real estate purchase and paid significantly more than the appraised value for the 2 properties. Some disbursements allocated to various city funds did not have sufficient documentation to support how the allocation amounts were determined. The city does not have written contracts with an independent contractor (service provider).
Accounting Controls and Procedures	City employees do not always deposit receipts timely. The city does not maintain the change fund at a constant amount and uses it for petty cash expenses. In addition, a petty cash ledger is not maintained to support petty cash transactions.
Budgets and Financial Reporting	City budgets do not include all elements required by state law. City officials did not publish the semiannual financial statements for the 6 months ended December 31, 2019, as required by state law.
Utilities	The city does not have an ordinance or written policies authorizing partial payments, and does not follow established service shutoff procedures for customers who make partial payments. Periodic formal cost studies of utility (water and sewer) rates have not been performed.
Police Department Assets	Controls and documentation over tracking of Police department assets need improvement.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Clever

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Payroll Controls and Procedures4 2. Disbursements7 3. Accounting Controls and Procedures9 4. Budgets and Financial Reporting10 5. Utilities11 6. Police Department Assets.....13
---	--

Organization and Statistical Information	14
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
Clever, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Clever. We have audited certain operations of the city in fulfillment of our duties. The city engaged Decker and DeGood, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2019. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

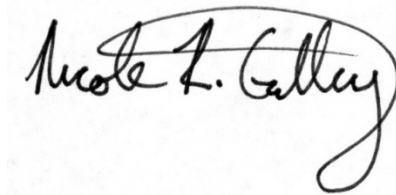
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and its audited financial statements and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Clever.

An additional report, Report No. 2020-099, *Thirty-Eighth Judicial Circuit, City of Clever Municipal Division*, was issued in November 2020.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Erin N. Dierksen
Audit Staff:	Stephanie M. Kroner Hunter O'Donnell, M.Acct.

City of Clever

Management Advisory Report

State Auditor's Findings

1. Payroll Controls and Procedures

Controls and procedures over payroll and related matters need improvement. The city paid approximately \$225,000 in wages during the year ended June 30, 2019.

1.1 Safety incentive payments

The city does not have a separate personnel policy or a provision in the employee handbook authorizing a "safety bonus payment" or "safety incentive payment." The Board of Aldermen approved and paid safety incentive payments totaling \$900 to 9 city employees (\$100 each) in December 2019. The City Clerk indicated these payments have been a long-term practice of the city to reward employees for performing their job duties without any at-fault accidents.

Incentive payments were made without a formalized and clearly defined process of how the additional compensation was to be earned, giving the appearance of year-end bonuses, that may violate the Missouri Constitution. Without a formalized process being documented, the individuals participating in the program, as well as the individuals evaluating performance, cannot have a clear understanding of what level of performance is necessary to earn the incentive payments. Establishing clear and defined goals to be achieved in order to earn incentive payments, including what data sources will be used to measure progress toward goals, provides clarity to the employee and management, as well as to the public. Ensuring the goals to be achieved represent performance that warrants incentive payments, and not just performance of standard job duties, can reduce the perception these payments are merely additional compensation, and would make the executive incentive program more likely to be allowable under the Missouri Constitution.

While the use of an incentive program may be allowable if implemented and executed appropriately, the absence of consistent documentation about performance goals to be met and the lack of defined objective criteria to determine the achievement of incentives gives the appearance the payments represent additional compensation for past performance. In addition, including employees in the program without always formally notifying them and documenting their inclusion creates an appearance the incentive payment represents additional compensation for past performance. Article III, Section 39, Missouri Constitution, prohibits the granting of additional compensation for services rendered. As stated in Attorney General's Opinion No. 72-1955 (June 14, 1955), ". . . a government agency deriving its power and authority from the constitution and laws of the state would be prohibited from granting extra compensation in the form of bonuses to public officers after the service has been rendered." In addition, Article VI, Sections 23 and 25, Missouri Constitution prohibit local governments from granting money to any private individual, except as otherwise provided by law.

1.2 Timesheets

Supervisory review performed over biweekly payroll is not sufficient. Reviews performed did not detect errors between employee timesheets and/or



City of Clever
Management Advisory Report - State Auditor's Findings

the data entered into the payroll accounting system. On a biweekly basis, timesheets and accounting records are reviewed by the Mayor and Mayor Pro-tem. However, during our review of 2 payroll periods during the year ended June 30, 2019, the hours reported on 5 of 16 (31 percent) timesheets differed from the hours on corresponding paycheck stubs by amounts ranging from 15 minutes to 3 hours. In addition, employees are not required to sign timesheets. Most city employees, with the exception of police officers and the Police Chief,¹ did not sign their timesheets for the pay periods reviewed. Employees did not sign 8 of the 16 (50 percent) timesheets we reviewed.

Lack of sufficient supervisory reviews may lead to incorrect employee compensation. To ensure the accuracy of the hours worked, timesheets should be signed by the employees and reviewed and approved by the supervisor or a member of the Board. In addition, 29 CFR Section 516.2(a) of the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

1.3 Holiday pay

We identified a payroll calculation error based on the city's policies. The city's personnel policy indicates the city is to reduce the amount of holiday time paid when the employee's hours worked in a week plus holiday hours exceed 40 hours so that the employee is not paid for more than 40 hours, unless the employee is required to physically work on the holiday.

For the work week ending December 29, 2019, we identified a concern regarding compliance with this policy for the 2 paid holidays (Christmas Eve and Christmas). The City Clerk is responsible for performing payroll calculations. For the Utility Clerk (who had worked an extra hour previously in the pay period), she reduced the 16 hours of holiday pay to 15 hours in compliance with the personnel policy. As a result, this employee received compensation for 40 hours of work instead of 41 hours. However, the City Clerk (who also worked an extra hour previously in the pay period) did not reduce her holiday pay to 15 hours and received compensation for 41 hours of work. The City Clerk could not explain why she did not reduce her hours as required by city policy.

Inconsistent practices could increase the risk of unfair and inequitable treatment of employees and potential litigation based on existing city policies.

1.4 Leave usage

City officials allows employees to record leave usage in increments that are not approved by the employee handbook. The city employee handbook dated November 21, 2017, states vacation leave may only be taken in 2 hour increments and sick leave may only be taken in 1 hour increments. The employee handbook was updated on February 19, 2019, to allow vacation

¹ We reviewed timesheets for 11 employees with 6 employees being police officers.



City of Clever Management Advisory Report - State Auditor's Findings

leave in 1 hour increments and sick leave in 1/2 hour increments. We reviewed leave usage for all pay periods and all city employees during 2019. We noted 7 of 14 (50 percent) city employees reviewed who took vacation and/or sick leave in unallowable increments under both the 2017 and 2019 dated handbooks. We noted instances where employees took (1) vacation leave in 1/4 and 3/4 hour increments and (2) sick leave in 1/6, 1/4, 1/3, and 3/4 hour increments. The poor supervisory review of timesheets discussed in section 1.2 likely contributed to this problem.

Chapter 5 of the city's current employee handbook states that vacation leave may be used in 1 hour increments and sick leave may be used in 1/2 hour increments. Failure to follow city policies or update policies to current practices regarding leave amounts could result in unfair and inequitable treatment of employees. In addition, Board officials cannot ensure hours worked and leave taken by employees are properly documented.

Recommendations

The Board of Aldermen:

- 1.1 Establish clear consistent and clearly defined criteria and/or performance goals to be met in order for employees to earn incentive payments prior to the period the incentive is to be paid or discontinue the practice of issuing safety incentive payments.
- 1.2 Ensure all timesheets are properly signed and approved, and someone matches employee work hours on the payroll register to the approved timesheets.
- 1.3 Ensure practices related to reduction of time during holiday weeks are consistently applied to all employees.
- 1.4 Ensure leave is taken in allowed increments per city policy.

Auditee's Response

- 1.1 *The city will discontinue this incentive program.*
- 1.2 *The employee standard operating procedures have been updated to require employee signatures on timesheets or time cards.*

Timesheets will be reviewed by the employee's supervisor. A second review will be completed by a combination of 2 elected officials (mayor, mayor pro-tem, or an alderman) as a standard operating procedure. This second review will include a comparison of approved timesheets to the payroll register to ensure hours were entered correctly.

- 1.3 *The personnel policy regarding holiday pay will be strictly adhered to as identified in the employee handbook.*



City of Clever
Management Advisory Report - State Auditor's Findings

1.4 *Leave increments will be taken in compliance with the employee handbook. The employee handbook leave time increments have been updated to allow for 1/2 hour increments for compensatory time, vacation time, and holidays. Sick time has been updated to allow for 1/4 hour increments.*

Supervisors and secondary reviewers of timesheets will adhere to this policy and verify the leave usage increment times comply with city policy.

2. Disbursements

Documentation and controls over disbursements need improvement. The city disbursements totaled approximately \$1.5 million during the year ended June 30, 2019.

2.1 Real estate purchase

The city does not have a long-range plan for the development of a recent real estate purchase and paid significantly more than the appraised value for the 2 properties.

In March 2020, the city purchased 2 lots of land next to city hall for approximately \$33,000 without documentation supporting the reason for the purchase. The City Clerk indicate the city purchased the land to possibly expand city hall in the future. The land was appraised at \$20,000 in December 2019. In January 2020, the Board authorized the Mayor to negotiate a purchase price exceeding the appraised value (up to \$35,000) but city officials could not provide documentation explaining why they made this decision or why the purchase price significantly exceeded the appraised value. The city has no immediate plans for development of these lots.

To ensure efficient and effective use of city resources, the Board should have a documented plan, including a cost-benefit analysis, for the use of city-owned properties. Good business practice requires real estate purchases be formally and independently appraised to ensure a reasonable price is paid. Adequate documentation for the cost and intended use of the land purchase would improve transparency and provide additional assurance that city funds are spent responsibly.

2.2 Allocations

Some disbursements allocated to various city funds did not have sufficient documentation to support how the allocation amounts were determined.

- Several employees perform tasks related to multiple city functions, but the city has no documentation to justify the allocations of salaries and fringe benefits expenses to various funds. Salaries and fringe benefits for 4 employees (City Clerk, Utility Clerk, Public Works/Water Superintendent, and the maintenance worker) totaling approximately \$211,000 are allocated between 4 funds (General, Water, Sewer, and Municipal Court) based upon an annual estimate of the percentage of time



City of Clever Management Advisory Report - State Auditor's Findings

employees spend on tasks that benefit each fund. However, the city could not provide documentation of the estimates and the percentages have not changed in recent years. According to the City Clerk, these estimates are not based on a study of actual personnel time spent on specific tasks or consideration of the fund benefitting from each task, and they are not periodically updated.

- In March 2019 the City Clerk attended a conference. The city allocated the registration fees (\$455) 50 percent to the General Fund, 25 percent to the Water Fund, and 25 percent to the Sewer Fund; expenses for lodging and meal costs (\$491) fully to the General Fund; and mileage costs (\$236) equally between the Water and Sewer Funds. These allocations were not consistent with how the City Clerk's payroll costs are allocated. Her payroll allocation is 40 percent to the General Fund, 25 percent to the Water Fund, 25 percent to the Sewer Fund, and 10 percent to the Municipal Court Fund.

The proper allocation of expenses is necessary to accurately determine the results of operations of specific activities, thus enabling the city to establish the level of taxation and/or user charges necessary to meet all operating costs. To ensure restricted funds are used for intended purposes, the allocation of expenses to city funds should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs for employees.

2.3 Written contracts

The city does not have written contracts with an independent contractor (service provider). During the year ended June 30, 2019, the city paid \$10,400 for building and/or permit code inspection services without a written contract.

Clear and detailed written contracts, including reporting requirements and provisions to allow for proper monitoring, are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

Recommendations

The Board of Aldermen:

- 2.1 Develop plans, including a cost-benefit analysis prior to purchase, for the use and purchase of real estate. In addition, the Board should maintain documentation to support each purchase decision especially when the purchase price exceeds the appraised value.
- 2.2 Ensure payroll costs and other expenses are properly allocated to the appropriate funds, and supported by adequate documentation, which is retained.



City of Clever
Management Advisory Report - State Auditor's Findings

Auditee's Response

2.3 Enter into written contracts defining services provided and benefits received with all applicable vendors.

2.1 *The city will create a documented operating procedure for the purchase of real estate. The procedure will include a documented plan, including a cost-benefit analysis for the property, the reason for the purchase, and the intended future use of the property.*

The documentation will include all appraisals, contracts, and Board meeting minutes associated with the purchase. Adequate reasoning for any purchases that exceed fair market value will be documented.

2.2 *To properly allocate operating expenses to the city's funds, if employees are paid a percentage of their salary from different funds, their salary allocation will be used to determine as the allocation for the expense.*

There are some exceptions, such as when the City Clerk attends training that is not relevant to the Municipal Court. In this example, the expenses would be divided equally between the remaining funds associated with her payroll allocation. Also, if an employee's salary is allocated among multiple funds but an operating expense is targeted toward or benefits only one specific job duty, the expense will only be paid from the appropriate fund.

Going forward, we will periodically review the allocation of employee salaries by reviewing their job duties and average amount of time spent on different tasks to determine the proper allocation percentages among multiple funds.

2.3 *The city will have written contracts with all independent contractors that will include reporting requirements and provisions for reporting to the Board.*

3. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the year ended June 30, 2019, city receipts totaled approximately \$2.2 million for all funds. The city receives payments for utility services (water, sewer, and trash), franchise fees, property taxes, sales taxes, municipal court fines and fees, and other miscellaneous revenues.

3.1 Deposits

City employees do not always deposit receipts timely. We reviewed all receipts collected for the week ended May 17, 2019. Receipts totaling \$4,996 were collected on May 16, 2019, and not deposited until May 28, 2019.



City of Clever
Management Advisory Report - State Auditor's Findings

To safeguard receipts and to reduce the risk of loss, theft, or misuse of monies received, procedures should be established to ensure all payments received are deposited timely.

3.2 Change fund

The city does not maintain the change fund at a constant amount and uses it for petty cash expenses. In addition, a petty cash ledger is not maintained to support petty cash transactions.

To safeguard against possible loss, theft, or misuse, change funds should be maintained at a constant amount and the funds should be periodically counted and reconciled to the authorized balance. If needed, a separate petty cash fund should be established and maintained on an imprest basis. A petty cash ledger should also be maintained documenting receipts, disbursements, and the balance of the petty cash fund. Petty cash funds should only be reimbursed through a city disbursement approved by the Board.

Recommendations

The Board of Aldermen:

- 3.1 Ensure receipts are deposited timely.
- 3.2 Maintain the change fund at a constant amount and reconcile the fund to the authorized balance with each deposit. If needed, a petty cash fund should be established and maintained on an imprest basis. A petty cash ledger should also be maintained.

Auditee's Response

- 3.1 *To ensure proper segregation of duties, the City Clerk will not make deposits. The Assistant City Clerk will make the deposits. If the Assistant City Clerk is not available to make a timely deposit in accordance with the standard operating procedure, the City Clerk will make the deposit with a secondary accompaniment of the Mayor or one member of the Board.*
- 3.2 *The city no longer has a petty cash fund, and will maintain the change fund on a constant basis.*

4. Budgets and Financial Reporting

Budgeting and financial reporting procedures need improvement.

4.1 Budgets

The city budgets do not include all elements required by state law. Actual budgets do not contain a budget message, the actual beginning and estimated ending cash balance for each fund, a budget summary, and balances of the city's indebtedness.



City of Clever Management Advisory Report - State Auditor's Findings

A complete and well-planned budget, in addition to meeting statutory guidelines, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies and utility rates, and informing the public about city operations and current finances. Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific requirements for information to be included in the budget.

4.2 Published financial statements

City officials did not publish the semiannual financial statements as required by state law. The semiannual financial statements were not published for the 6 months ended December 31, 2019. As a result, information regarding the city's financial activity and condition is not available to all citizens.

Section 79.160, RSMo, requires the Board to prepare and publish financial statements semiannually that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. In addition, city code Section 110.100 states "The Board of Aldermen shall semi-annually each year, at times to be set by the Board of Aldermen, make out and spread upon their records a full and detailed account and statement of the receipts and expenditures and indebtedness of the City for the half year ending with the last day of the month immediately preceding the date of such report, which account and statement shall be published in some newspaper in the City."

Recommendations

The Board of Aldermen:

- 4.1 Ensure annual budgets contain all information required by state law.
- 4.2 Publish semiannual financial statements as required by state law and city code.

Auditee's Response

- 4.1 *The city will add a budget summary, budget message, actual beginning and estimated ending cash balances, and balances of the city's indebtedness in accordance with Section 67.010, RSMo.*
- 4.2 *The city will ensure that financial statements are published in a local newspaper semiannually in accordance with Section 79.160, RSMo, and city code 110.100.*

5. Utilities

Utility operations need improvement. The city collected approximately \$853,000 for monthly water, sewer, and trash services during the year ended June 30, 2019.

5.1 Partial payments

The city does not have an ordinance or written policies authorizing partial payments, and does not follow established service shutoff procedures for customers who make partial payments. Partial payments were not approved by someone independent of the utility's accounting functions and written



City of Clever Management Advisory Report - State Auditor's Findings

payment agreements for partial payments did not exist. It is not clear whether these customers should be subject to shutoff procedures.

City code Section 700.100 states failure to pay a bill by the 17th of the month following the month water and sewer services were provided shall result in disconnection of the service. Good business practices require adequate collection procedures be established to ensure accounts are collected timely and bad debts are kept to a minimum.

5.2 Utility rates

Periodic formal cost studies of utility (water and sewer) rates have not been performed. The current water rates were established in 2001 and have not changed since then. Sewer rates last increased in July 2018, but no information could be provided regarding how city officials determined the new rate. As a result, there is no assurance the utility rates are set at an appropriate level.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure utility rates are set to cover the cost of providing the related services, the city should periodically perform and document a detailed cost study of the city's utility costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits.

Recommendations

The Board of Aldermen:

- 5.1 Discontinue allowing customer partial payments or establish an ordinance allowing them. If a partial payment ordinance is established, also create policies and procedures governing the process that should include at least (1) each customer having a written payment plan and (2) approval of each plan by someone independent of the utility's accounting functions.
- 5.2 Ensure formal reviews of utility rates are performed periodically to determine if revenues are sufficient to cover all costs of providing the services without generating excessive profits.

Auditee's Response

- 5.1 *The city has revised the ordinance (via Bill 17-2020) to reflect a set dollar amount for disconnections and set dollar amounts for partial payments. The Board will continue to receive monthly reports of past due utility balances to review for compliance with city code.*
- 5.2 *The city has engaged the Missouri Rural Water Association to conduct a formal review of utility rates, which is in progress. The Public Works Director has set a policy that a formal rate study will be completed every 2 years.*



City of Clever
Management Advisory Report - State Auditor's Findings

6. Police Department Assets

Controls and documentation over tracking of Police department assets need improvement.

Property receipt forms are used by the Police department to track city assets assigned to police officers and the Police Chief such as badges, vehicles, firearms, cell phones, uniforms, computers, and other assets. All assets assigned to a new officer are listed on the form and the form is then approved by a supervising officer. The forms are not always signed by the police officer at the time assets are issued. We reviewed 6 property receipt forms from the 2 years ended June 30, 2020, and noted only 4 of the 6 forms included a handwritten or electronic signature by the officer receiving police assets and/or the issuing officer.

Adequate capital asset records and procedures are necessary to provide controls over city property; to safeguard city assets that are susceptible to loss, theft, or misuse; and to provide a basis for proper financial reporting and insurance coverage.

Recommendation

The Board of Aldermen and the Police department work together to ensure property receipt forms are properly signed.

Auditee's Response

Document 1 - The property receipt form was manually signed by the employee for all issued items listed, but was not signed by the Quartermaster.

Document 2 - Neither the employee or issuing personnel applied a signature. This document had no follow-up due to the death of the issuing employee who was substituting for the Quartermaster who had been deployed overseas.

A top to bottom and complete overhaul of policies, procedures, forms, and more started in April 2019 and continues with updates as necessary. The department is continuing efforts to improve lines of responsibility. All aspects of the department have been changed, altered, and improved since April 2019. Our improvements will include an accountability procedure for incoming and outgoing employees that requires 3 sets of eyes and signatures including the incoming/departing employee, Quartermaster, and Police Chief.

City of Clever

Organization and Statistical Information

The City of Clever is located in Christian County. The city was incorporated in 1909 and is currently a fourth-class city. The city had 10 full-time employees on June 30, 2019.

City operations include utility services (water, sewer, and sanitation), public safety (police), street maintenance, and recreational facilities (parks).

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen at June 30, 2019, are identified below. The Mayor is paid \$250 per month, the Mayor Pro-Tem is paid \$150 per month, and the remaining board members are paid \$100 per month. The compensation of these officials is established by ordinance.

Jaredd King, Mayor (1)
Scott Hackworth, Mayor Pro-Tem
Josiah Fuller, Alderman
Charlene Fraser, Alderwoman (2)
Vacant, Alderman (3)

(1) Replaced by Dale Maisel, who was elected in June 2020.

(2) Replaced by Jeanie Priebe, who was appointed to the position in November 2019 and subsequently elected in June 2020.

(3) Chris McPhail was appointed in August 2019 and subsequently elected in June 2020.

Financial Activity

A summary of the city's financial activity for the year ended June 30, 2019, obtained from the city's audited financial statements follows:



City of Clever
Organization and Statistical Information

CITY OF CLEVER, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
(MODIFIED CASH BASIS)
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Street Fund	Nonmajor Library Fund	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 165,328	\$ -	\$ -	\$ 165,328
Franchise taxes	80,022	-	-	80,022
Sales and use taxes	213,364	68,433	-	281,797
Intergovernmental:				
Missouri motor fuel taxes	85,683	-	-	85,683
Christian County sales tax	39,782	48,897	-	88,679
Licenses, permits & fees	13,337	-	-	13,337
Fines & forfeitures	17,744	-	-	17,744
Fee for services-Resource Officer	78,101	-	-	78,101
Interest	15,790	218	1,784	17,792
Grants	188,210	-	-	188,210
Miscellaneous	21,373	-	298	21,671
Total Revenues	<u>918,734</u>	<u>117,548</u>	<u>2,082</u>	<u>1,038,364</u>
EXPENDITURES				
Current:				
General government	93,739	-	-	93,739
Public safety				
Police	288,371	-	-	288,371
Court	17,530	-	-	17,530
Street	18,223	377	-	18,600
Park	1,508	-	-	1,508
Library	-	-	2,041	2,041
Capital outlay	253,043	72,184	-	325,227
Total Expenditures	<u>672,414</u>	<u>72,561</u>	<u>2,041</u>	<u>747,016</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	246,320	44,987	41	291,348
FUND BALANCES - BEGINNING	<u>1,286,607</u>	<u>99,200</u>	<u>80,163</u>	<u>1,465,970</u>
FUND BALANCES - ENDING	<u>\$ 1,532,927</u>	<u>\$ 144,187</u>	<u>\$ 80,204</u>	<u>\$ 1,757,318</u>



City of Clever
Organization and Statistical Information

CITY OF CLEVER, MISSOURI

**BALANCE SHEET-
(MODIFIED CASH BASIS)
GOVERNMENTAL FUND
JUNE 30, 2019**

	General Fund	Street Fund	Nonmajor Library Fund	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,532,820	\$ 144,187	\$ 80,204	\$ 1,757,211
Restricted assets- cash and cash equivalents				
Park improvements	10,479	-	-	10,479
Street and sidewalk improvements	74,587	-	-	74,587
TOTAL ASSETS	\$ 1,617,886	\$ 144,187	\$ 80,204	\$ 1,842,277
LIABILITIES AND FUND BALANCES				
Due to other funds	\$ 84,959	\$ -	\$ -	\$ 84,959
Total Liabilities	84,959	-	-	84,959
FUND BALANCES				
Fund Balances -				
Restricted-Streets	308,492	144,187	-	452,679
Restricted-Library	-	-	80,204	80,204
Assigned	10,479	-	-	10,479
Unassigned	1,213,956	-	-	1,213,956
Total Fund Balances	1,532,927	144,187	80,204	1,757,318
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,617,886	\$ 144,187	\$ 80,204	\$ 1,842,277

Reconciliation to Statement of Net Position:

Total Fund Balances - Total Government Funds	\$ 1,757,318
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,881,959
Net position of governmental activities	<u>\$ 3,639,277</u>



City of Clever
Organization and Statistical Information

CITY OF CLEVER, MISSOURI
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -
(MODIFIED CASH BASIS) PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2019

	ENTERPRISE FUNDS		
	Water	Sewer	Total
OPERATING REVENUES:			
Charges for services: -Utilities	\$ 337,117	\$ 286,716	\$ 623,833
-Refuse fees	147,982	-	147,982
Total Operating Revenues	485,099	286,716	771,815
OPERATING EXPENSES:			
Contract labor	536	27,842	28,378
Depreciation	96,117	103,261	199,378
Dues and subscriptions	2,286	2,187	4,473
Group insurance	11,154	11,154	22,308
Insurance	10,716	20,841	31,557
Miscellaneous	605	525	1,130
Office supplies and postage	4,216	4,172	8,388
Payroll taxes	3,980	3,980	7,960
Pensions	2,242	2,242	4,484
Professional fees	4,415	14,031	18,446
Refuse fees	151,599	-	151,599
Repairs & maintenance	3,861	38,827	42,688
Salaries	52,024	52,024	104,048
Supplies	1,058	19,464	20,522
Telephone	3,506	3,714	7,220
Uniforms	1,491	1,507	2,998
Utilities	40,210	31,677	71,887
Vehicle expense	2,689	1,675	4,364
Total Operating Expenses	392,705	339,123	731,828
OPERATING INCOME (LOSS)	92,394	(52,407)	39,987
NON-OPERATING REVENUES (EXPENSES):			
Interest expense and agents fees	(26,869)	(8,059)	(34,928)
Interest income	46,702	-	46,702
Capital improvement sales tax	102,006	-	102,006
Total Non-operating Revenues (Expenses)	121,839	(8,059)	113,780
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	214,233	(60,466)	153,767
CAPITAL CONTRIBUTIONS:			
Meter set sales	10,864	-	10,864
Hook up fees	28,000	42,000	70,000
Total Capital Contributions	38,864	42,000	80,864
CHANGE IN NET POSITION	253,097	(18,466)	234,631
TOTAL NET POSITION - BEGINNING	2,797,365	2,897,628	5,694,993
TOTAL NET POSITION - ENDING	\$ 3,050,462	\$ 2,879,162	\$ 5,929,624



City of Clever
Organization and Statistical Information

CITY OF CLEVER, MISSOURI

STATEMENT OF NET POSITION

(MODIFIED CASH BASIS)

PROPRIETARY FUNDS

JUNE 30, 2019

ASSETS	ENTERPRISE FUNDS		
	Water	Sewer	Total
Current Assets:			
Cash and cash equivalents	\$ 279,090	\$ 104,718	\$ 383,808
Due from other funds	44,583	40,377	84,960
Total Current Assets	<u>323,673</u>	<u>145,095</u>	<u>468,768</u>
Noncurrent Assets:			
Restricted assets-cash and cash equivalents			
Debt reserves	824,175	99,935	924,110
Future construction projects	95,072	31,501	126,573
Capital assets:			
Land	133,114	68,189	201,303
Other capital assets, net of accumulated depreciation	<u>2,357,012</u>	<u>2,708,933</u>	<u>5,065,945</u>
Total Noncurrent Assets	<u>3,409,373</u>	<u>2,908,558</u>	<u>6,317,931</u>
Total Assets	<u>3,733,046</u>	<u>3,053,653</u>	<u>6,786,699</u>
LIABILITIES			
Current Liabilities:			
Amount due within one year- revenue bonds	<u>16,032</u>	<u>8,779</u>	<u>24,811</u>
Total Current Liabilities	<u>16,032</u>	<u>8,779</u>	<u>24,811</u>
Noncurrent Liabilities:			
Revenue bonds	<u>589,702</u>	<u>165,712</u>	<u>755,414</u>
Customer deposits	<u>76,850</u>	<u>-</u>	<u>76,850</u>
Total Noncurrent Liabilities	<u>666,552</u>	<u>165,712</u>	<u>832,264</u>
Total Liabilities	<u>682,584</u>	<u>174,491</u>	<u>857,075</u>
NET POSITION			
Net investment in capital assets	1,996,692	2,656,207	4,652,899
Restricted-Debt service	112,300	53,576	165,876
Unrestricted	<u>941,470</u>	<u>169,379</u>	<u>1,110,849</u>
Total Net Position	<u>\$ 3,050,462</u>	<u>\$ 2,879,162</u>	<u>\$ 5,929,624</u>



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Wright County, Missouri

The Office of the State Auditor contracted for an audit of Wright County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by CR Williams & Associates LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-097



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Wright County

2019-001

The County Clerk should not approve expenditures in excess of budgeted amounts. When unforeseen circumstances arise that necessitate increased expenditures in the Assessment Fund, the County Commission should consider amending the budgets.

WRIGHT COUNTY, MISSOURI
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

PREPARED BY:
CRWilliams & Associates LLC
Certified Public Accountants
1257 N. Hornsby
St. Louis, MO 63147
(219)-944-1615 (ofc)/(866)-834-4294 (fax)
www.crwilliams.net

WRIGHT COUNTY, MISSOURI
TABLE OF CONTENTS

PAGE

FINANCIAL SECTION

Independent Auditor's Report	1-2
FINANCIAL STATEMENTS:	
Statement of Revenues, Expenditures, and Changes in Cash— Regulatory Basis- All Governmental Funds For the Year ended December 31, 2019	3
Statements of Revenues, Expenditures, and Changes in Cash— Budget and Actual—Regulatory Basis For the Year ended December 31, 2019	4-16
Notes to the Financial Statements	17-27

COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28-29
Schedule of Finding and Response	30
Follow-Up on Prior Audit Findings	31

1257 Hornsby * St. Louis, Missouri 63147
TEL: (219) 944-1615 * FAX: (866) 834-4294 * www.crwilliams.net

INDEPENDENT AUDITOR'S REPORT

To the County Commission
and Officeholders of
Wright County, Missouri

We have audited the accompanying financial statements of Wright County, Missouri, which collectively comprise cash for each fund as of December 31, 2019, and the related statements of revenues and expenditures—budget to actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Wright County, Missouri, using accounting practices prescribed or permitted by Missouri law which is a basis of accounting other than accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT – continued

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to in the first paragraph do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Wright County, Missouri, as of December 31, 2019, and the changes in its financial position.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash balances of each fund of Wright County, Missouri, as of December 31, 2019, and their respective revenues and expenditures, and budgetary results for the year then ended, on the basis of the financial reporting provisions of Missouri Law as described in Note 1.

Other Reporting Required by Governmental Auditing Standards

In accordance with the *Government Auditing Standards*, we have also issued our report dated June 8, 2020, on our consideration of the Wright County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Wright County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Wright County, Missouri's internal control over financial reporting and compliance.

CRWilliams & Associates LLC

St. Louis, Missouri
June 8, 2020

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
REGULATORY BASIS - ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Fund	Cash January 1, 2019	Revenues	Expenditures	Cash December 31, 2019
General Revenue	\$ 356,093	1,801,684	1,538,454	\$ 619,323
Special Road and Bridge	382,028	1,781,915	1,726,078	437,865
Assessment	307	262,672	259,633	3,346
Assessor Tech	10,794	55,551	62,500	3,845
Sheriff Fee	25,802	67,279	81,043	12,038
Law Enforcement Training (LET)	5,235	5,348	8,431	2,152
Inmate Security	41,547	41,765	21,874	61,438
Concealed Weapons	70,747	12,340	15,131	67,956
Restitution	13,522	25,906	33,770	5,658
Prosecuting Attorney Training (PAT)	647	1,750	912	1,485
Prosecuting Attorney Delinquent	891	500	-	1,391
Recorder User Fee	55,523	7,586	5,900	57,209
Recorder Tech	4,444	4,172	2,341	6,275
Election Service	29,887	3,252	1,529	31,610
HAVA Income	16,921	9,940	18,810	8,051
Computer Upgrade and Remodeling	21,488	50,492	55,573	16,407
Plat Book	12,997	4,947	-	17,944
Domestic Shelter	211	535	724	22
Local Emergency Planning Committee (LEPC)	8,033	197	170	8,060
Law Enforcement Tax	1 376,260	1,708,214	1,531,794	552,680
Prosecuting Attorney Administrative Handling Cost	2 5,420	6,506	5,766	6,160
Tax Maintenance	2 33,464	23,102	14,223	42,343
Developmentally Disabled (Senate Bill 40) Board	3 140,208	188,109	146,073	182,244
Totals	\$ <u>1,612,469</u>	<u>6,063,762</u>	<u>5,530,729</u>	\$ <u>2,145,502</u>

Monies for the county funds are held in the hands of the County Treasurer but budgets are prepared by the County Commission and County Clerk or by other county officeholders.

- 1 New sales tax passed in April 2017 for the purpose of constructing and administration of a new jail.
- 2 Budget prepared by elected officials but monies are controlled by the County Treasurer.
- 3 Budget prepared and monies controlled by a separate governmental entity.

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

General Revenue Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Property tax	\$ 215,000	192,338	(22,662)
Sales tax	830,000	868,892	38,892
Intergovernmental	239,100	357,634	118,534
Charges for services	253,900	267,352	13,452
Interest	9,000	16,456	7,456
Other	19,035	11,317	(7,718)
Transfers in	98,100	87,695	(10,405)
Total Revenues	1,664,135	1,801,684	137,549
Expenditures			
General County Government-			
County Commission	88,955	87,576	(1,379)
County Clerk	66,030	66,129	99
Elections	52,768	40,898	(11,870)
Buildings and grounds	94,581	73,220	(21,361)
Employee fringe benefits	182,136	154,493	(27,643)
County Treasurer	44,230	43,911	(319)
County Collector	110,020	91,125	(18,895)
Recorder of Deeds	66,520	56,090	(10,430)
Circuit Clerk	16,300	12,731	(3,569)
Court Administration	18,855	17,310	(1,545)
Public Administrator	43,090	43,018	(72)
Public Safety-			-
Jail	-	453	453
Transfers out	740,350	741,441	1,091
Emergency Fund	49,924	-	(49,924)
Other government expenditures	194,470	110,059	(84,411)
Total Expenditures	1,768,229	1,538,454	(229,775)
Revenues Over(Under) Expenditures	(104,094)	263,230	367,324
Cash, January 1	356,093	356,093	-
Cash, December 31	\$ 251,999	619,323	367,324

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Special Road and Bridge Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Sales tax	\$ 830,000	867,781	37,781
Intergovernmental	823,500	811,838	(11,662)
Charges for services	3,800	2,547	(1,253)
Interest	8,500	9,956	1,456
Other	17,000	13,217	(3,783)
Transfers in	65,313	76,576	11,263
Total Revenues	<u>1,748,113</u>	<u>1,781,915</u>	<u>33,802</u>
Expenditures			
Salaries	545,000	494,644	(50,356)
Employee fringe benefits	200,250	165,062	(35,188)
Supplies	229,500	190,858	(38,642)
Insurance	35,000	28,057	(6,943)
Road and bridge materials	269,000	160,140	(108,860)
Equipment repairs	125,000	178,995	53,995
Rentals	4,000	1,379	(2,621)
Equipment purchases	250,000	124,981	(125,019)
Construction, repair, and maintenance	276,500	287,679	11,179
Other	18,550	11,280	(7,270)
Transfers out	87,000	83,003	(3,997)
Total Expenditures	<u>2,039,800</u>	<u>1,726,078</u>	<u>(313,722)</u>
Revenues Over(Under) Expenditures	<u>(291,687)</u>	<u>55,837</u>	<u>347,524</u>
Cash, January 1	382,028	382,028	-
Cash, December 31	<u>\$ 90,341</u>	<u>437,865</u>	<u>347,524</u>

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Assessment Fund			
	Final		Actual Over
	Budget	Actual	(Under)
			Budget
Revenues			
Intergovernmental	\$ 113,841	113,799	(42)
Charges for services	120	40	(80)
Interest	275	518	243
Other	1,600	1,542	(58)
Transfers in	151,000	146,773	(4,227)
Total Revenues	266,836	262,672	(4,164)
Expenditures			
Assessor's annual salary	41,500	41,500	-
Deputy and clerical annual salaries	106,488	106,394	(94)
Employee fringe benefits	41,963	41,614	(349)
Office supplies	7,200	3,827	(3,373)
Fuel and repair	5,000	12,581	7,581
GIS mapping	27,000	30,365	3,365
Office and administrative	27,704	23,255	(4,449)
Transfers out	313	97	(216)
Total Expenditures	257,168	259,633	2,465
Revenues Over(Under) Expenditures	9,668	3,039	(6,629)
Cash, January 1	307	307	-
Cash, December 31	9,975	3,346	(6,629)

Assessor Tech Fund			
	Final		Actual Over
	Budget	Actual	(Under)
			Budget
Revenues			
Intergovernmental revenues	51,485	50,077	(1,408)
Interest	508	406	(102)
Other	9,500	-	(9,500)
Transfers in	5,500	5,068	(432)
Total Revenues	66,993	55,551	(11,442)
Expenditures			
Transfers out	75,000	62,500	(12,500)
Total Expenditures	75,000	62,500	(12,500)
Revenues Over(Under) Expenditures	(8,007)	(6,949)	1,058
Cash, January 1	10,794	10,794	-
Cash, December 31	\$ 2,787	3,845	1,058

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Sheriff Fee Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ 6,667	4,511	(2,156)
Charges for services	64,000	53,214	(10,786)
Interest	290	554	264
Other	1,200	-	(1,200)
Transfers in	9,000	9,000	-
Total Revenues	81,157	67,279	(13,878)
Expenditures			
Guard and bailiff salaries	8,200	16,141	7,941
Jailer salaries	65,784	50,254	(15,530)
Equipment	2,500	1,188	(1,312)
Uniforms	2,000	559	(1,441)
Other	2,770	11,212	8,442
Transfers out	1,800	1,689	(111)
Total Expenditures	83,054	81,043	(2,011)
Revenues Over(Under) Expenditures	(1,897)	(13,764)	(11,867)
Cash, January 1	25,802	25,802	-
Cash, December 31	\$ 23,905	12,038	(11,867)

Law Enforcement Training (LET) Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 5,000	5,264	264
Interest	95	84	(11)
Total Revenues	5,095	5,348	253
Expenditures			
Training	7,500	8,431	931
Transfers out	2,500	-	(2,500)
Total Expenditures	10,000	8,431	(1,569)
Revenues Over(Under) Expenditures	(4,905)	(3,083)	1,822
Cash, January 1	5,235	5,235	-
Cash, December 31	\$ 330	2,152	1,822

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Inmate Security Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 26,000	40,436	14,436
Interest	700	1,329	629
Total Revenues	26,700	41,765	15,065
Expenditures			
CrimeStar license	300	-	(300)
Repair to jail	500	150	(350)
Prisoner transport	2,000	511	(1,489)
Camera system	1,500	1,020	(480)
Other	4,500	3,097	(1,403)
Transfers out	17,100	17,096	(4)
Total Expenditures	25,900	21,874	(4,026)
Revenues Over(Under) Expenditures	800	19,891	19,091
Cash, January 1	41,547	41,547	-
Cash, December 31	\$ 42,347	61,438	19,091

Concealed Weapons Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 5,000	10,600	5,600
Interest	1,250	1,740	490
Total Revenues	6,250	12,340	6,090
Expenditures			
Office expenditures	2,000	5,022	3,022
Criminal record fee	1,500	1,609	109
Live scan	7,000	-	(7,000)
Other	2,000	-	(2,000)
Transfers out	8,500	8,500	-
Total Expenditures	21,000	15,131	(5,869)
Revenues Over(Under) Expenditures	(14,750)	(2,791)	11,959
Cash, January 1	70,747	70,747	-
Cash, December 31	\$ 55,997	67,956	11,959

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Restitution Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 30,250	25,749	(4,501)
Interest	275	157	(118)
Total Revenues	30,525	25,906	(4,619)
Expenditures			
Sheriff	20,000	19,890	(110)
Prosecutor	-	-	-
Transfers out	20,000	13,880	(6,120)
Total Expenditures	40,000	33,770	(6,230)
Revenues Over(Under) Expenditures	(9,475)	(7,864)	1,611
Cash, January 1	13,522	13,522	-
Cash, December 31	\$ 4,047	5,658	1,611

Prosecuting Attorney Training (PAT) Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 1,060	1,733	673
Interest	12	17	5
Total Revenues	1,072	1,750	678
Expenditures			
Mileage and training	1,700	912	(788)
Total Expenditures	1,700	912	(788)
Revenues Over(Under) Expenditures	(628)	838	1,466
Cash, January 1	647	647	-
Cash, December 31	\$ 19	1,485	1,466

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

		Prosecuting Attorney Delinquent Fund		
		Final Budget	Actual	Actual Over (Under) Budget
Revenues				
Charges for services	\$	1,000	471	(529)
Interest		12	29	17
Total Revenues		1,012	500	(512)
Expenditures				
Transfers out		1,900	-	(1,900)
Total Expenditures		1,900	-	(1,900)
Revenues Over(Under) Expenditures		(888)	500	1,388
Cash, January 1		891	891	-
Cash, December 31	\$	3	1,391	1,388

		Recorder User Fee Fund		
		Final Budget	Actual	Actual Over (Under) Budget
Revenues				
Charges for services	\$	5,000	6,309	1,309
Interest		800	1,277	477
Total Revenues		5,800	7,586	1,786
Expenditures				
Computer and programming		20,000	2,900	(17,100)
Preservation of records		10,000	1,850	(8,150)
Scanning		4,000	-	(4,000)
Book binding		4,000	-	(4,000)
Other		7,000	-	(7,000)
Transfers out		10,000	1,150	(8,850)
Total Expenditures		55,000	5,900	(49,100)
Revenues Over(Under) Expenditures		(49,200)	1,686	50,886
Cash, January 1		55,523	55,523	-
Cash, December 31	\$	6,323	57,209	50,886

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Recorder Tech Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 4,255	4,029	(226)
Interest	65	143	78
Total Revenues	<u>4,320</u>	<u>4,172</u>	<u>(148)</u>
Expenditures			
Tech support	7,800	-	(7,800)
Computer	-	2,341	2,341
Total Expenditures	<u>7,800</u>	<u>2,341</u>	<u>(5,459)</u>
Revenues Over(Under) Expenditures	<u>(3,480)</u>	<u>1,831</u>	<u>5,311</u>
Cash, January 1	4,444	4,444	-
Cash, December 31	<u>\$ 964</u>	<u>6,275</u>	<u>5,311</u>

Election Service Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ 2,000	1,863	(137)
Interest	450	748	298
Transfers in	1,500	641	(859)
Total Revenues	<u>3,950</u>	<u>3,252</u>	<u>(698)</u>
Expenditures			
Mileage and training	5,000	1,463	(3,537)
Other	20,000	66	(19,934)
Total Expenditures	<u>25,000</u>	<u>1,529</u>	<u>(23,471)</u>
Revenues Over(Under) Expenditures	<u>(21,050)</u>	<u>1,723</u>	<u>22,773</u>
Cash, January 1	29,887	29,887	-
Cash, December 31	<u>\$ 8,837</u>	<u>31,610</u>	<u>22,773</u>

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

HAVA Income Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Interest	\$ 350	297	(53)
Grant	7,000	6,643	(357)
Transfers in	6,150	3,000	(3,150)
Total Revenues	13,500	9,940	(3,560)
Expenditures			
Equipment upgrade/repair	20,000	13,400	(6,600)
Insight extended warranty	5,500	-	(5,500)
AERO license	4,500	5,410	910
Total Expenditures	30,000	18,810	(11,190)
Revenues Over(Under) Expenditures	(16,500)	(8,870)	7,630
Cash, January 1	16,921	16,921	-
Cash, December 31	\$ 421	8,051	7,630

Computer Upgrade and Remodeling Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Interest	\$ 380	492	112
Transfers in	50,000	50,000	-
Total Revenues	50,380	50,492	112
Expenditures			
Computer upgrades and remodeling	-	4,058	4,058
Other	60,000	46,104	(13,896)
Transfers out	10,000	5,411	(4,589)
Total Expenditures	70,000	55,573	(14,427)
Revenues Over(Under) Expenditures	(19,620)	(5,081)	14,539
Cash, January 1	21,488	21,488	-
Cash, December 31	\$ 1,868	16,407	14,539

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Plat Book Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ -	4,565	4,565
Interest	265	382	117
Other	7,600	-	(7,600)
Total Revenues	7,865	4,947	(2,918)
Expenditures			
Wall maps	10,000	-	(10,000)
Purchase of plat books	10,000	-	(10,000)
Total Expenditures	20,000	-	(20,000)
Revenues Over(Under) Expenditures	(12,135)	4,947	17,082
Cash, January 1	12,997	12,997	-
Cash, December 31	\$ 862	17,944	17,082

Domestic Shelter Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 1,000	525	(475)
Interest	10	10	-
Total Revenues	1,010	535	(475)
Expenditures			
Domestic shelters	1,200	724	(476)
Total Expenditures	1,200	724	(476)
Revenues Over(Under) Expenditures	(190)	(189)	1
Cash, January 1	211	211	-
Cash, December 31	\$ 21	22	1

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Local Emergency Planning Committee (LEPC) Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ 2,000	-	(2,000)
Interest	155	197	42
Total Revenues	2,155	197	(1,958)
Expenditures			
Contract service	1,000	-	(1,000)
Postage/publication	5	-	(5)
Meeting expenditures	200	170	(30)
Training	200	-	(200)
Equipment	6000	-	(6,000)
Total Expenditures	7,405	170	(7,235)
Revenues Over(Under) Expenditures	(5,250)	27	5,277
Cash, January 1	8,033	8,033	-
Cash, December 31	\$ 2,783	8,060	5,277

Law Enforcement Tax Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Sales tax	\$ 830,000	869,198	39,198
Intergovernmental	312,304	185,028	(127,276)
Charges for services	4,000	495	(3,505)
Interest	6,400	12,777	6,377
Other	-	5,778	5,778
Transfers in	649,900	634,938	(14,962)
Total Revenues	1,802,604	1,708,214	(94,390)
Expenditures			
Law enforcement	1,862,841	1,378,029	(484,812)
Vehicles	83,000	82,829	(171)
Transfers out	50,000	70,936	20,936
Total Expenditures	1,995,841	1,531,794	(464,047)
Revenues Over(Under) Expenditures	(193,237)	176,420	369,657
Cash, January 1	376,260	376,260	-
Cash, December 31	\$ 183,023	552,680	369,657

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Prosecuting Attorney Administrative Handling Cost Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Intergovernmental	\$ -	5,700	5,700
Charges for services	9,150	660	(8,490)
Interest	30	146	116
Total Revenues	9,180	6,506	(2,674)
Expenditures			
Missouri Office of Prosecution Services	1,400	1,368	(32)
Office	250	-	(250)
Transfers out	9,000	4,398	(4,602)
Total Expenditures	10,650	5,766	(4,884)
Revenues Over(Under) Expenditures	(1,470)	740	2,210
Cash, January 1	5,420	5,420	-
Cash, December 31	\$ 3,950	6,160	2,210

Tax Maintenance Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Charges for services	\$ 21,000	22,081	1,081
Interest	450	1,021	571
Total Revenues	21,450	23,102	1,652
Expenditures			
Office	14,250	10,169	(4,081)
Professional service	1,000	464	(536)
Transfers out	3,000	3,590	590
Total Expenditures	18,250	14,223	(4,027)
Revenues Over(Under) Expenditures	3,200	8,879	5,679
Cash, January 1	33,464	33,464	-
Cash, December 31	\$ 36,664	42,343	5,679

See notes to the financial statements

WRIGHT COUNTY, MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN CASH
BUDGET AND ACTUAL - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2019

Developmentally Disabled (Senate Bill 40) Board Fund			
	Final Budget	Actual	Actual Over (Under) Budget
Revenues			
Property taxes	\$ 179,750	162,317	(17,433)
Intergovernmental	500	11	(489)
Interest income	800	1,249	449
Other	24,000	24,532	532
Total Revenues	205,050	188,109	(16,941)
Expenditures			
Services -			
Unique Services	100,000	100,000	-
Camp Wonderland/Barnabas	30,000	16,700	(13,300)
Education programs	5,000	21,280	16,280
Special projects	20,000	-	(20,000)
Property and equipment -			
Property improvements to workshop	3,400	-	(3,400)
Maintenance roof	10,000	7,460	(2,540)
Lot care	1,000	-	(1,000)
Administrative/office	1,755	633	(1,122)
Total Expenditures	171,155	146,073	(25,082)
Revenues Over(Under) Expenditures	33,895	42,036	8,141
Cash, January 1	140,208	140,208	-
Cash, December 31	\$ 174,103	182,244	8,141

See notes to the financial statements

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

As discussed further in Note 1.C., these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. REPORTING ENTITY

The county's operations include tax assessments and collections, state/county courts administration, county recorder, public safety, economic development, road and bridge maintenance, public welfare, and social and human services. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or elected county officials.

The financial statements referred to above include the primary government of Wright County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the county's legal entity. The Developmentally Disabled (Senate Bill 40) Board is also included within this audit report.

B. BASIS OF PRESENTATION

Governmental Funds - Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues and expenditures. The county's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The county's expendable financial resources are accounted for through governmental funds.

Fiduciary (Agency) Funds - Certain county officials, particularly the County Collector, Treasurer, Recorder, Sheriff, and Public Administrator collect and hold monies in a trustee capacity as an agent for individuals, taxing units, or other governments. These assets, which are held for the benefit of external parties, are held in fiduciary (agency) funds which are custodial in nature, and are not reported on the accompanying financial statements.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

C. BASIS OF ACCOUNTING

The financial statements are prepared on the regulatory basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. BUDGETS AND BUDGETARY ACCOUNTING

The county follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the county's policy is to adopt a budget for each governmental fund, including the Developmentally Disabled (Senate Bill 40) Board Fund.
2. Prior to January, each elected officer or department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year. The Developmentally Disabled (Senate Bill 40) Board will also prepare its budget for approval.
3. The County Clerk submits to the County Commission and the Developmentally Disabled (Senate Bill 40) Board Secretary and Treasurer submits a proposed budget to the Board for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. The County or Developmentally Disabled (Senate Bill 40) Board did not have any funds that reflected a deficit budgeted cash balance.
5. A public hearing is conducted to obtain public comment on the budget documents. Prior to approval by the County Commission and the Developmentally Disabled (Senate Bill 40) Board, the budget documents are available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote. Budgeted amounts are as originally adopted, or as amended by the County Commission. The budget of Inmate Security Fund, Restitution Fund and the Developmentally Disabled (Senate Bill 40) Board Fund budget were amended during the year ended December 31, 2019.
8. Budgets are prepared and adopted on the cash basis of accounting by the County Commission and the Developmentally Disabled (Senate Bill 40) Board.
9. Adoption of a formal budget is required by state statute. The County budgeted for all funds during the year ended December 31, 2019. A new law enforcement sales tax was passed in April 2017 and a new fund was created when the sales tax monies started coming in November 2017.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. For the year ended December 31, 2019, expenditures exceeded the total appropriated budgeted amount in the following funds:

	2018
Assessment Fund	\$ <u>2,465</u>

E. PROPERTY TAXES

Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in September and payable by December 31. Taxes paid after December 31 are delinquent and subject to penalties. The county taxes, bills and collects its own property taxes for most other local governments in the county.

The total assessed valuation for the County of the tangible property for calendar year 2019 for purposes of local taxation was:

Real Estate	\$ 133,120,858
Personal Property	47,483,481
Railroad and Utilities	<u>13,128,443</u>
Total Assessed Valuation	\$ <u><u>193,732,782</u></u>

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

The county-wide levy per \$100 of the assessed valuation of tangible property for the calendar year 2019 for purposes of local taxation was:

General Revenue	\$	0.1000
Senate Bill 40 Board	\$	0.0822

F. SALES TAXES

The county has the following sales tax rates: (The county does not have a use tax.)

General sales tax	1/2%	\$	0.00500
General sales tax – road and bridge	1/2%		0.00500
Law enforcement sales tax (1)	1/2%		<u>0.00500</u>
Total sales tax rate		\$	<u>0.01500</u>

(1) The law enforcement sales tax was passed by the voters in April 2017 for the purpose of building and operation of a new jail.

G. CASH DEPOSITS AND INVESTMENTS

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less; however, nonnegotiable certificates of deposit with original maturity of greater than ninety days is considered as cash equivalents.

State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Cash deposits by the Developmentally Disabled (Senate Bill 40) Board are held in various banking facilities and invested as needed in certificates of deposit.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (continued)

H. INTERFUND ACTIVITY

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

Transfers between funds for the year ended December 31, 2019, were as follows:

	TRANSFER IN	TRANSFER OUT
General Revenue	87,695	741,441
Special Road and Bridge	76,576	83,003
Assessment	146,773	97
Assessor Tech	5,068	62,500
Sheriff Fee	9,000	1,689
Inmate Security	-	17,096
Concealed Weapons	-	8,500
Restitution	-	13,880
Recorder User Fee	-	1,150
Election Service	641	-
HAVA Income	3,000	-
Computer Upgrade and Remodeling	50,000	5,411
Law Enforcement Tax	634,938	70,936
Prosecuting Attorney Administrative Handling Cost	-	4,398
Tax Maintenance	-	3,590
Totals	1,013,691	1,013,691

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

I. PUBLISHED FINANCIAL STATEMENTS

Under Section 50.800 and 50.810, RSMo, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund. For the year ended December 31, 2019, the published financial statements included all applicable funds.

NOTE 2. CASH AND INVESTMENTS

Section 110.270, RSMo, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo, requires political subdivisions with existing authority to invest in instruments other than depositary accounts at financial institutions to adopt a written investment policy.

Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchases of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has adopted such a policy.

The County and the Developmentally Disabled (Senate Bill 40) Board have determined through experience that checking accounts, savings accounts, negotiable order withdrawal (NOW) accounts, money market accounts, and certificates of deposits are appropriate types of accounts or instruments for its needs. The County Treasurer maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is included on the financial statements as "Cash" under each fund's caption. At December 31, 2019, the County Treasurer had three checking accounts and four savings accounts at one banking facility.

The Developmentally Disabled (Senate Bill 40) Board Fund deposits its monies in two banks and invested in one certificate of deposit. At December 31, 2019, the Board had two bank checking accounts at two different banking facilities.

Disclosures are provided below regarding the risk of potential loss of cash deposits. For the purpose of the disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

Deposits

Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. All County bank balances at the depository banks at December 31, 2019, were covered by federal depository insurance and additional collateral securities held at the County's safekeeping bank agent in the County's name or by its agent in the County's name. All bank account accounts held by the Developmentally Disabled (Senate Bill 40) Board Fund at December 31, 2019, were also covered by federal depository insurance.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (continued)

The following information is presented in accordance with the Governmental Accounting Standards Board Statement 27 (GASB 27), "Accounting for Pensions by State and Local Governmental Employees":

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Wright County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt. The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334.

2) Pension Benefits

Upon termination of employment, any member who is vested is entitled to either an unreduced benefit annuity, payable at age sixty (police and fire fighters, age fifty-five), or a reduced benefit annuity, payable at age fifty-five (police and fire fighters, age fifty). As of December 31, 2019, Wright County had 54 employees enrolled in LAGERS.

3) Funding Policy

Wright County's full-time employees do not contribute to the pension plan since the plan is non-contributory with the employees' part paid by the county. The county is required to contribute at an actuarially determined rate; the rate for 2018 was 6.6% (general) and 8.5% (police) of annual covered payroll. The County Commission determines the contribution requirements of plan members. The contribution provisions of the county are established by state statute.

4) Annual Pension Cost

For 2019, total payments to LAGERS were \$140,392.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (continued)

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund (CERF) was established by the state of Missouri to provide pension benefits for County officials and employees. Laws governing the retirement fund are found in Sections 50.1000-50.1300, RSMo.

1) Plan Description

The Fund was created by an act of the legislature and was effective August 28, 1994. The Retirement Fund is a mandatory cost-sharing multiple employer defined benefit pension plan covering any County elected or appointed officer or employee whose performance requires the actual performance of duties of not less than one thousand (1,000) hours per calendar year in each County of the state, except for any city not within a County and any County of the first classification having a charter form of government. It does not include County prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo; circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System; County Sheriffs covered under sections 57.949 to 57.997, RSMo; and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons with nine of whom are county employee participants.

As of December 31, 2019, Wright County had 54 employees enrolled in CERF.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203 or toll-free 1-877-632-2373.

2) Pension Benefits

CERF first paid benefits beginning January 1, 1997. At that time a member could not retire until age 62. Beginning January 1, 2000, employees could retire with full benefits at age 62 or reduced benefits at age 55. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan formula). An eligible death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two or a reduced benefit annuity at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

**WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019**

NOTE 3. COUNTY EMPLOYEES' RETIREMENT PLANS (continued)

3) Funding Policy

In accordance with state statutes, the Fund is partially funded through various fees collected and remitted to CERF. A contribution to CERF of 2% of annual salary is required for eligible employees hired before February 25, 2002 and not in LAGERS, and a contribution of 6% (not in LAGERS) or 4% (in LAGERS) of annual salary is required of employees hired after February 25, 2002, effective January 1, 2003, in order to participate in CERF. During 2019, the County collected and remitted to CERF total receipts of \$166,891 of which \$42,249 was employee's contribution.

NOTE 4. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the state of Missouri is responsible for administration of this plan. The County contributed \$11,628 for the year ended December 31, 2019.

NOTE 5. COMMITMENTS AND CONTINGENCIES

1) Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Upon termination from County employment, an employee is not reimbursed for unused vacation and but paid for overtime. Full time employees receive 24 hours of sick leave after 6 months of employment and 4 hours for each month of continuous service thereafter. They can carry a maximum of 48 hours into a new year.

The county does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). Under the COBRA the county provides health care benefits to eligible former employees and their dependents. The premiums are paid by the former employees, and the county incurs no cost for these benefits. The county has one employee on COBRA coverage for the year ended December 31, 2019.

2) Federal and State Assisted Programs

The county has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 6. RISK MANAGEMENT

The county carries commercial insurance for various risks of loss to which it is exposed, including risks related to torts; theft of, damage to, or destruction of assets; natural disasters; errors and omissions; injuries to employees; and employees' health and life. County management believes such coverage is sufficient to preclude any significant uninsured losses to the county. Settled claims have not exceeded this insurance coverage in any of the past three years.

The county is a member of the Missouri Association of Counties Self-Insurance Workers' Compensation and Insurance Fund. The county purchases workers' compensation insurance through this fund, a non-profit corporation established to provide insurance coverage to Missouri Counties. The fund is self-insured up to \$2,000,000 per occurrence and reinsured up to the statutory limit through excess insurance.

NOTE 7. LONG-TERM DEBT

The County has the following debt outstanding at December 31, 2019:

A. The County Commission entered into a lease-purchase agreement in September 2016 with Ford Motor Credit for the purchase of two police interceptor utility vehicles for a total cash price of \$53,858 plus a \$545 underwriting fee totaling \$54,403 plus interest payable in four annual installments totaling \$14,802.

The first payment was made in September 2016 for \$14,802 in principal only; the second payment was made in September 2017 for \$12,445 in principal and \$2,357 in interest; the third payment was made in September 2018 for \$13,186 in principal and \$1,616 in interest. The remaining due on the contract amounting \$13,970 in principal and \$832 in interest was fully paid on September 2019.

B. The County Commission also entered into a lease-purchase agreement with Ford Motor Credit in January 2019 for the purchase of a 2019 police interceptor utility vehicle for a total cash price of \$28,619 plus a \$545 underwriting fee totaling \$29,164 plus interest payable in three annual installments. The County paid the first installment of \$9,989 in December 2018 of principal only before the agreement was effective. The remaining amount due on the lease-purchase agreement as of December 31, 2019, is as follows:

	Principal	Interest	Total
January 14, 2020	\$ 9,254	1,381	10,635
January 14, 2021	9,921	714	10,635
Total	<u>\$ 19,175</u>	<u>2,095</u>	<u>21,270</u>

WRIGHT COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7. LONG-TERM DEBT (continued)

C. The Certificate of Participation, Series 2019 (the “Certificate”) for Wright County Law Enforcement Facility Project was issued by the County for the purpose of providing funds to construct and add improvement on the jail facility. The Certificate is being issued in the aggregate principal amount of \$7,015,000 evidencing a proportionate interest in basic rent payments to be made by the County. The Certificate is dated as of the date of original issuance June 15, 2019 and delivery thereof. Basic rent is payable each June 1 and December 1 during the lease term, commencing on December 1, 2019. The lease is effective from June 15, 2019 until the end of the fiscal year and renewable every year up to the last possible renewal date June 2, 2044.

The remaining amount due on the certificate as of December 31, 2019, is as follows

Due in	Principal	Interest	Total
2020	155,000	262,238	417,238
2021	180,000	255,906	435,906
2022	190,000	248,913	438,913
2023	195,000	241,637	436,637
2024	200,000	234,171	434,171
2025-2029	1,135,000	1,047,911	2,182,911
2030-2034	1,350,000	813,645	2,163,645
2035-2039	1,635,000	532,130	2,167,130
2040-2044	1,975,000	192,308	2,167,308
TOTAL	7,015,000	3,828,859	10,843,859

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events were evaluated through June 8, 2020 which is the date the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to operations. Future potential impacts may include disruptions or restrictions on our employees’ ability to work and participation in the programs provided to the community. Changes to the operating environment may increase operating costs. Additional impacts may include the ability to apply and receive grants as well as the availability of grants. The future effects of these issues are unknown.

1257 Hornsby * St. Louis, Missouri 63147TEL: (219) 944-1615 * FAX: (866) 834-4294 * www.crwilliams.net

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

To the County Commission and officeholders of
Wright County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the county funds of Wright County, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Wright County, Missouri's basic financial statements and have issued our report thereon dated June 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Wright County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Wright County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of the Wright County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of finding and response as item 2019-01 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wright County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of finding and response as item 2019-01.

Wright County, Missouri’s Response to Finding

Wright County, Missouri’s response to the finding identified in our audit is described in the accompanying schedule of finding and response. Wright County, Missouri’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CRWilliams & Associates LLC

St. Louis, Missouri
June 8, 2020

**WRIGHT COUNTY, MISSOURI
SCHEDULE OF FINDING AND RESPONSE
FOR THE YEAR ENDED DECEMBER 31, 2019**

2019-01 Budgetary Procedures Not in Compliance With State Law

Conditions: Expenditures were approved by the County Clerk for the Assessment Fund in the total amount of \$2,465 in excess of the total amount approved or appropriated in the 2019 budget. Budgets are prepared and expenditures are approved by the County Clerk although the monies are maintained by the County Treasurer.

Criteria: Section 50.540, RSMo requires the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: The County Clerk did not review the budget documents properly to ensure the budgets were not overspent and to amend the budgets when excess expenditures are made.

Effect: The County Clerk did not properly follow state law to amend the budgets when overspending is deemed necessary.

Recommendations: The County Clerk should not approve expenditures in excess of budgeted amounts. When unforeseen circumstances arise that necessitate increased expenditures in the Assessment Fund, the County Commission should consider amending the budgets.

Response: The County Clerk agrees with the finding and will watch the Assessment Fund Budget closer in the future and make amendments when necessary.

**WRIGHT COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on the action taken by Wright County, Missouri, on the applicable findings in the prior audit reports issued for the years ended December 31, 2018, 2017 and 2016.

1. Actual Expenditures Exceeded Total Appropriated Expenditures in Various Funds

Condition: For 2018, 2017 and 2016, total expenditures exceeded the total appropriated or budgetary expenditures in various funds.

Status: Partially implemented. The budgets for various county funds were not exceeded but one fund under the control of the County Clerk did exceed the budgeted appropriation. See current finding No. 2019-01.

2. Transfers Between County Funds Were Not Accurately Reported

Condition: For 2018, 2017 and 2016, total transfers in and transfers out were not properly or accurately reported in the budget documents causing total revenues and expenditures to be misrepresented of the actual amounts.

Status: Corrected in 2019.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Wayne County, Missouri

The Office of the State Auditor contracted for an audit of the Wayne County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-096



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Wayne County

2019-001	The Collector prepare accurate and timely bank reconciliations for all accounts.
2019-002	The Collector obtain all funds from the prior Collector.
2019-003	The county should implement procedures to ensure that the risk assessment over federal awards is addressed going forward.
2019-004	The county should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The county should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-3
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash and Investment Balances - All Governmental Funds - Regulatory Basis Year Ended December 31, 2019.....	4
Statements of Receipts, Disbursements and Changes in Cash and Investment Balances - Budget and Actual - All Governmental Funds - Regulatory Basis Year Ended December 31, 2019.....	5-17
 <i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions - Agency Funds - Regulatory Basis As of December 31, 2019.....	18
Notes to the Financial Statements.....	19-31
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings.....	32
 <u>FEDERAL COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	33-34
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	35-37
Schedule of Expenditures of Federal Awards.....	38
Notes to the Schedule of Expenditures of Federal Awards.....	39-40
Schedule of Findings and Questioned Costs Year Ended December 31, 2019.....	41-45
Summary Schedule of Prior Year Findings and Questioned Costs.....	46

FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Wayne, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Wayne ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, or changes in net position or cash flows thereof for the year then ended.

Basis for Qualified Opinion on Collector’s Bank Accounts

During the course of our audit, we noted that the former Collector continues to maintain an account in her name after she left office, which we were not able to obtain information for. The current Collector was not able to provide bank account reconciliations for 2019 therefore, we were not able to test the Collector’s accounts.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Collector’s Bank Accounts” paragraph, the financial statements referred to above present fairly in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and their respective cash receipts and disbursements and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

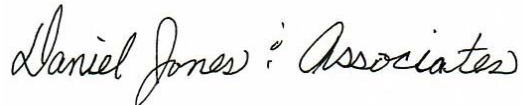
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Wayne’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2020, on our consideration of the County of Wayne's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Wayne's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 20, 2020

FINANCIAL STATEMENTS

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH AND INVESTMENT BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 532,660.35	\$ 2,648,781.37	\$ 2,706,620.81	\$ 474,820.91
Special Road and Bridge Fund	53,548.47	2,327,517.37	2,306,743.98	74,321.86
Assessment Fund	3,346.82	184,281.45	178,611.23	9,017.04
Prosecuting Attorney Training Fund	666.32	1,152.79	-	1,819.11
Law Enforcement Training Fund	601.15	3,518.42	4,053.09	66.48
Special Trust Fund	-	529.88	-	529.88
Inmate Security Fund	9,057.92	42,126.42	50,875.59	308.75
Law Library Fund	473.19	6,941.56	2,625.06	4,789.69
Landfill Fund	12,694.84	320.35	-	13,015.19
Law Enforcement Restitution Fund	18,167.85	134,941.60	125,416.49	27,692.96
Recorder's User's Fee Fund	38,178.59	29,731.10	41,138.59	26,771.10
Sheriff's Civil Fund	4,358.08	23,709.99	26,340.12	1,727.95
Sheriff's Revolving Fund	2,287.94	6,268.25	5,416.30	3,139.89
Special Prosecuting Attorney Check Fund	3,882.84	18,156.03	12,905.00	9,133.87
Election Services Fund	17,066.43	2,745.99	100.00	19,712.42
Tax Maintenance Fund	-	20,267.29	19,918.16	349.13
DWI Fund	6,650.58	10,727.25	686.25	16,691.58
Title III Fund	131,229.78	32,500.72	-	163,730.50
Prosecuting Attorney Law Enforcement Fund	6,848.98	30,738.00	27,013.49	10,573.49
Senate Bill 40 Fund	256,559.00	124,996.87	115,929.00	265,626.87
Wayne County Improvement Corp. Fund	45,169.39	48,999.32	43,963.00	50,205.71
TOTAL	\$ 1,143,448.52	\$ 5,698,952.02	\$ 5,668,356.16	\$ 1,174,044.38

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	GENERAL REVENUE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 25,000.00	\$ 30,147.64
Sales Taxes	883,000.00	898,087.56
Intergovernmental	607,822.18	659,468.82
Charges for Services	236,000.00	228,384.78
Interest	5,000.00	8,091.24
Other	679,605.12	761,916.95
Transfers In	67,750.00	62,684.38
TOTAL RECEIPTS	2,504,177.30	2,648,781.37
DISBURSEMENTS		
County Commission	85,975.00	84,560.37
County Clerk	74,301.60	74,392.86
Elections	64,632.33	62,105.15
Buildings and Grounds	75,130.00	66,767.21
Employee Fringe Benefits	261,166.00	236,625.79
County Treasurer	42,950.00	41,931.38
Collector	109,108.00	109,283.46
Recorder of Deeds	52,835.00	61,790.57
Circuit Clerk	20,533.00	15,350.01
Court Administration	6,450.50	3,065.69
Public Administrator	48,880.00	45,360.47
Sheriff	651,406.57	610,512.89
Jail	478,567.00	533,415.45
Prosecuting Attorney	144,080.00	140,280.22
Juvenile Officer	50,421.28	50,421.58
Coroner	22,911.00	13,596.40
Jury	100,000.00	6,461.49
Other	182,128.57	438,360.31
Health and Welfare	51,000.00	48,359.30
Transfers Out	57,433.23	63,980.21
TOTAL DISBURSEMENTS	2,579,909.08	2,706,620.81
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(75,731.78)	(57,839.44)
CASH AND INVESTMENT BALANCES, JANUARY 1	532,660.35	532,660.35
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 456,928.57	\$ 474,820.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SPECIAL ROAD AND BRIDGE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 160,000.00	\$ 179,781.00
Sales Taxes	440,000.00	449,079.00
Intergovernmental	861,455.66	1,096,290.36
Interest	1,500.00	2,305.00
Other	155,213.02	554,515.03
Transfers In	45,546.98	45,546.98
TOTAL RECEIPTS	1,663,715.66	2,327,517.37
DISBURSEMENTS		
Salaries	420,000.00	404,205.00
Employee Fringe Benefits	88,250.00	85,746.00
Supplies	362,300.00	440,883.00
Insurance	36,500.00	4,044.00
Road and Bridge Materials	344,233.63	457,231.00
Equipment Purchases	50,000.00	369,442.63
Road and Bridge Construction	275,455.66	426,214.00
Other	86,976.37	86,978.35
Transfers Out	-	32,000.00
TOTAL DISBURSEMENTS	1,663,715.66	2,306,743.98
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	-	20,773.39
CASH AND INVESTMENT BALANCES, JANUARY 1	53,548.47	53,548.47
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 53,548.47	\$ 74,321.86

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ASSESSMENT FUND		PROSECUTING ATTORNEY TRAINING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 145,150.00	\$ 160,628.00	\$ -	\$ -
Charges for Services	2,135.00	-	904.00	1,152.79
Other	7,110.00	5,220.22	-	-
Transfers In	18,433.23	18,433.23	-	-
TOTAL RECEIPTS	172,828.23	184,281.45	904.00	1,152.79
DISBURSEMENTS				
Salaries	105,393.90	107,935.00	-	-
Office Expenses	11,000.00	9,696.23	-	-
Equipment	2,500.00	1,318.00	-	-
Mileage and Training	6,440.00	7,836.00	-	-
Telephone	150.00	413.00	-	-
Employee Fringe Benefits	32,500.00	32,412.00	-	-
Mapping Contract	9,922.50	7,541.00	-	-
Software Purchases	8,200.00	11,460.00	-	-
Tuition	-	-	1,300.00	-
TOTAL DISBURSEMENTS	176,106.40	178,611.23	1,300.00	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(3,278.17)	5,670.22	(396.00)	1,152.79
CASH AND INVESTMENT				
BALANCES, JANUARY 1	3,346.82	3,346.82	666.32	666.32
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 68.65	\$ 9,017.04	\$ 270.32	\$ 1,819.11

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT TRAINING FUND		SPECIAL TRUST FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 2,002.00	\$ 2,008.00	\$ -	\$ -
Charges for Services	\$ 1,000.00	\$ 322.00	\$ 700.00	\$ 528.00
Interest	10.00	4.93	10.00	1.88
Other	1,000.00	1,183.49	-	-
TOTAL RECEIPTS	4,012.00	3,518.42	710.00	529.88
DISBURSEMENTS				
Sheriff's Association Dues	1,500.00	1,620.00	-	-
Training	1,700.00	2,083.09	-	-
Mileage	200.00	350.00	-	-
Meals	250.00	-	-	-
Lodging	750.00	-	-	-
Fuel	100.00	-	-	-
TOTAL DISBURSEMENTS	4,500.00	4,053.09	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(488.00)	(534.67)	710.00	529.88
CASH AND INVESTMENT BALANCES, JANUARY 1	601.15	601.15	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 113.15</u>	<u>\$ 66.48</u>	<u>\$ 710.00</u>	<u>\$ 529.88</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	INMATE SECURITY FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 6,000.00	\$ 3,081.00
Other	50,000.00	39,045.42
TOTAL RECEIPTS	56,000.00	42,126.42
DISBURSEMENTS		
Sheriff Supplies	55,000.00	50,875.59
TOTAL DISBURSEMENTS	55,000.00	50,875.59
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,000.00	(8,749.17)
CASH AND INVESTMENT BALANCES, JANUARY 1	9,057.92	9,057.92
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 10,057.92	\$ 308.75

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>LAW LIBRARY FUND</u>		<u>LANDFILL FUND</u>	
	<u>2019</u>		<u>2019</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Charges for Services	\$ 7,000.00	\$ 6,924.00	\$ -	\$ -
Interest	4.00	17.56	250.00	320.35
Other	-	-	-	-
TOTAL RECEIPTS	7,004.00	6,941.56	250.00	320.35
DISBURSEMENTS				
Materials Updates	7,400.00	2,625.06	-	-
TOTAL DISBURSEMENTS	7,400.00	2,625.06	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(396.00)	4,316.50	250.00	320.35
CASH AND INVESTMENT BALANCES, JANUARY 1	473.19	473.19	12,694.84	12,694.84
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 77.19</u>	<u>\$ 4,789.69</u>	<u>\$ 12,944.84</u>	<u>\$ 13,015.19</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>LAW ENFORCEMENT RESTITUTION FUND</u>		<u>RECORDER'S USER'S FEE FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges For Services	150,000.00	134,772.16	26,000.00	29,483.10
Interest	150.00	169.44	200.00	248.00
Other	-	-	-	-
TOTAL RECEIPTS	<u>150,150.00</u>	<u>134,941.60</u>	<u>26,200.00</u>	<u>29,731.10</u>
DISBURSEMENTS				
Supplies and Equipment	35,750.00	26,861.98	3,280.00	3,276.00
Computer Hardware and Support	-	-	26,220.00	26,197.09
Transfer to Agency Funds	42,750.00	37,185.73	11,666.00	11,665.50
Transfers Out	<u>71,500.00</u>	<u>61,368.78</u>	<u>-</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>150,000.00</u>	<u>125,416.49</u>	<u>41,166.00</u>	<u>41,138.59</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	150.00	9,525.11	(14,966.00)	(11,407.49)
CASH AND INVESTMENT BALANCES, JANUARY 1	<u>18,167.85</u>	<u>18,167.85</u>	<u>38,178.59</u>	<u>38,178.59</u>
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 18,317.85</u>	<u>\$ 27,692.96</u>	<u>\$ 23,212.59</u>	<u>\$ 26,771.10</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>SHERIFF'S CIVIL FUND</u>		<u>SHERIFF'S REVOLVING FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Charges for Services	\$ 24,000.00	\$ 22,846.71	\$ 8,000.00	\$ 6,252.50
Interest	25.00	33.46	13.00	15.75
Other	-	829.82	-	-
TOTAL RECEIPTS	24,025.00	23,709.99	8,013.00	6,268.25
DISBURSEMENTS				
Sheriff	27,000.00	26,340.12	-	-
Office Supplies	-	-	10,000.00	5,416.30
TOTAL DISBURSEMENTS	27,000.00	26,340.12	10,000.00	5,416.30
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,975.00)	(2,630.13)	(1,987.00)	851.95
CASH AND INVESTMENT BALANCES, JANUARY 1	4,358.08	4,358.08	2,287.94	2,287.94
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 1,383.08</u>	<u>\$ 1,727.95</u>	<u>\$ 300.94</u>	<u>\$ 3,139.89</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

SPECIAL PROSECUTING ATTORNEY CHECK FUND			
2019			
	BUDGET	ACTUAL	
RECEIPTS			
Intergovernmental	\$ -	\$ -	
Charges For Services	16,000.00	18,106.00	
Interest	20.00	50.03	
TOTAL RECEIPTS	16,020.00	18,156.03	
DISBURSEMENTS			
State	1,200.00	800.00	
Bad Check Reimbursements	5,800.00	12,105.00	
Transfers Out	10,000.00	-	
TOTAL DISBURSEMENTS	17,000.00	12,905.00	
RECEIPTS OVER (UNDER)			
DISBURSEMENTS	(980.00)	5,251.03	
CASH AND INVESTMENT BALANCES, JANUARY 1	3,882.84	3,882.84	
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,902.84	\$ 9,133.87	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>ELECTION SERVICES FUND</u>		<u>TAX MAINTENANCE FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges For Services	1,000.00	-	19,100.00	20,247.21
Interest	10.00	-	5.50	20.08
Other	2,500.00	2,745.99	-	-
Transfers In	1,000.00	-	-	-
TOTAL RECEIPTS	4,510.00	2,745.99	19,105.50	20,267.29
DISBURSEMENTS				
Election Expenses	4,700.00	100.00	-	-
Office Expenses	-	-	4,855.64	12,059.10
Mileage and Training	-	-	16,171.86	7,859.06
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	4,700.00	100.00	21,027.50	19,918.16
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(190.00)	2,645.99	(1,922.00)	349.13
CASH AND INVESTMENT BALANCES, JANUARY 1	17,066.43	17,066.43	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 16,876.43</u>	<u>\$ 19,712.42</u>	<u>\$ -</u>	<u>\$ 349.13</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	DWI FUND		TITLE III FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 950.00	\$ 10,646.00	\$ 33,000.00	\$ 32,500.72
Interest	50.00	81.25	-	-
Other	-	-	-	-
TOTAL RECEIPTS	1,000.00	10,727.25	33,000.00	32,500.72
DISBURSEMENTS				
Other	4,000.00	686.25	-	-
TOTAL DISBURSEMENTS	4,000.00	686.25	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000.00)	10,041.00	33,000.00	32,500.72
CASH AND INVESTMENT BALANCES, JANUARY 1	6,650.58	6,650.58	131,229.78	131,229.78
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 3,650.58</u>	<u>\$ 16,691.58</u>	<u>\$ 164,229.78</u>	<u>\$ 163,730.50</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	PROSECUTING ATTORNEY LAW ENFORCEMENT FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Intergovernmental	\$ -	\$ -
Interest	70.00	53.60
Other	-	-
Transfers In	35,750.00	30,684.40
TOTAL RECEIPTS	35,820.00	30,738.00
DISBURSEMENTS		
Salaries	2,000.00	24,456.85
Other	35,200.00	2,556.64
Transfers Out	-	-
TOTAL DISBURSEMENTS	37,200.00	27,013.49
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,380.00)	3,724.51
CASH AND INVESTMENT BALANCES, JANUARY 1	6,848.98	6,848.98
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5,468.98	\$ 10,573.49

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SENATE BILL 40 FUND		WAYNE COUNTY IMPROVEMENT CORP. FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 115,000.00	\$ 123,050.00	\$ -	\$ -
Intergovernmental	-	-	48,734.30	48,402.67
Interest	160.00	1,946.87	-	596.65
Other	-	-	-	-
TOTAL RECEIPTS	115,160.00	124,996.87	48,734.30	48,999.32
DISBURSEMENTS				
Licenses & Permits	-	-	36.00	-
Development Loan - Principal	-	-	17,963.00	17,815.58
Development Loan - Interest	-	-	26,000.00	26,147.42
Utility/Maintenance Expenses	89,100.00	94,891.00	-	-
Office Supplies	-	153.00	-	-
Insurance	12,900.00	11,580.00	-	-
Construction	5,000.00	-	-	-
Bond	550.00	-	-	-
Other	-	9,305.00	-	-
TOTAL DISBURSEMENTS	107,550.00	115,929.00	43,999.00	43,963.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,610.00	9,067.87	4,735.30	5,036.32
CASH AND INVESTMENT BALANCES, JANUARY 1	256,559.00	256,559.00	45,169.39	45,169.39
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 264,169.00</u>	<u>\$ 265,626.87</u>	<u>\$ 49,904.69</u>	<u>\$ 50,205.71</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	<u>Surplus Tax</u>	<u>Recorder of Deeds</u>	<u>Drug Court</u>	<u>Collector</u>	<u>Sheriff</u>	<u>Sheriff's Seizure</u>
ASSETS						
Cash and Cash Equivalents	\$ 32,590.81	\$ 7,509.72	\$ 54,825.95	\$ 2,679,198.19	\$ 37,584.36	\$ 1,774.28
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	32,590.81	7,509.72	54,825.95	2,679,198.19	37,584.36	1,774.28
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	32,590.81	7,509.72	54,825.95	2,679,198.19	37,584.36	1,774.28
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 32,590.81</u>	<u>\$ 7,509.72</u>	<u>\$ 54,825.95</u>	<u>\$ 2,679,198.19</u>	<u>\$ 37,584.36</u>	<u>\$ 1,774.28</u>

	<u>Financial Institution Tax</u>	<u>Unclaimed Fees Fund</u>	<u>Sheriff's Agency Fund</u>	<u>Garnishments</u>	<u>Time Payment</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 18.04	\$ 2,462.50	\$ 4,755.60	\$ 3,879.82	\$ 556.99	\$ 2,825,156.26
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	18.04	2,462.50	4,755.60	3,879.82	556.99	2,825,156.26
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	18.04	2,462.50	4,755.60	3,879.82	556.99	2,825,156.26
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18.04</u>	<u>\$ 2,462.50</u>	<u>\$ 4,755.60</u>	<u>\$ 3,879.82</u>	<u>\$ 556.99</u>	<u>\$ 2,825,156.26</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Wayne, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of the County of Wayne, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019, for purposes of taxation, was:

	<u>2019</u>
Real Estate	\$ 88,176,600
Personal Property	34,588,533
Railroad and Utilities	<u>17,121,963</u>
	<u>\$ 139,887,096</u>

During 2019, the County Commission approved a \$.1900 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>
General Revenue Fund	\$ 0.0000
Special Road and Bridge Fund	0.1100
Senate Bill 40 Fund	<u>0.0800</u>
	<u>\$ 0.1900</u>

F. Cash and Investments

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, the carrying amount of the County's deposits was \$1,174,044.38, and the bank balance was \$4,169,187.52. The total bank balance as of December 31, 2019 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in
Cash and Investment Balances – Governmental Funds

Deposits	\$ 705,185.15
Investments	<u>569,723.22</u>
Total Governmental Funds	1,174,044.38

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	2,825,156.26
Investments	<u>-</u>
Total Agency Funds	2,825,156.26

Total Deposits and Investments as of December 31, 2019	<u><u>\$ 3,999,200.64</u></u>
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THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2019.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the year ended December 31, 2019.

III. LONG-TERM DEBT

The Wayne County Commission entered into a lease agreement on May 20, 2008, with Wayne County Improvement Corporation, a non-profit 501 (c) (3) Missouri Corporation, for the purpose of leasing the Justice Center to Wayne County, Missouri. The Corporation is treated as a publicly supported organization, and not as a private foundation.

The term of the lease is for 30 years with an annual lease of \$48,500 due starting May 1, 2009. The lease provides for cost increases when necessary.

The Board is composed of six directors, three who are commissioners of Wayne County, Missouri, and three members at large, which are appointed by the commissioners. Due to the accountability to Wayne County Commission, it is believed that the Wayne County Improvement Corporation would be a component unit of Wayne County, Missouri.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

The Wayne County Improvement Corporation has secured financing for the construction of the Justice Center through loans with the United States Department of Agriculture-Rural Development. The Corporation received loan advances of \$521,200 during 2008, with the remaining \$194,800 authorized loans received during 2009. An analysis of the notes payable is as follows:

USDA-RD loan, dated May 20, 2008, authorized amount is \$696,000, interest rate at 4.5%. Note is secured with real estate and a pledge of the lease revenues of the property. Annual payments of \$42,735 including principal and interest are required. The balance was \$515,886.62 as of December 31, 2019.

USDA-RD loan, dated May 20, 2009, authorized amount is \$20,000, interest at 4.5%. Note is secured with real estate and a pledge of the lease revenues of the property. Annual payments of \$1,228 including principal and interest are required. The balance was \$15,739.94 as of December 31, 2019.

USDA-RD Loans	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Interest Paid
May 20, 2008	\$ 533,245.00	\$ -	\$17,358.38	\$ 515,886.62	\$ 25,376.62
May 20, 2009	16,197.14	-	457.20	15,739.94	770.80
	<u>\$ 549,442.14</u>	<u>\$ -</u>	<u>\$17,815.58</u>	<u>\$ 531,626.56</u>	<u>\$ 26,147.42</u>

As of December 31, 2019, the schedule of future payments of USDA Loans payable of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 18,480.96	\$ 25,482.04	\$ 43,963.00
2021	19,312.61	24,650.39	43,963.00
2022	20,181.68	23,781.32	43,963.00
2023	21,089.85	22,873.15	43,963.00
2024	22,038.89	21,924.11	43,963.00
2025-2029	125,993.97	93,821.03	219,815.00
2030-2034	157,011.41	62,803.59	219,815.00
2035-2039	147,517.19	22,867.31	170,384.50
	<u>\$ 531,626.56</u>	<u>\$ 298,202.94</u>	<u>\$ 829,829.50</u>

In 2017, the County entered into a 36-month loan with People's Community Bank for 2014 and 2015 Ford Explorers for \$26,705.00. The loan requires monthly payments of \$797.35 and matures September 25, 2020. The loan has an interest rate of 4.75%.

Loan	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Interest Paid
2014/2015 Ford Explorers	\$ 10,944.42	\$ -	\$10,944.42	\$ -	\$ 288.56
	<u>\$ 10,944.42</u>	<u>\$ -</u>	<u>\$10,944.42</u>	<u>\$ -</u>	<u>\$ 288.56</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IV. CAPITAL LEASES

In 2014, a capital lease of \$129,312 was obtained for a John Deere 670G Motor Grader. The lease required annual payments of \$27,356.16. The lease matured April 15, 2019, and the interest rate was 1.90%.

In 2019, a capital lease of \$50,020 was obtained for graders. The lease requires annual payments of \$26,544.36. The lease matures May 7, 2021, and the interest rate is 4.00%.

In 2019, a capital lease of \$207,932 was obtained for dump trucks. The lease requires annual payments of \$58,051.45, and matures October 22, 2023. The interest rate is 4.50%.

In 2019, a capital lease of \$19,056 was obtained for Sheriff vehicles. The lease requires monthly payments of \$600, becoming \$569.02 in early 2020, and matures August 17, 2022. The interest rate is 4.75%.

Capital Leases	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Interest Paid
2014 John Deere 670G	\$ 26,845.71	\$ -	\$ 26,845.71	\$ -	\$ 510.45
2019 Graders	-	50,020.00	-	50,020.00	-
2019 Dump Trucks	-	207,932.00	-	207,932.00	-
2019 Sheriff Vehicles	-	19,056.00	1,583.77	17,472.23	123.29
	<u>\$ 26,845.71</u>	<u>\$ 277,008.00</u>	<u>\$ 28,429.48</u>	<u>\$ 275,424.23</u>	<u>\$ 633.74</u>

As of December 31, 2019, the schedule of future payments for the capital leases of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2020	\$ 12,101.97	\$ 79,322.08	\$ 91,424.05
2021	8,699.78	82,724.27	91,424.05
2022	5,044.67	57,859.48	62,904.15
2023	<u>2,533.05</u>	<u>55,518.40</u>	<u>58,051.45</u>
	<u>\$ 28,379.47</u>	<u>\$ 275,424.23</u>	<u>\$ 303,803.70</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. OPERATING LEASES

In 2018, the County entered into an operating lease with Pitney Bowes for Label printer and meter, as well as related items and services. The lease requires quarterly payments of \$263.91, and matures in July 2023. Payments made in 2019 total \$1,055.64.

As of December 31, 2019, the schedule of future payments for the operating lease of the County is as follows:

<u>Year Ending December 31,</u>	<u>Payments</u>
2020	\$ 1,055.64
2021	1,055.64
2022	1,055.64
2023	615.79
	<u>\$ 3,782.71</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

	<u>2019</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ 62,684.38	\$ 63,980.21
Special Road and Bridge Fund	45,546.98	32,000.00
Assessment Fund	18,433.23	-
Law Enforcement Restitution Fund	-	61,368.78
Prosecuting Attorney Law Enforcement Fund	<u>30,684.40</u>	<u>-</u>
TOTAL	<u>\$ 157,348.99</u>	<u>\$ 157,348.99</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the County) are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the year ended December 31, 2019 was \$189,879.99.

IX. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,085.50 for the year ended December 31, 2019.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2019.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. Sick time is accrued at ½ day for each full month employed, which may accumulate up to 30 days. An employee is not reimbursed for unused sick time upon termination of employment. Employees are entitled up to three days leave for a death in the immediate family. These have not been subjected to auditing procedures.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

X. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There were no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF STATE FINDINGS
YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the following funds had actual expenses that exceeded budgeted expenses: General Revenue, Special Road and Bridge, Assessment, and Senate Bill 40 Funds.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Wayne, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Wayne ("County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 20, 2020. Our opinion on the financial statements was qualified due to not being able to test collector bank accounts.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2019-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 20, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission
The County of Wayne, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Wayne's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

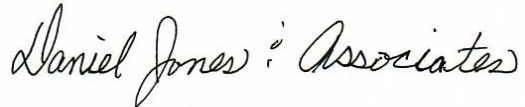
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 20, 2020

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	12/31/19 PROVIDED TO SUBRECIPIENT	12/31/19 FEDERAL EXPENDITURES	FEDERAL EXPENDITURES
<u>U.S. Department of Homeland Security</u>					
Passed Through Missouri Department of Public Safety					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4317-DR-MO	\$ -	\$ 93,243.75	\$ 93,243.75
Total U.S. Department of Homeland Security			-	93,243.75	93,243.75
<u>U.S. Department of Defense</u>					
Passed Through Missouri Office of Administration					
Payments to States in Lieu of Real Estate Taxes	12.112	N/A	24,927.78	25,797.14	25,797.14
Total U.S. Department of Defense			24,927.78	25,797.14	25,797.14
<u>U.S. Department of the Interior</u>					
Direct Program:					
Payments in Lieu of Taxes	15.226	N/A	-	260,603.00	260,603.00
National Wildlife Refuge Fund	15.659	N/A	-	13,311.00	13,311.00
Passed Through Missouri Office of Administration					
National Forest Acquired Lands	15.438	N/A	94,306.97	125,742.63	125,742.63
Total U.S. Department of the Interior			94,306.97	399,656.63	399,656.63
<u>U.S. Department of Justice</u>					
Passed Through Missouri Department of Public Safety					
Crime Victim Assistance	16.575	N/A	-	18,343.28	18,343.28
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-LLEBG-095	-	9,906.39	9,906.39
Total U.S. Department of Justice			-	28,249.67	28,249.67
<u>U.S. Department of Transportation</u>					
Passed Through Missouri Department of Transportation					
Highway Planning and Construction	20.205	BRO-111(011)	-	218,351.72	218,351.72
Total Highway Planning and Construction			-	218,351.72	218,351.72
Passed Through Missouri Department of Public Safety					
State and Community Highway Safety	20.600	20-PT-02-131	-	1,932.72	1,932.72
State and Community Highway Safety	20.600	19-PT-02-135	-	6,061.47	6,061.47
State and Community Highway Safety	20.600	19-PT-02-051	-	1,243.44	1,243.44
Total State and Community Highway Safety			-	9,237.63	9,237.63
Total U.S. Department of Transportation			-	227,589.35	227,589.35
<u>U.S. Department of Housing and Urban Development</u>					
Passed Through the Missouri Department of Economic Development					
Community Development Block Grants/State's program and					
Non-Entitlement Grants in Hawaii	14.228	2018-EM-02	-	42,409.00	42,409.00
	14.228	FR-2018-26	-	13,685.35	13,685.35
Total U.S. Department of Housing and Urban Development			-	56,094.35	56,094.35
<u>U.S. Department of Agriculture</u>					
Passed Through Missouri Office Of Administration					
Schools and Roads - Grants to States	10.665	N/A	138,128.04	216,671.44	216,671.44
Total U.S. Department of Agriculture			138,128.04	216,671.44	216,671.44
TOTAL FEDERAL EXPENDITURES			\$ 257,362.79	\$ 1,047,302.33	\$ 1,047,302.33

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Wayne under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Wayne, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Wayne.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 4 – SUBRECIPIENTS

The County provided federal awards to subrecipients during the year ended December 31, 2019. The subrecipients are as follows:

<u>Program Title</u>	<u>Subrecipient</u>	<u>Federal CFDA Number</u>		<u>Amount Provided to Subrecipient</u>
Schools and Roads - Grants to States	Clearwater R-I School District	10.665	2019	\$ 69,018.24
Schools and Roads - Grants to States	Greenville R-II School District	10.665	2019	69,018.24
Schools and Roads - Grants to States	East Carter Co R-II School District	10.665	2019	91.56
National Forest Acquired Lands	Clearwater R-I School District	15.438	2019	47,120.16
National Forest Acquired Lands	Greenville R-II School District	15.438	2019	47,120.16
National Forest Acquired Lands	East Carter Co R-II School District	15.438	2019	66.65
Payments to States in Lieu of Real Estate Taxes	Greenville R-II School District	12.112	2019	20,273.97
Payments to States in Lieu of Real Estate Taxes	Puxico R-VIII School District	12.112	2019	2,899.60
Payments to States in Lieu of Real Estate Taxes	Clearwater R-I School District	12.112	2019	1,754.21
Total Provided to Subrecipients				<u>\$ 257,362.79</u>

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Modified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 X Yes No
 - b. Significant deficiency(ies) identified? 2019 X Yes None Reported
3. Noncompliance material to financial statements noted? 2019 X Yes No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 Yes X No
 - b. Significant deficiency(ies) identified? 2019 X Yes None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 X Yes No

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2019	20.205	Highway Planning and Construction
2019	15.226	Payments in Lieu of taxes

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? 2019 Yes X No

II. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: A bank reconciliation is used to compare records to those of the bank to see if there are any differences between these two sets of records for cash transactions. Fraud detection, bank and accounting errors are the reasons for completing a bank reconciliation.

Condition: During our audit, we were informed that the Collector's office has not prepared bank reconciliations for January and February 2019. According to the Collector, the Collector is reconciling accounts mid-month, however, reconciliations were not provided for all accounts as of December 31, 2019.

Context: Bank reconciliations were not prepared each month in 2019 by the Collector's office.

Effect: By not preparing monthly bank reconciliations, fraud detection, bank and accounting errors could go undetected, causing the financial statements to be improperly reported.

Cause: During the year, the Collector position turned over to a new Collector.

Recommendation: We recommend that the Collector prepare accurate and timely bank reconciliations for all accounts.

Views of Responsible Officials and Planned Corrective Actions: This has been resolved as of now. The Collector has contacted the bank and asked for all accounts to have a first to the last date of the month bank statement to verify the transactions per month for all accounts. The Collector's phone number is (573) 224-5600 Extension 6.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

II. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 Criteria: Per Section 52.160 RSMo, if any collector resigns, dies or is removed from office for any cause, he, or his legal representatives, shall pay over immediately all moneys which are in his or their hands, due the state, to his successor in office and deliver the tax books to the county clerk.

Condition: During our audit, we were informed that the prior Collector still maintains a Collector bank account.

Context: The prior Collector still maintains a Collector bank account.

Effect: The current Collector is not able to properly account for all funds of the collector's office due to the prior Collector still maintaining a bank account that the current Collector has no access to.

Cause: During the year, the Collector position turned over to a new Collector. All prior year bank account moneys were not turned over from the prior Collector.

Recommendation: We recommend that the Collector obtain all funds from the prior Collector.

Views of Responsible Officials and Planned Corrective Actions: The Collector has received all monies known to the Collector now as prior accounts from the previous Collector and has the funds held and recorded as Unknown Funds from prior Collector in a separate bank account. The phone number for the Collector's office is (573) 224-5600 x 6.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2019

2019-003	Federal Grantor:	All Federal Grantors listed on the SEFA
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA
	Program Title:	All Program Titles listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over Federal awards, regulations and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards that meet the requirement for Uniform Guidance.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County has not prepared the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards is addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (573) 224-5600 x 4.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019 (concluded)

2019-004	Federal Grantor:	All Federal Grantors listed on the SEFA except U.S. Department of Defense
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA except 12.112
	Program Title:	All Program Titles listed on the SEFA except Payments in Lieu of Real Estate Taxes
	Pass- Through Entity Identification Number:	All Pass-Through Entity Identification Numbers listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Uniform Guidance requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Clerk's office is responsible for preparation of the Schedule of Expenditures of Federal Awards (SEFA). Information to prepare this Schedule is obtained from elected officials and department heads who receive federal awards. The County Clerk is continuously updating his knowledge and procedures in preparing the SEFA Schedule. The phone number for the County Clerk's office is (573) 224-5600 x 4.

THE COUNTY OF WAYNE
GREENVILLE, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No audit was performed on the County for the year ended December 31, 2018.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No audit was performed on the County for the year ended December 31, 2018.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

July 20, 2020

To the Board of Commissioners
County of Wayne

In planning and performing our audit of the regulatory based financial statements of the County of Wayne (the "County") as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiency Considered to be Material
- II. Deficiencies Considered to be Significant
- III. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCY CONSIDERED TO BE MATERIAL

2019-001

Criteria: A bank reconciliation is used to compare records to those of the bank to see if there are any differences between these two sets of records for cash transactions. Fraud detection, bank and accounting errors are the reasons for completing a bank reconciliation.

Condition: During our audit, we were informed that the Collector's office has not prepared bank reconciliations for January and February 2019. According to the Collector, the Collector is reconciling accounts mid-month, however, reconciliations were not provided for all accounts as of December 31, 2019.

Context: Bank reconciliations were not prepared each month in 2019 by the Collector's office.

Effect: By not preparing monthly bank reconciliations, fraud detection, bank and accounting errors could go undetected, causing the financial statements to be improperly reported.

Cause: During the year, the County Collector position turned over to a new Collector.

Recommendation: We recommend that the Collector prepare accurate and timely bank reconciliations for all accounts.

Views of Responsible Officials and Planned Corrective Actions: This has been resolved as of now. The Collector has contacted the bank and asked for all accounts to have a first to the last date of the month bank statement to verify the transactions per month for all accounts. The phone number for the Collector's office is (573) 224-5600 x 6.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-002

Criteria: Per Section 52.160 RSMo, if any collector resigns, dies or is removed from office for any cause, he, or his legal representatives, shall pay over immediately all moneys which are in his or their hands, due the state, to his successor in office and deliver the tax books to the county clerk.

Condition: During our audit, we were informed that the prior Collector still maintains a Collector bank account.

Effect: The current Collector is not able to properly account for all funds of the collector's office due to the prior Collector still maintaining a bank account that the current Collector has no access to.

Cause: During the year, the County Collector position turned over to a new Collector. All prior year bank account moneys were not turned over from the prior Collector.

Recommendation: We recommend that the Collector obtain all funds from the prior Collector.

Views of Responsible Officials and Planned Corrective Actions: The Collector has received all monies known to the Collector now as prior accounts from the previous Collector and has the funds held and recorded as Unknown Funds from prior Collector in a separate bank account. The phone number for the Collector's office is (573) 224-5600 x 6.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Continued)

2019-003	Federal Grantor:	All Federal Grantors listed on the SEFA
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA
	Program Title:	All Program Titles listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over Federal awards, regulations and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards that meet the requirement for Uniform Guidance.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County has not prepared the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards is addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (573) 224-5600 x 4.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2019-004	Federal Grantor:	All Federal Grantors listed on the SEFA except U.S. Department of Defense
	Pass-Through Grantor:	All Pass-Through Grantors listed on the SEFA
	Federal CFDA Number:	All Federal CFDA Numbers listed on the SEFA except 12.112
	Program Title:	All Program Titles listed on the SEFA except Payments in Lieu of Real Estate Taxes
	Pass- Through Entity Identification Number:	All Pass-Through Entity Identification Numbers listed on the SEFA
	Award year:	2019
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Uniform Guidance requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards (SEFA). Prior to these corrections, the Schedule of Expenditures of Federal Awards (SEFA) was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards (SEFA).

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards (SEFA).

Recommendation: The County should implement procedures to ensure that the SEFA is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the SEFA.

Views of responsible officials and planned corrective actions: The County Clerk's office is responsible for preparation of the Schedule of Expenditures of Federal Awards (SEFA). Information to prepare this Schedule is obtained from elected officials and department heads who receive federal awards. The County Clerk is continuously updating his knowledge and procedures in preparing the SEFA Schedule. The phone number for the County Clerk's office is (573) 224-5600 x 4.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the *Uniform Guidance*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 20, 2020.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff, which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Wayne County, Missouri

The Office of the State Auditor contracted for an audit of the Wayne County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-096



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Sullivan County, Missouri

The Office of the State Auditor contracted for an audit of Sullivan County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-095



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Sullivan County

2019-001	The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.
2019-002	The county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-003	The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2019-004	The Prosecuting Attorney implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.

**The County of Sullivan
Milan, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019 and 2018**



**The County of Sullivan
Milan, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2019.....	3
For the year ended December 31, 2018.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2019 and 2018.....	5
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	17
Notes to the Financial Statements.....	18
<u>Compliance Section</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26
Schedule of Findings and Responses.....	28
Summary Schedule of Prior Year Findings and Questioned Costs.....	30

Independent Auditor's Report

To the County Commission and
Officeholders of Sullivan County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Sullivan County, Missouri, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Sullivan County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Sullivan County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws,

which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Sullivan County, Missouri as of December 31, 2019 and 2018, or changes in financial position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Sullivan County, Missouri as of December 31, 2019 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2020 on our consideration of Sullivan County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Sullivan County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
August 3, 2020

The County of Sullivan
Milan, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 473,598	\$ 1,686,597	\$ 1,565,755	\$ 594,440
Special Road and Bridge	481,486	657,263	989,125	149,624
Assessment	35,640	131,074	128,546	38,168
Law Enforcement Training	99	1,192	1,084	207
Prosecuting Attorney Training	1,217	686	-	1,903
Local Emergency Planning Commission (CEPF)	9,667	-	1,248	8,419
Local Emergency Planning Commission (EMD)	537	169	604	102
Prosecuting Attorney Delinquent Tax	5	-	-	5
Prosecuting Attorney Bad Check	1,155	2,613	201	3,567
Recorder's Storage and Retention	24,486	3,207	3,572	24,121
Recorder's Technology	2,285	1,380	2,386	1,279
Sheriff's	1,364	13,680	11,762	3,282
Sullivan County Memorial Hospital	197,245	248,510	-	445,755
Election Services	883	1,743	2,560	66
Federal Grant (BRO/CDBG)	-	169,807	169,807	-
Tax Maintenance	8,945	10,175	18,239	881
Victims of Domestic Violence	60	168	-	228
Inmate Security	36,410	10,026	5,928	40,508
North Central Missouri Lake Project	8	240,707	240,708	7
Senior Services	18,193	45,435	39,976	23,652
Law Enforcement Restitution	13,290	5,557	4,620	14,227
Total	<u>\$ 1,306,573</u>	<u>\$ 3,229,989</u>	<u>\$ 3,186,121</u>	<u>\$ 1,350,441</u>

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 402,570	\$ 1,635,159	\$ 1,564,131	\$ 473,598
Special Road and Bridge	361,231	579,089	458,834	481,486
Assessment	26,500	129,971	120,831	35,640
Law Enforcement Training	461	1,093	1,455	99
Prosecuting Attorney Training	943	274	-	1,217
Local Emergency Planning Commission (CEPF)	1,208	10,196	1,737	9,667
Local Emergency Planning Commission (EMD)	625	1,479	1,567	537
Prosecuting Attorney Delinquent Tax	5	-	-	5
Prosecuting Attorney Bad Check	393	1,256	494	1,155
Recorder's Storage and Retention	25,396	3,112	4,022	24,486
Recorder's Technology	2,419	1,062	1,196	2,285
Sheriff's	919	12,397	11,952	1,364
Sullivan County Memorial Hospital	118,886	255,925	177,566	197,245
Election Services	70	2,757	1,944	883
Federal Grant (BRO/CDBG)	-	613,647	613,647	-
Tax Maintenance	31,703	11,558	34,316	8,945
Victims of Domestic Violence	1,602	174	1,716	60
Inmate Security	32,646	3,764	-	36,410
North Central Missouri Lake Project	7	251,870	251,869	8
Senior Services	26,392	44,909	53,108	18,193
Law Enforcement Restitution	16,303	5,607	8,620	13,290
Total	<u>\$ 1,050,279</u>	<u>\$ 3,565,299</u>	<u>\$ 3,309,005</u>	<u>\$ 1,306,573</u>

See Notes to the Financial Statements

**The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	General Revenue Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 275,000	\$ 309,468	\$ 279,000	\$ 292,455
Sales Taxes	655,000	728,629	615,000	691,138
Intergovernmental	467,400	344,253	536,400	342,525
Charges for Services	267,200	255,616	262,500	271,985
Interest	5,000	18,869	3,000	14,983
Other Receipts	24,500	29,762	25,700	22,073
Transfers In	-	-	-	-
Total Receipts	1,694,100	1,686,597	1,721,600	1,635,159
Disbursements				
County Commission	117,741	113,429	100,091	96,643
County Clerk	92,954	89,499	86,000	82,827
Elections	27,600	19,385	163,800	51,308
Building and Grounds	272,950	75,851	212,200	157,956
Employee Fringe Benefits	69,000	68,452	69,900	63,967
Collector-Treasurer	108,443	110,139	103,343	102,170
Recorder of Deeds	77,451	77,225	96,154	90,734
Circuit Clerk	15,400	10,574	11,900	10,148
Court Administration	37,321	22,713	42,068	27,268
Public Administrator	47,710	44,710	45,610	43,459
Sheriff	653,116	583,589	577,359	510,044
Jail	145,500	94,630	145,750	106,364
Prosecuting Attorney	205,198	100,573	197,276	91,884
Juvenile Officer	32,750	26,921	30,000	24,627
Coroner	23,704	20,715	22,604	28,775
Other Disbursements	79,229	107,350	75,325	74,204
Transfers Out	-	-	1,000	-
Emergency Fund	60,000	-	60,000	1,753
Total Disbursements	2,066,067	1,565,755	2,040,380	1,564,131
Receipts Over (Under)				
Disbursements	\$ (371,967)	\$ 120,842	\$ (318,780)	\$ 71,028
Cash and Equivalents, Jan 1	473,598	473,598	402,570	402,570
Cash and Equivalents, Dec 31	\$ 101,631	\$ 594,440	\$ 83,790	\$ 473,598

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Special Road and Bridge Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	585,000	549,803	1,135,000	532,942
Charges for Services	400,000	96,969	100,000	3,660
Interest	2,000	10,491	-	10,444
Other Receipts	1,500	-	1,650	32,043
Transfers In	-	-	-	-
Total Receipts	988,500	657,263	1,236,650	579,089
<u>Disbursements</u>				
Salaries	200,000	207,200	195,000	176,616
Employee Fringe Benefits	77,500	64,681	70,500	58,305
Supplies	107,350	78,866	86,350	61,759
Insurance	15,000	15,311	16,000	12,338
Road and Bridge Materials	44,000	89,149	42,000	9,093
Equipment Repairs	50,000	46,296	40,000	36,853
Equipment Purchases	55,000	14,755	34,500	14,839
Road and Bridge Construction	755,000	462,254	515,000	81,133
Other Disbursements	63,000	10,613	56,170	7,898
Transfers Out	-	-	-	-
Total Disbursements	1,366,850	989,125	1,055,520	458,834
Receipts Over (Under)				
Disbursements	\$ (378,350)	\$ (331,862)	\$ 181,130	\$ 120,255
Cash and Equivalents, Jan 1	481,486	481,486	361,231	361,231
Cash and Equivalents, Dec 31	\$ 103,136	\$ 149,624	\$ 542,361	\$ 481,486

See Notes to the Financial Statements

**The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	Assessment Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	122,251	126,123	125,859	124,579
Charges for Services	-	-	-	-
Interest	-	1,987	-	1,418
Other Receipts	4,000	2,964	3,200	3,974
Transfers In	-	-	1,000	-
Total Receipts	<u>126,251</u>	<u>131,074</u>	<u>130,059</u>	<u>129,971</u>
<u>Disbursements</u>				
Salaries	86,793	86,792	85,793	84,563
Employee Fringe Benefits	11,600	10,697	9,950	9,755
Materials and Supplies	7,900	5,442	10,100	3,613
Services	23,604	9,657	8,265	8,789
Other Disbursements	-	-	10,000	-
Capital Outlay	21,300	15,958	20,000	14,111
Transfers Out	-	-	-	-
Total Disbursements	<u>151,197</u>	<u>128,546</u>	<u>144,108</u>	<u>120,831</u>
Receipts Over (Under)				
Disbursements	\$ (24,946)	\$ 2,528	\$ (14,049)	\$ 9,140
Cash and Equivalents, Jan 1	<u>35,640</u>	<u>35,640</u>	<u>26,500</u>	<u>26,500</u>
Cash and Equivalents, Dec 31	<u>\$ 10,694</u>	<u>\$ 38,168</u>	<u>\$ 12,451</u>	<u>\$ 35,640</u>

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,500	1,192	1,500	1,093	400	686	400	274
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	450	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>1,500</u>	<u>1,192</u>	<u>1,950</u>	<u>1,093</u>	<u>400</u>	<u>686</u>	<u>400</u>	<u>274</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	1,550	1,084	2,400	1,455	1,600	-	1,300	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>1,550</u>	<u>1,084</u>	<u>2,400</u>	<u>1,455</u>	<u>1,600</u>	<u>-</u>	<u>1,300</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ (50)	\$ 108	\$ (450)	\$ (362)	\$ (1,200)	\$ 686	\$ (900)	\$ 274
Cash and Equivalents, Jan 1	<u>99</u>	<u>99</u>	<u>461</u>	<u>461</u>	<u>1,217</u>	<u>1,217</u>	<u>943</u>	<u>943</u>
Cash and Equivalents, Dec 31	<u>\$ 49</u>	<u>\$ 207</u>	<u>\$ 11</u>	<u>\$ 99</u>	<u>\$ 17</u>	<u>\$ 1,903</u>	<u>\$ 43</u>	<u>\$ 1,217</u>

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Local Emergency Planning Commission (CEPF) Fund				Local Emergency Planning Commission (EMD) Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500	-	8,100	10,196	1,500	169	3,000	1,424
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	100	-	-	55
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	2,500	-	8,100	10,196	1,600	169	3,000	1,479
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	6,200	1,248	9,200	1,244	1,500	384	3,600	613
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	5,800	-	-	493	500	220	-	954
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	12,000	1,248	9,200	1,737	2,000	604	3,600	1,567
Receipts Over (Under)								
Disbursements	\$ (9,500)	\$ (1,248)	\$ (1,100)	\$ 8,459	\$ (400)	\$ (435)	\$ (600)	\$ (88)
Cash and Equivalents, Jan 1	9,667	9,667	1,208	1,208	537	537	625	625
Cash and Equivalents, Dec 31	\$ 167	\$ 8,419	\$ 108	\$ 9,667	\$ 137	\$ 102	\$ 25	\$ 537

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Prosecuting Attorney Delinquent Tax Fund				Prosecuting Attorney Bad Check Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	1,300	2,613	1,300	1,256
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	1,300	2,613	1,300	1,256
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	2,400	201	1,650	494
Other Disbursements	5	-	5	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	5	-	5	-	2,400	201	1,650	494
Receipts Over (Under)								
Disbursements	\$ (5)	\$ -	\$ (5)	\$ -	\$ (1,100)	\$ 2,412	\$ (350)	\$ 762
Cash and Equivalents, Jan 1	5	5	5	5	1,155	1,155	393	393
Cash and Equivalents, Dec 31	\$ -	\$ 5	\$ -	\$ 5	\$ 55	\$ 3,567	\$ 43	\$ 1,155

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Recorder's Storage and Retention Fund				Recorder's Technology Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,500	2,490	2,000	2,490	1,000	1,380	1,500	1,062
Interest	600	717	60	622	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	3,100	3,207	2,060	3,112	1,000	1,380	1,500	1,062
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	27,500	3,572	27,400	4,022	3,200	2,386	3,900	1,196
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	27,500	3,572	27,400	4,022	3,200	2,386	3,900	1,196
Receipts Over (Under)								
Disbursements	\$ (24,400)	\$ (365)	\$ (25,340)	\$ (910)	\$ (2,200)	\$ (1,006)	\$ (2,400)	\$ (134)
Cash and Equivalents, Jan 1	24,486	24,486	25,396	25,396	2,285	2,285	2,419	2,419
Cash and Equivalents, Dec 31	\$ 86	\$ 24,121	\$ 56	\$ 24,486	\$ 85	\$ 1,279	\$ 19	\$ 2,285

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Sheriff's Fund				Sullivan County Memorial Hospital Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	185,000	240,260	185,000	251,775
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	11,500	13,680	12,600	11,781	-	-	-	-
Interest	-	-	55	-	1,000	8,250	1,000	4,150
Other Receipts	-	-	750	616	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>11,500</u>	<u>13,680</u>	<u>13,405</u>	<u>12,397</u>	<u>186,000</u>	<u>248,510</u>	<u>186,000</u>	<u>255,925</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000	1,361	2,000	4,355	-	-	-	-
Services	10,500	10,401	12,300	7,597	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	383,000	-	304,000	177,566
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>12,500</u>	<u>11,762</u>	<u>14,300</u>	<u>11,952</u>	<u>383,000</u>	<u>-</u>	<u>304,000</u>	<u>177,566</u>
Receipts Over (Under)								
Disbursements	\$ (1,000)	\$ 1,918	\$ (895)	\$ 445	\$ (197,000)	\$ 248,510	\$ (118,000)	\$ 78,359
Cash and Equivalents, Jan 1	<u>1,364</u>	<u>1,364</u>	<u>919</u>	<u>919</u>	<u>197,245</u>	<u>197,245</u>	<u>118,886</u>	<u>118,886</u>
Cash and Equivalents, Dec 31	<u>\$ 364</u>	<u>\$ 3,282</u>	<u>\$ 24</u>	<u>\$ 1,364</u>	<u>\$ 245</u>	<u>\$ 445,755</u>	<u>\$ 886</u>	<u>\$ 197,245</u>

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Election Services Fund				Federal Grant (BRO/CDBG) Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500	1,733	5,000	2,357	175,000	169,807	1,100,000	613,647
Charges for Services	-	-	-	398	-	-	-	-
Interest	-	10	5	2	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>2,500</u>	<u>1,743</u>	<u>5,005</u>	<u>2,757</u>	<u>175,000</u>	<u>169,807</u>	<u>1,100,000</u>	<u>613,647</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,350	2,560	2,500	744	-	-	-	-
Services	-	-	2,500	675	-	-	-	-
Other Disbursements	-	-	-	525	-	-	-	-
Capital Outlay	-	-	-	-	175,000	169,807	1,100,000	613,647
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>3,350</u>	<u>2,560</u>	<u>5,000</u>	<u>1,944</u>	<u>175,000</u>	<u>169,807</u>	<u>1,100,000</u>	<u>613,647</u>
Receipts Over (Under)								
Disbursements	\$ (850)	\$ (817)	\$ 5	\$ 813	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>883</u>	<u>883</u>	<u>70</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Equivalents, Dec 31	<u>\$ 33</u>	<u>\$ 66</u>	<u>\$ 75</u>	<u>\$ 883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Tax Maintenance Fund				Victims of Domestic Violence Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	11,500	10,175	11,000	11,558	150	168	200	174
Interest	-	-	90	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	11,500	10,175	11,090	11,558	150	168	200	174
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	20,400	18,239	42,500	34,316	-	-	-	-
Services	-	-	-	-	210	-	1,800	1,716
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	20,400	18,239	42,500	34,316	210	-	1,800	1,716
Receipts Over (Under)								
Disbursements	\$ (8,900)	\$ (8,064)	\$ (31,410)	\$ (22,758)	\$ (60)	\$ 168	\$ (1,600)	\$ (1,542)
Cash and Equivalents, Jan 1	8,945	8,945	31,703	31,703	60	60	1,602	1,602
Cash and Equivalents, Dec 31	\$ 45	\$ 881	\$ 293	\$ 8,945	\$ -	\$ 228	\$ 2	\$ 60

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Inmate Security Fund				North Central Missouri Lake Project Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	245,000	240,262	240,000	251,870
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	3,700	10,026	4,950	3,764	-	-	-	-
Interest	-	-	-	-	40	445	40	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	3,700	10,026	4,950	3,764	245,040	240,707	240,040	251,870
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	245,000	240,708	235,000	251,869
Capital Outlay	40,100	5,928	37,500	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	40,100	5,928	37,500	-	245,000	240,708	235,000	251,869
Receipts Over (Under)								
Disbursements	\$ (36,400)	\$ 4,098	\$ (32,550)	\$ 3,764	\$ 40	\$ (1)	\$ 5,040	\$ 1
Cash and Equivalents, Jan 1	36,410	36,410	32,646	32,646	8	8	7	7
Cash and Equivalents, Dec 31	\$ 10	\$ 40,508	\$ 96	\$ 36,410	\$ 48	\$ 7	\$ 5,047	\$ 8

See Notes to the Financial Statements

The County of Sullivan
Milan, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Senior Services Fund				Law Enforcement Restitution Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 44,000	\$ 44,166	\$ 44,000	\$ 43,912	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	4,250	5,557	4,250	5,607
Interest	-	1,269	500	997	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>44,000</u>	<u>45,435</u>	<u>44,500</u>	<u>44,909</u>	<u>4,250</u>	<u>5,557</u>	<u>4,250</u>	<u>5,607</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	60,000	39,976	70,000	53,000	-	2,984	-	3,700
Other Disbursements	2,000	-	100	108	-	-	-	2,400
Capital Outlay	-	-	-	-	17,500	1,636	20,500	2,520
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>62,000</u>	<u>39,976</u>	<u>70,100</u>	<u>53,108</u>	<u>17,500</u>	<u>4,620</u>	<u>20,500</u>	<u>8,620</u>
Receipts Over (Under)								
Disbursements	\$ (18,000)	\$ 5,459	\$ (25,600)	\$ (8,199)	\$ (13,250)	\$ 937	\$ (16,250)	\$ (3,013)
Cash and Equivalents, Jan 1	<u>18,193</u>	<u>18,193</u>	<u>26,392</u>	<u>26,392</u>	<u>13,290</u>	<u>13,290</u>	<u>16,303</u>	<u>16,303</u>
Cash and Equivalents, Dec 31	<u>\$ 193</u>	<u>\$ 23,652</u>	<u>\$ 792</u>	<u>\$ 18,193</u>	<u>\$ 40</u>	<u>\$ 14,227</u>	<u>\$ 53</u>	<u>\$ 13,290</u>

See Notes to the Financial Statements

**The County of Sullivan
Milan, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2019 and 2018**

		2019				
		Collector - Treasurer	Recorder	Sheriff	Prosecuting Attorney	Total
Assets						
Cash and Equivalents		\$ 5,434,436	\$ 4,893	\$ 542	\$ 7,188	\$ 5,447,059
Total Assets		5,434,436	4,893	542	7,188	5,447,059
Liabilities and Fund Balances						
Total Liabilities		5,434,436	4,893	542	7,188	5,447,059
		5,434,436	4,893	542	7,188	5,447,059
Fund Balances		-	-	-	-	-
Total Liabilities and Fund Balances		\$ 5,434,436	\$ 4,893	\$ 542	\$ 7,188	\$ 5,447,059
		2018				
		Collector - Treasurer	Recorder	Sheriff	Prosecuting Attorney	Total
Assets						
Cash and Equivalents		\$ 4,858,560	\$ 2,940	\$ 71	\$ 11,158	\$ 4,872,729
Total Assets		4,858,560	2,940	71	11,158	4,872,729
Liabilities and Fund Balances						
Total Liabilities		4,858,560	2,940	71	11,158	4,872,729
		4,858,560	2,940	71	11,158	4,872,729
Fund Balances		-	-	-	-	-
Total Liabilities and Fund Balances		\$ 4,858,560	\$ 2,940	\$ 71	\$ 11,158	\$ 4,872,729

See Notes to the Financial Statements

**The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies

Organized in 1845, the county of Sullivan was named after Revolutionary War General James Sullivan. It is a third-class county, and the county seat is Milan. Sullivan County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector-Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Sullivan County, Missouri and the Sullivan County Senior Services Board.

Sullivan County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Sullivan County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Sullivan County's legal entity. The Senior Services Board is controlled by a separate board and is also included under the control of the County.

Certain elected County officials, such as the County Collector-Treasurer, Recorder, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Sullivan County, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Sullivan County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50, RSMo., Sullivan County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2018: North Central Missouri Lake Project Fund.

**The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Sullivan County's boundaries for the calendar year 2019 and 2018, for the purposes of taxation was:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 52,590,191	\$ 52,296,227
Personal Property	34,821,699	32,901,192
Railroad and Utilities	<u>9,196,682</u>	<u>7,021,451</u>
	<u><u>\$ 96,608,572</u></u>	<u><u>\$ 92,218,870</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 and 2018, respectively, for the purpose of County taxation, was as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.3600	\$ 0.3480
Senior Services Fund	0.0503	0.0503

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Collector-Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Sullivan County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Sullivan County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statements of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 6,773,926	\$ 5,714,099
Investments	23,574	23,574
Total Deposits and Investments as of December 31, 2019	<u>\$ 6,797,500</u>	<u>\$ 5,737,673</u>
Total Cash and Equivalents - Governmental Funds	\$ 1,350,441	
Total Cash and Equivalents - Agency Funds	5,447,059	
	<u>\$ 6,797,500</u>	

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 6,156,019	\$ 5,679,247
Investments	23,283	23,283
Total Deposits and Investments as of December 31, 2018	<u>\$ 6,179,302</u>	<u>\$ 5,702,530</u>
Total Cash and Equivalents - Governmental Funds	\$ 1,306,573	
Total Cash and Equivalents - Agency Funds	4,872,729	
	<u>\$ 6,179,302</u>	

**The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2019, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized. At December 31, 2018, the County had \$139,464 of uninsured deposits and investments.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to the County or its agent but not in the government's name. Sullivan County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Sullivan County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Sullivan County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2019 Balance	% of Portfolio	2018 Balance	% of Portfolio
Putnam County State Bank	Cert. of Deposit	<u>\$ 23,574</u>	100.00%	<u>\$ 23,283</u>	100.00%

Note 3 - Long-Term Debt

In 2017, the County assumed responsibility for a capital lease financing arrangement previously entered into by Polk Township with John Deere financial for a motor grader for \$56,020. The lease expired on February 12, 2019, and was payable in five annual payments of \$12,365 with interest payable at 3.327%.

**The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 3 - Long-Term Debt (continued)

	Balance at 1/1/2019	Amount Borrowed	Amount Repaid	Balance at 12/31/2019	Interest Paid During Year
John Deere Motor Grader	\$ 11,960	\$ -	\$ (11,960)	\$ -	\$ 405
	Balance at 1/1/2018	Amount Borrowed	Amount Repaid	Balance at 12/31/2018	Interest Paid During Year
John Deere Motor Grader	\$ 23,530	\$ -	\$ (11,570)	\$ 11,960	\$ 795

Note 4 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo., circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo., and certain personnel not defined as an employee per Section 50.1000(8). RSMo. The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

**The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 4 - State of Missouri County Employees' Retirement Fund (CERF) (continued)

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2019 and 2018, the County remitted to CERF, employee contributions of \$35,311 and \$34,684, respectively, for the years ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollar on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$53,216 and \$51,854 for the years ended December 31, 2019 and 2018, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 5 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo., Sullivan County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$4,425 and \$3,647, respectively, for the years ended December 31, 2019 and 2018.

Note 6 - Other Retirement Plans

Sullivan County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by deductions from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 457 plan were \$17,090 and \$12,224, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 401(a) plan were \$4,659 and \$4,534, respectively.

Note 7 - Post Employment Benefits

Sullivan County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Sullivan County.

**The County of Sullivan
Milan, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 8 - Claims, Commitments, and Contingencies

Litigation

The County is subject to various claims and legal proceedings covering a wide range of matters in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

Vacation time is considered an expenditure in the year paid. Vacation time is awarded based on years of service and must be used in its entirety prior to the employee's next anniversary date. The County does not have personal days, but compensated time can be earned by working overtime.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 9 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 10 - Subsequent Events

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 3, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

To the County Commission and
Officeholders of Sullivan County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Sullivan County, Missouri as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Sullivan County, Missouri's basic financial statements, and have issued our report thereon dated August 3, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Sullivan County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Sullivan County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Sullivan County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-002, 2019-003, and 2019-004 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sullivan County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

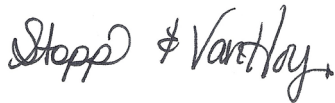
effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and responses as item 2019-001.

Sullivan County, Missouri's Responses to Findings

Sullivan County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Sullivan County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
August 3, 2020

**The County of Sullivan
Milan, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018**

Financial Statement Findings

2019-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2018: North Central Missouri Lake Project Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in a certain fund.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 265-3786.

2019-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Cause: Management has not prepared documentation of internal controls.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 265-3786.

**The County of Sullivan
Milan, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018**

Financial Statement Findings (continued)

2019-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 265-3786.

2019-004 **Criteria:** The Prosecuting Attorney is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per the accounting records agree to the cash balances held in the bank.

Condition: For the years ended December 31, 2019 and 2018, the Prosecuting Attorney's office failed to perform timely bank reconciliations.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the Prosecuting Attorney's cash balances due to error or misappropriation is heightened.

Cause: The reconciled bank balance is not being compared to the balances of the funds on hand per the Prosecuting Attorney's records.

Recommendation: We recommend that the Prosecuting Attorney implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.

Management's Response: The County Clerk will work with the Prosecuting Attorney to ensure that the office reconciles their bank statement on a monthly basis. The phone number for the County Clerk's office is (660) 265-3786. The phone number for the Prosecuting Attorney's office is (660) 265-4712.

**The County of Sullivan
Milan, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2019 and 2018**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Sullivan County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

Prior Year Financial Statement Findings

2015-001 **Criteria:** Section 50.740 prohibits expenditures in excess of approved budgets. Additionally, case law provides that strict compliance with county budget laws is required by county officials. If there are valid reasons which require excess disbursements (i.e., emergencies, unforeseen occurrences, and statutorily required obligations), amendments should be made following the same process by which the annual budget is approved including holding public hearings and filing the amended budget with the State Auditor's Office. Furthermore Missouri budgetary state Chapter 50 RSMo requires a County to adopt a budget for each governmental fund.

Condition: During my audit, I noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The Law Enforcement Training Fund, SCMH Fund, CDBG (Bridge) Fund and the NCMO Lake Project Fund all had expenses exceeding their budget for 2014, as did the NCMO Lake Project Fund for 2015. Furthermore the Law Enforcement Restitution Fund was not budgeted for the years ended December 31, 2015 and December 31, 2014, and the Senior Services Tax Fund was not budgeted for the year ended December 31, 2014.

Effect: Due to exceeding budget in certain funds and not budgeting for the Law Enforcement Restitution Fund and the Senior Services Tax Fund, the County is in violation of Missouri Revised Statutes.

Cause: Oversight.

Recommendation: I recommend that the County ensure compliance with State Statutes by refraining from approving expenditures in excess of budgeted amounts and properly budgeting for each governmental fund. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in public meeting and formally adopted by the County Commission.

Management's Response: We will continue evaluating the issue.

Status: Management has not corrected this issue and the finding is repeated as finding 2019-001 in the current year.

Prior Year Federal Award Findings

None



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Putnam County, Missouri

The Office of the State Auditor contracted for an audit of Putnam County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-094



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Putnam County

2019-001	The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.
2019-002	The county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-003	The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2019-004	The Sheriff implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.

**The County of Putnam
Unionville, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019**



**The County of Putnam
Unionville, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis For the year ended December 31, 2019.....	3
Statement of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis For the year ended December 31, 2019.....	4
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	17
Notes to the Financial Statements.....	18
<u>Compliance Section</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28
Schedule of Findings and Responses.....	30
Summary Schedule of Prior Year Findings and Responses.....	32

Independent Auditor's Report

To the County Commission and
Officeholders of Putnam County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Putnam County, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Putnam County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Putnam County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws,

which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Putnam County, Missouri as of December 31, 2019, or changes in financial position or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Putnam County, Missouri as of December 31, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2020 on our consideration of Putnam County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Putnam County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
August 7, 2020

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 927,290	\$ 1,267,909	\$ 1,184,809	\$ 1,010,390
Special Road and Bridge	326,732	1,470,217	1,512,646	284,303
Assessment	52,984	152,512	132,758	72,738
Law Enforcement	93,362	339,549	286,174	146,737
K-9	968	24	-	992
Local Law Enforcement Block Grant	-	4,802	4,756	46
Juvenile Restitution	2,667	64	-	2,731
Local Emergency Planning Commission	9,720	219	2,059	7,880
Election Services	4,026	632	221	4,437
Tax Maintenance	15,523	9,766	14,555	10,734
Senior Citizens Service Board	15,360	43,262	43,841	14,781
Sheriff Revolving	10,769	3,616	1,982	12,403
Law Enforcement Restitution	7,511	5,613	-	13,124
Police Training	1,726	750	-	2,476
Prosecuting Attorney Training	4,001	476	-	4,477
Victims of Domestic Violence	91	146	201	36
Record Preservation	5,620	2,753	1,958	6,415
Technology	18,597	2,016	7,207	13,406
Prosecuting Attorney Bad Check	21,868	2,688	1,694	22,862
Sheriff Civil Fees	17,269	1,236	3,006	15,499
Inmate Security	20,849	6,782	6,065	21,566
Emergency Management Director	35	1	-	36
Hospital Lease	17,770	-	3,992	13,778
Total	<u>\$ 1,574,738</u>	<u>\$ 3,315,033</u>	<u>\$ 3,207,924</u>	<u>\$ 1,681,847</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 300,000	\$ 352,360
Sales Taxes	510,000	529,278
Intergovernmental	116,031	79,761
Charges for Services	202,400	214,574
Interest	15,000	21,171
Other Receipts	36,425	70,765
Transfers In	-	-
Total Receipts	1,179,856	1,267,909
<u>Disbursements</u>		
County Commission	81,961	80,692
County Clerk	116,911	109,848
Elections	35,250	22,406
Building and Grounds	476,810	193,588
Employee Fringe Benefits	24,796	23,505
Collector-Treasurer	104,026	86,278
Recorder of Deeds	63,766	59,007
Circuit Clerk	21,836	11,169
Court Administration	15,211	10,817
Public Administrator	22,298	20,059
Prosecuting Attorney	139,566	129,699
Juvenile Officer	29,074	10,050
Coroner	11,415	11,015
Other Disbursements	390,263	403,410
Transfers Out	13,266	13,266
Emergency Fund	35,396	-
Total Disbursements	1,581,845	1,184,809
Receipts Over (Under) Disbursements	\$ (401,989)	\$ 83,100
Cash and Equivalents, Jan 1	927,290	927,290
Cash and Equivalents, Dec 31	\$ 525,301	\$ 1,010,390

See Notes to the Financial Statements

**The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019**

	Special Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 51,000	\$ 56,681
Sales Taxes	-	-
Intergovernmental	1,211,276	1,388,973
Charges for Services	-	-
Interest	3,400	7,807
Other Receipts	68,500	16,756
Transfers In	-	-
Total Receipts	1,334,176	1,470,217
<u>Disbursements</u>		
Salaries	99,270	97,851
Employee Fringe Benefits	7,595	7,486
Supplies	18,425	18,164
Insurance	4,500	3,466
Road and Bridge Materials	582,500	546,324
Equipment Repairs	27,000	15,347
Equipment Purchases	75,000	53,960
Road and Bridge Construction	742,362	770,048
Other Disbursements	-	-
Transfers Out	-	-
Total Disbursements	1,556,652	1,512,646
Receipts Over (Under) Disbursements	\$ (222,476)	\$ (42,429)
Cash and Equivalents, Jan 1	326,732	326,732
Cash and Equivalents, Dec 31	\$ 104,256	\$ 284,303

See Notes to the Financial Statements

**The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019**

	Assessment Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	116,615	126,816
Charges for Services	5,300	7,540
Interest	-	2,059
Other Receipts	-	2,831
Transfers In	13,266	13,266
Total Receipts	135,181	152,512
<u>Disbursements</u>		
Salaries	84,011	83,652
Employee Fringe Benefits	6,428	6,427
Materials and Supplies	7,500	3,273
Services	20,160	13,702
Other Disbursements	1,000	1,042
Capital Outlay	27,000	24,662
Transfers Out	-	-
Total Disbursements	146,099	132,758
Receipts Over (Under) Disbursements	\$ (10,918)	\$ 19,754
Cash and Equivalents, Jan 1	52,984	52,984
Cash and Equivalents, Dec 31	\$ 42,066	\$ 72,738

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Law Enforcement Fund		K-9 Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	235,000	251,735	-	-
Intergovernmental	-	-	-	-
Charges for Services	52,000	66,242	-	-
Interest	1,600	2,590	20	24
Other Receipts	8,000	18,982	-	-
Transfers In	-	-	-	-
Total Receipts	296,600	339,549	20	24
<u>Disbursements</u>				
Salaries	134,330	145,952	-	-
Employee Fringe Benefits	10,277	11,165	-	-
Materials and Supplies	10,000	7,896	60	-
Services	123,663	90,027	-	-
Other Disbursements	200	18	-	-
Capital Outlay	35,142	31,116	-	-
Transfers Out	-	-	-	-
Total Disbursements	313,612	286,174	60	-
Receipts Over (Under) Disbursements	\$ (17,012)	\$ 53,375	\$ (40)	\$ 24
Cash and Equivalents, Jan 1	93,362	93,362	968	968
Cash and Equivalents, Dec 31	\$ 76,350	\$ 146,737	\$ 928	\$ 992

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Local Law Enforcement Block Grant Fund		Juvenile Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	4,756	4,802	-	-
Charges for Services	-	-	2,600	-
Interest	-	-	-	64
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>4,756</u>	<u>4,802</u>	<u>2,600</u>	<u>64</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	2,600	-
Capital Outlay	4,756	4,756	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>4,756</u>	<u>4,756</u>	<u>2,600</u>	<u>-</u>
Receipts Over (Under) Disbursements	\$ -	\$ 46	\$ -	\$ 64
Cash and Equivalents, Jan 1	<u>-</u>	<u>-</u>	<u>2,667</u>	<u>2,667</u>
Cash and Equivalents, Dec 31	<u><u>\$ -</u></u>	<u><u>\$ 46</u></u>	<u><u>\$ 2,667</u></u>	<u><u>\$ 2,731</u></u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Local Emergency Planning Commission Fund		Election Services Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	2,100	-	-	-
Charges for Services	-	-	600	530
Interest	-	219	40	102
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>2,100</u>	<u>219</u>	<u>640</u>	<u>632</u>
<u>Disbursements</u>				
Salaries	-	-	100	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	100	23	-	-
Services	1,350	397	150	80
Other Disbursements	1,200	790	-	-
Capital Outlay	1,000	849	200	141
Transfers Out	-	-	-	-
Total Disbursements	<u>3,650</u>	<u>2,059</u>	<u>450</u>	<u>221</u>
Receipts Over (Under) Disbursements	\$ (1,550)	\$ (1,840)	\$ 190	\$ 411
Cash and Equivalents, Jan 1	<u>9,720</u>	<u>9,720</u>	<u>4,026</u>	<u>4,026</u>
Cash and Equivalents, Dec 31	<u>\$ 8,170</u>	<u>\$ 7,880</u>	<u>\$ 4,216</u>	<u>\$ 4,437</u>

See Notes to the Financial Statements

**The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019**

	Tax Maintenance Fund		Senior Citizens Service Board Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ 42,000	\$ 42,928
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	10,000	9,307	-	-
Interest	100	459	-	334
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>10,100</u>	<u>9,766</u>	<u>42,000</u>	<u>43,262</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	15,000	14,555	-	-
Services	-	-	50,500	43,841
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>15,000</u>	<u>14,555</u>	<u>50,500</u>	<u>43,841</u>
Receipts Over (Under) Disbursements	\$ (4,900)	\$ (4,789)	\$ (8,500)	\$ (579)
Cash and Equivalents, Jan 1	<u>15,523</u>	<u>15,523</u>	<u>15,360</u>	<u>15,360</u>
Cash and Equivalents, Dec 31	<u>\$ 10,623</u>	<u>\$ 10,734</u>	<u>\$ 6,860</u>	<u>\$ 14,781</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Sheriff Revolving Fund		Law Enforcement Restitution Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,500	3,600	2,500	5,369
Interest	-	16	-	244
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,500</u>	<u>3,616</u>	<u>2,500</u>	<u>5,613</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	1,500	932	-	-
Services	-	-	4,800	-
Other Disbursements	1,000	1,050	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>2,500</u>	<u>1,982</u>	<u>4,800</u>	<u>-</u>
Receipts Over (Under) Disbursements	\$ (1,000)	\$ 1,634	\$ (2,300)	\$ 5,613
Cash and Equivalents, Jan 1	<u>10,769</u>	<u>10,769</u>	<u>7,511</u>	<u>7,511</u>
Cash and Equivalents, Dec 31	<u>\$ 9,769</u>	<u>\$ 12,403</u>	<u>\$ 5,211</u>	<u>\$ 13,124</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Police Training Fund		Prosecuting Attorney Training Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	500	700	250	376
Interest	-	50	-	100
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>500</u>	<u>750</u>	<u>250</u>	<u>476</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	1,000	-	600	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>1,000</u>	<u>-</u>	<u>600</u>	<u>-</u>
Receipts Over (Under) Disbursements	\$ (500)	\$ 750	\$ (350)	\$ 476
Cash and Equivalents, Jan 1	<u>1,726</u>	<u>1,726</u>	<u>4,001</u>	<u>4,001</u>
Cash and Equivalents, Dec 31	<u>\$ 1,226</u>	<u>\$ 2,476</u>	<u>\$ 3,651</u>	<u>\$ 4,477</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Victims of Domestic Violence Fund		Record Preservation Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	200	145	2,600	2,614
Interest	-	1	100	139
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>200</u>	<u>146</u>	<u>2,700</u>	<u>2,753</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	3,000	1,958
Services	210	201	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>210</u>	<u>201</u>	<u>3,000</u>	<u>1,958</u>
Receipts Over (Under) Disbursements	\$ (10)	\$ (55)	\$ (300)	\$ 795
Cash and Equivalents, Jan 1	<u>91</u>	<u>91</u>	<u>5,620</u>	<u>5,620</u>
Cash and Equivalents, Dec 31	<u>\$ 81</u>	<u>\$ 36</u>	<u>\$ 5,320</u>	<u>\$ 6,415</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Technology Fund		Prosecuting Attorney Bad Check Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,500	1,598	3,500	2,155
Interest	500	418	-	533
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>2,000</u>	<u>2,016</u>	<u>3,500</u>	<u>2,688</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	1,565	1,694
Other Disbursements	-	-	-	-
Capital Outlay	10,000	7,207	600	-
Transfers Out	-	-	-	-
Total Disbursements	<u>10,000</u>	<u>7,207</u>	<u>2,165</u>	<u>1,694</u>
Receipts Over (Under) Disbursements	\$ (8,000)	\$ (5,191)	\$ 1,335	\$ 994
Cash and Equivalents, Jan 1	<u>18,597</u>	<u>18,597</u>	<u>21,868</u>	<u>21,868</u>
Cash and Equivalents, Dec 31	<u>\$ 10,597</u>	<u>\$ 13,406</u>	<u>\$ 23,203</u>	<u>\$ 22,862</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Sheriff Civil Fees Fund		Inmate Security Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	600	878	6,000	6,782
Interest	-	358	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>600</u>	<u>1,236</u>	<u>6,000</u>	<u>6,782</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	6,000	6,065
Services	2,000	1,020	-	-
Other Disbursements	-	-	-	-
Capital Outlay	4,000	1,986	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>6,000</u>	<u>3,006</u>	<u>6,000</u>	<u>6,065</u>
Receipts Over (Under) Disbursements	\$ (5,400)	\$ (1,770)	\$ -	\$ 717
Cash and Equivalents, Jan 1	<u>17,269</u>	<u>17,269</u>	<u>20,849</u>	<u>20,849</u>
Cash and Equivalents, Dec 31	<u>\$ 11,869</u>	<u>\$ 15,499</u>	<u>\$ 20,849</u>	<u>\$ 21,566</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Emergency Management Director Fund		Hospital Lease Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	800	1	-	-
Charges for Services	-	-	-	-
Interest	-	-	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>800</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	15,000	3,992
Other Disbursements	-	-	-	-
Capital Outlay	800	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>800</u>	<u>-</u>	<u>15,000</u>	<u>3,992</u>
Receipts Over (Under) Disbursements	\$ -	\$ 1	\$ (15,000)	\$ (3,992)
Cash and Equivalents, Jan 1	<u>35</u>	<u>35</u>	<u>17,770</u>	<u>17,770</u>
Cash and Equivalents, Dec 31	<u>\$ 35</u>	<u>\$ 36</u>	<u>\$ 2,770</u>	<u>\$ 13,778</u>

See Notes to the Financial Statements

The County of Putnam
Unionville, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2019

	Collector	Recorder	Assessor	Prosecuting Attorney	Treasurer	Sheriff	Total
Assets							
Cash and Equivalents	\$ 4,882,042	\$ 3,455	\$ 127	\$ 1	\$ 2,937	\$ -	\$ 4,888,562
Total Assets	4,882,042	3,455	127	1	2,937	-	4,888,562
Liabilities and Fund Balances							
Total Liabilities	4,882,042	3,455	127	1	2,937	-	4,888,562
	4,882,042	3,455	127	1	2,937	-	4,888,562
Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 4,882,042	\$ 3,455	\$ 127	\$ 1	\$ 2,937	\$ -	\$ 4,888,562

See Notes to the Financial Statements

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 1 - Summary of Significant Accounting Policies

Organized in 1845, the county of Putnam was named after Revolutionary War General Israel Putnam. It is a third-class county, and the county seat is Unionville. Putnam County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector-Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Putnam County, Missouri and the Putnam County Senior Citizens Service Board.

Putnam County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Putnam County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Putnam County's legal entity. The Senior Citizens Service Board is controlled by a separate board and is also included under the control of the County.

Certain elected County officials, such as the County Collector-Treasurer, Recorder, and Sheriff, collect and hold monies in a trustee capacity as an agent of individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statement of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Putnam County, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Putnam County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50, RSMo., Putnam County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following funds had actual expenditures which exceeded the budgeted expenditures in 2019: Inmate Security Fund.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within Putnam County's boundaries for the calendar year 2019 for the purposes of taxation was:

	<u>2019</u>
Real Estate	\$ 70,135,556
Personal Property	22,143,220
Railroad and Utilities	<u>5,056,291</u>
	<u><u>\$ 97,335,067</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 for the purpose of County taxation, was as follows:

General Revenue	\$ 0.3667
Senior Citizens Service Board	0.0458

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Collector-Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Putnam County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Putnam County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balances</u>
Deposits	\$ 6,143,757	\$ 5,504,950
Investments	426,652	426,652
Total Deposits and Investments as of December 31, 2019	<u>\$ 6,570,409</u>	<u>\$ 5,931,602</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 1,681,847	
Total Cash and Equivalents - Agency Funds	<u>4,888,562</u>	
	<u>\$ 6,570,409</u>	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2019, \$17,483 of the County's deposits were not insured or collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Putnam County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Investments (continued)

All investments, evidenced by individual securities, are registered in the name of Putnam County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Putnam County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Putnam County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

<u>Issuer</u>	<u>Investment Type</u>	<u>Balance</u>	<u>% of Portfolio</u>
Farmers Bank of Northern MO	Cert. of Deposit	<u>\$ 426,652</u>	100%

Note 3 - Capital Leases

In 2012, the County issued \$7,630,000 in general obligation bonds for the purpose of (1) refinancing the County's Hospital Revenue Bonds, Series 2006; (2) renovating, constructing, furnishing, and equipping a portion of the Putnam County Memorial Hospital for use as a specialized geriatric care ward; (3) funding a debt service reserve account; (4) paying the costs of complying with certain tax and securities law requirements; and (5) paying the costs of issuing the Bonds. Funds from a dedicated property tax and hospital improvement sales tax collected by the County and remitted to the paying agent are used to make principal and interest payments. The general obligation bonds bear interest at 2.00% - 5.00% and mature in September of 2032.

In July 2014, the County entered into a lease-purchase agreement to finance the purchase of an ABI HVR 60 Excavator Mounted Vibratory Hammer at a cost of \$53,530. The agreement requires five annual payments of \$12,090, which includes interest payable annually at 4.909%. The lease was paid in full in 2019.

In August 2016, the County entered into a lease-purchase agreement to finance the purchase of a T770 T4 Bobcat Skidloader at a cost of \$63,813. The agreement requires five annual payments of \$13,941, which includes interest payable at 5.423%.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 3 - Capital Leases (continued)

In May 2017, the County entered into a lease-purchase agreement to finance the purchase of a 2017 Ford Explorer Police Interceptor at a cost of \$28,717. The agreement requires one payment of \$8,717, and four annual payments of \$7,142, which includes interest payable at 3.831%.

In April 2018, the County entered into a lease-purchase agreement to finance the purchase of a 2004 Ford F-650 at a cost of \$29,500. The agreement requires five annual payments of \$6,442, which includes interest payable at 4.504%.

In August 2019, the County entered into a lease-purchase agreement to finance the purchase of a 2019 Ram 1500 4x4 SSV at a cost of \$27,361. The agreement requires one payment of \$7,361, and three annual payments of \$7,112, which includes interest payable at 4.083%. This vehicle was considered a total loss by the County's insurance in 2019.

In December 2019, the County entered into a lease-purchase agreement to finance the purchase of a 2019 Ram 1500 Classic Crew Cab at a cost of \$29,222. The agreement requires five annual payments of \$6,185, which includes interest payable at 4.079%.

The following is the changes in long-term debt for the year ended December 31, 2019:

	Balance at 1/1/2019	Amount Borrowed	Amount Repaid	Balance at 12/31/2019	Interest Paid During Year
Hospital GO Bonds	\$ 6,065,000	\$ -	\$ (340,000)	\$ 5,725,000	\$ 248,606
Vibratory Hammer	11,512	-	(11,512)	-	578
Bobcat Skidloader	25,717	-	(12,511)	13,206	1,430
2017 Ford Explorer Interceptor	13,490	-	(6,616)	6,874	526
2004 Ford F-650	23,058	-	(5,382)	17,676	1,060
2019 Ram 1500 4x4	-	27,361	(27,361)	-	-
2019 Ram 1500 Crew Cab	-	29,222	(6,185)	23,037	-
	<u>\$ 6,138,777</u>	<u>\$ 56,583</u>	<u>\$ (409,567)</u>	<u>\$ 5,785,793</u>	<u>\$ 252,200</u>

As of December 31, 2019, the schedule of future payments of long-term debt of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 381,634	\$ 240,482	\$ 622,116
2021	371,361	229,172	600,533
2022	386,860	216,973	603,833
2023	390,938	203,797	594,735
2024	400,000	189,112	589,112
2025-2029	2,245,000	702,113	2,947,113
2030-2032	1,610,000	163,750	1,773,750
Total	<u>\$ 5,785,793</u>	<u>\$ 1,945,399</u>	<u>\$ 7,731,192</u>

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 4 - Interfund Transfers

Transfers between funds for the year ended December 31, 2019 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ -	\$ 13,266
Assessment Fund	13,266	-
	<u>\$ 13,266</u>	<u>\$ 13,266</u>

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo., circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo., and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2019, the County collected and remitted to CERF, employee contributions of \$34,244 for the year ended.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 5 - State of Missouri County Employees' Retirement Fund (CERF) (continued)

Contributions (continued)

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollar on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$50,196 for the year ended December 31, 2019.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo., the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 for the year ended December 31, 2019.

Note 7 - Other Retirement Plans

Putnam County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2019 for the 457 plan were \$16,437, and employee contributions collected and remitted by the County for the year ended December 31, 2019 for the 401(a) plan were \$4,325.

Note 8 - Post-Employment Benefits

Putnam County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Putnam County.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of such matters will not have a material adverse effect on the financial condition of the County.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 9 - Claims, Commitments, and Contingencies (continued)

Compensated Absences

The County provides full-time employees with up to 20 days of sick time to accrue at one day per complete calendar month of employment. Permanent part-time employees accrue sick leave proportional to hours worked. Upon termination of employment, the employee will be compensated at \$10 per day of accrued sick time. Vacation time is accrued for full-time regular employees after a six month probationary period based on years of employment with the County. After one year of employment, one week may be taken. After two years, and each year thereafter, two weeks of eligibility is earned. Upon termination, the employee is compensated for accrued vacation time at the employee's final rate of pay, up to a maximum of four weeks. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700, RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make specific assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 7, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

**The County of Putnam
Unionville, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019**

Note 11 - Subsequent Events (continued)

In April of 2020, the County entered into a lease-purchase agreement to finance the purchase of a 2020 Dodge Durango Pursuit at a cost of \$32,065. The agreement requires five annual payments of \$6,945, which includes interest payable at 4.072%.

Note 12 - Prior Period Adjustment

The County has restated beginning fund balance to include certain funds that fell within the scope of the audit and to exclude certain funds that did not fall within the scope of the audit. The adjustment will have no material effect on the operations of the County.

Beginning fund balance, as previously stated on January 1, 2019	\$ 1,554,200
Add: Inmate Security Fund	20,849
Less: Deputy Supplemental Salary Fund	<u>(311)</u>
Ending fund balance, as restated on January 1, 2019	<u><u>\$ 1,574,738</u></u>

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

To the County Commission and
Officeholders of Putnam County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Putnam County, Missouri as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Putnam County, Missouri's basic financial statements, and have issued our report thereon dated August 7, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Putnam County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Putnam County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Putnam County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-002, 2019-003, and 2019-004 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Putnam County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

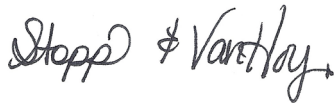
effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and responses as item 2019-001.

Putnam County, Missouri's Responses to Findings

Putnam County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Putnam County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
August 7, 2020

**The County of Putnam
Unionville, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2019**

Financial Statement Findings

2019-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2019: Inmate Security Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in a certain fund.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 947-2674.

2019-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Cause: Management has not prepared documentation of internal controls.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 947-2674.

**The County of Putnam
Unionville, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2019**

Financial Statement Findings (continued)

2019-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 947-2674.

2019-004 **Criteria:** The Sheriff is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per the accounting records agree to the cash balances held in the bank.

Condition: For the year ended December 31, 2019, the Sheriff's office failed to perform timely bank reconciliations.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the Sheriff's cash balances due to error or misappropriation is heightened.

Cause: The reconciled bank balance is not being compared to the balances of the funds on hand per the Sheriff's records.

Recommendation: We recommend that the Sheriff implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.

Management's Response: The County Clerk will work with the Sheriff's department to ensure that the office reconciles their bank statement on a monthly basis. The phone number for the County Clerk's office is (660) 947-2674. The phone number for the Sheriff's office is (660) 947-3200.

**The County of Putnam
Unionville, Missouri
Summary Schedule of Prior Year Findings and Responses
For the year ended December 31, 2019**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Putnam County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2018.

Prior Year Financial Statement Findings

None



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Mississippi County, Missouri

The Office of the State Auditor contracted for an audit of the Mississippi County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-093



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Mississippi County

2019-001	The county address various risks in the environment, including the risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-002	Brian Menz (Accountant, Menz and Menz LLC) should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report.....	1-2
<u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances– All Governmental Funds -- Regulatory Basis Year Ended December 31, 2019.....	3
Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis Year Ended December 31, 2019.....	4-21
<i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds -- Regulatory Basis As of December 31, 2019.....	22
Notes to the Financial Statements.....	23-39
<u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
<u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings.....	40
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	41-42
Schedule of Findings and Responses Year Ended December 31, 2019.....	43-44
Summary Schedule of Prior Year Findings and Responses.....	45

FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Mississippi, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Mississippi ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and the related statements of cash receipts and disbursements and disbursements - budget and actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

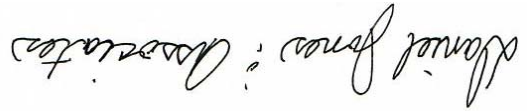
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2020, on our consideration of the County of Mississippi's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Mississippi's internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 31, 2020

FINANCIAL STATEMENTS

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 478,466.88	\$ 1,934,138.93	\$ 1,922,077.12	\$ 490,528.69
Special Road and Bridge Fund	310,512.29	1,082,770.16	1,044,208.56	349,073.89
Assessment Fund	100,194.44	214,836.01	244,697.40	70,333.05
Johnson Grass Fund	76,652.26	83,099.75	89,598.64	70,153.37
Law Enforcement Fund	13,747.84	1,880,933.25	1,846,932.99	47,748.10
Recorder User Fee Fund	28,732.70	4,037.02	2,680.00	30,089.72
Senior Citizens Fund	4,361.30	248,678.65	244,100.00	8,939.95
Victims of Domestic Violence Fund	-	3,438.49	3,438.49	-
Law Enforcement Training Fund	28,189.74	3,557.26	6,744.75	25,002.25
Prosecuting Attorney Training Fund	139.24	1,076.97	-	1,216.21
E911 Fund	219,350.11	53,964.24	48,925.80	224,388.55
Election Services Fund	14,200.40	2,145.52	-	16,345.92
Help America Vote Act Fund	1,251.95	1,514.38	2,500.00	266.33
Drainage District #3 Fund	30.87	1,417.27	-	1,448.14
Drainage District #10 Fund	54,427.11	6,876.77	207.00	61,096.88
Drainage District #14 Fund	114,401.54	21,589.46	28,366.73	107,624.27
Drainage District #23 Fund	80,701.90	25,102.88	18,474.75	87,330.03
Drainage District #25 North Fund	22,868.12	2,966.11	-	25,834.23
Drainage District #25 South Fund	11,936.14	806.98	-	12,743.12
Drainage District #29 Fund	8,774.69	101.52	-	8,876.21
Drainage District #30 Fund	15,685.48	181.46	-	15,866.94
Drainage District #32 Fund	164,772.47	28,249.76	1,269.00	191,753.23
Ditch Supervision Fund	3,858.64	44.51	569.14	3,334.01
Prosecuting Attorney Administrative Handling Fund	8,371.45	2,693.61	3,963.14	7,101.92
Sheriff's Revolving Fund	17,635.25	3,713.86	2,086.01	19,263.10
Inmate Security Fund	12,766.92	27,882.44	23,437.74	17,211.62
Law Enforcement Restitution Fund	32,703.77	3,163.47	1,779.50	34,087.74
OSCA Grant Fund	-	215.68	215.68	-
Collector's Tax Maintenance Fund	-	1,069.67	1,069.67	-
Recorder's Technology Fund	8,519.62	2,227.91	623.48	10,124.05
Prosecuting Attorney Delinquent Sales Tax Fund	1,239.09	14.33	-	1,253.42
Girl Circle Fund	(3,435.00)	7,395.00	4,760.00	(800.00)
Title II - Sort Fund	(6,805.00)	41,492.50	36,585.00	(1,897.50)
Senate Bill 40 Fund	867,851.06	227,704.76	120,062.07	975,493.75
TOTAL	\$ 2,692,103.27	\$ 5,919,100.58	\$ 5,699,372.66	\$ 2,911,831.19

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	GENERAL REVENUE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 520,000.00	\$ 594,501.52
Sales Taxes	950,000.00	994,660.37
Intergovernmental	81,200.00	68,381.10
Charges for Services	229,700.00	234,798.06
Interest	7,500.00	7,730.98
Other	25,475.00	34,066.90
Transfers In	-	-
TOTAL RECEIPTS	1,813,875.00	1,934,138.93
DISBURSEMENTS		
County Commission	123,958.00	142,337.57
County Clerk	108,490.00	105,637.39
Elections	15,000.00	12,255.92
Buildings and Grounds	256,840.00	177,695.38
Employee Fringe Benefits	240,750.00	238,121.76
County Treasurer	47,400.00	46,580.39
Collector	131,166.00	128,725.81
Recorder of Deeds	76,165.00	75,198.70
Circuit Clerk	12,500.00	8,730.39
Court Administration	52,200.00	27,891.15
Public Administrator	51,700.00	50,632.99
Sheriff	-	-
Jail	-	-
Prosecuting Attorney	257,300.00	254,236.31
Juvenile Officer	22,000.00	22,130.21
Coroner	45,555.00	36,829.61
Jury	-	-
Other	173,750.00	135,980.10
Health and Welfare	24,611.00	16,871.22
Transfers Out	442,222.00	442,222.22
Emergency Fund	60,000.00	-
TOTAL DISBURSEMENTS	2,141,607.00	1,922,077.12
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(327,732.00)	12,061.81
CASH BALANCES, JANUARY 1	478,466.88	478,466.88
CASH BALANCES, DECEMBER 31	\$ 150,734.88	\$ 490,528.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>SPECIAL ROAD AND BRIDGE FUND</u>	
	2019	
	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS		
Property Taxes	\$ 525,000.00	\$ 572,059.13
Sales Taxes	-	-
Intergovernmental	475,500.00	437,972.58
Charges for Services	40,000.00	64,007.60
Interest	2,500.00	5,530.53
Other	-	3,200.32
Transfers In	-	-
TOTAL RECEIPTS	<u>1,043,000.00</u>	<u>1,082,770.16</u>
DISBURSEMENTS		
Salaries	288,360.00	253,336.12
Employee Fringe Benefits	138,500.00	120,438.76
Supplies	92,500.00	93,000.19
Insurance	26,000.00	33,005.00
Road and Bridge Materials	322,000.00	245,583.64
Equipment Repairs	65,000.00	53,336.19
Rentals	-	-
Equipment Purchases	62,000.00	65,865.32
Road and Bridge Construction	-	-
Other	50,000.00	179,643.34
Transfers Out	-	-
TOTAL DISBURSEMENTS	<u>1,044,360.00</u>	<u>1,044,208.56</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(1,360.00)	38,561.60
CASH BALANCES, JANUARY 1	<u>310,512.29</u>	<u>310,512.29</u>
CASH BALANCES, DECEMBER 31	<u>\$ 309,152.29</u>	<u>\$ 349,073.89</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	ASSESSMENT FUND		JOHNSON GRASS FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 78,000.00	\$ 81,748.71
Intergovernmental	30,000.00	28,854.00	50.00	4.15
Charges for Services	130,000.00	138,046.61	-	-
Interest	1,500.00	1,503.18	500.00	1,346.89
Other	1,500.00	4,210.00	-	-
Transfers In	42,222.22	42,222.22	-	-
TOTAL RECEIPTS	205,222.22	214,836.01	78,550.00	83,099.75
DISBURSEMENTS				
Salaries	121,500.00	121,852.00	30,000.00	29,398.00
Office Expenses	3,045.00	2,389.17	-	-
Equipment	6,000.00	6,591.64	2,000.00	36.47
Mileage and Training	5,000.00	2,591.67	-	-
Telephone	1,500.00	1,429.40	-	-
Employee Fringe Benefits	60,650.00	55,058.27	12,950.00	11,221.39
Postage	4,000.00	3,724.92	-	-
Mapping Expense	2,500.00	1,494.60	-	-
Computer Expense	30,000.00	30,688.00	-	-
Insurance/Bonds	1,300.00	1,454.00	-	464.00
Assessing Mileage	2,250.00	1,823.73	-	-
Appraisals	15,500.00	15,600.00	-	-
Contract Services	-	-	42,000.00	46,700.00
Parts/Repairs	-	-	1,000.00	13.58
Chemicals	-	-	2,000.00	1,765.20
TOTAL DISBURSEMENTS	253,245.00	244,697.40	89,950.00	89,598.64
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(48,022.78)	(29,861.39)	(11,400.00)	(6,498.89)
CASH BALANCES, JANUARY 1	100,194.44	100,194.44	76,652.26	76,652.26
CASH BALANCES, DECEMBER 31	\$ 52,171.66	\$ 70,333.05	\$ 65,252.26	\$ 70,153.37

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT FUND		RECORDER USER FEE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 496,000.00	\$ 497,330.67	\$ -	\$ -
Intergovernmental	915,000.00	861,085.66	-	-
Charges for Services	54,500.00	42,238.04	3,800.00	3,696.00
Interest	250.00	435.48	150.00	341.02
Other	15,000.00	79,843.40	-	-
Transfers In	400,000.00	400,000.00	-	-
TOTAL RECEIPTS	1,880,750.00	1,880,933.25	3,950.00	4,037.02
DISBURSEMENTS				
Salaries	793,676.00	830,906.60	-	-
Office Expenses	3,800.00	6,300.99	-	-
Postage	750.00	1,032.36	-	-
Southeast Missouri Drug Task Force	1,000.00	1,004.80	-	-
Fuel/Lube	21,000.00	38,270.45	-	-
Parts/Repairs	4,000.00	15,930.71	-	-
Vehicle Lease/Purchase	27,500.00	27,149.85	-	-
Supplies	3,900.00	2,979.24	-	-
Equipment	2,300.00	12,410.72	-	-
Computer Expense	22,000.00	38,163.21	-	-
Vehicle Insurance	11,700.00	11,700.00	-	-
Investigation Expense	-	40.00	-	-
Miscellaneous Expense	500.00	1,129.90	20,000.00	2,680.00
Telephone Expense	15,500.00	15,139.15	-	-
Dues/Subscriptions	-	423.97	-	-
Booking Supplies	2,000.00	-	-	-
Copier Expense	11,500.00	4,033.98	-	-
Board of Prisoners	-	790.00	-	-
Publications	200.00	377.40	-	-
Transport Expense	1,000.00	3,796.93	-	-
Medical/Physician/Hospital	65,700.00	57,004.00	-	-
Pharmacy/Prescription Medical Expense	3,000.00	7,375.38	-	-
Food Expense	180,450.00	213,788.00	-	-
Inmate Supplies	2,000.00	513.97	-	-
Jail Supplies	15,000.00	15,973.57	-	-
Vending Expense	-	8,982.88	-	-
Tax Increment Financing Expense	26,200.00	-	-	-
Employee Fringe Benefits	418,500.00	295,203.09	-	-
Utilities	62,500.00	68,168.79	-	-
Pest Control	300.00	600.00	-	-
Repairs/Upkeep	35,000.00	61,939.51	-	-
Contract Service	-	552.50	-	-
Law Enforcement Liability Expense	40,000.00	40,000.00	-	-
Law Enforcement Property Insurance	64,180.77	53,874.00	-	-
Law Enforcement General Liability	9,500.00	9,500.00	-	-
Educational Expense	350.00	-	-	-
Mileage Training	1,500.00	1,561.79	-	-
Building Expense	500.00	315.25	-	-
TOTAL DISBURSEMENTS	1,847,006.77	1,846,932.99	20,000.00	2,680.00
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	33,743.23	34,000.26	(16,050.00)	1,357.02
CASH AND INVESTMENT BALANCES, JANUARY 1	13,747.84	13,747.84	28,732.70	28,732.70
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 47,491.07	\$ 47,748.10	\$ 12,682.70	\$ 30,089.72

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	SENIOR CITIZENS FUND		VICTIMS OF DOMESTIC VIOLENCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 235,000.00	\$ 248,194.47	\$ -	\$ -
Charges for Services	-	-	7,000.00	3,438.49
Interest	-	484.18	-	-
TOTAL RECEIPTS	235,000.00	248,678.65	7,000.00	3,438.49
DISBURSEMENTS				
Tax Increment Financing Expense	12,500.00	-	-	-
Contract Services	237,500.00	244,100.00	7,000.00	3,438.49
TOTAL DISBURSEMENTS	250,000.00	244,100.00	7,000.00	3,438.49
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(15,000.00)	4,578.65	-	-
CASH BALANCES, JANUARY 1	4,361.30	4,361.30	-	-
CASH BALANCES, DECEMBER 31	<u>\$ (10,638.70)</u>	<u>\$ 8,939.95</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT TRAINING FUND		PROSECUTING ATTORNEY TRAINING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 1,500.00	\$ 1,646.62	\$ 350.00	\$ 967.51
Charges for Services	3,000.00	410.00	500.00	103.34
Interest	150.00	293.61	-	6.12
Other	3,000.00	1,207.03	-	-
TOTAL RECEIPTS	7,650.00	3,557.26	850.00	1,076.97
DISBURSEMENTS				
Mileage/Training	30,000.00	6,744.75	500.00	-
TOTAL DISBURSEMENTS	30,000.00	6,744.75	500.00	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(22,350.00)	(3,187.49)	350.00	1,076.97
CASH BALANCES, JANUARY 1	28,189.74	28,189.74	139.24	139.24
CASH BALANCES, DECEMBER 31	<u>\$ 5,839.74</u>	<u>\$ 25,002.25</u>	<u>\$ 489.24</u>	<u>\$ 1,216.21</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	E911 FUND		ELECTION SERVICES FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges For Services	60,000.00	51,420.60	1,800.00	1,967.95
Interest	1,500.00	2,543.64	100.00	177.57
Other	-	-	-	-
TOTAL RECEIPTS	61,500.00	53,964.24	1,900.00	2,145.52
DISBURSEMENTS				
Salaries	3,120.00	1,520.00	-	-
Employee Fringe Benefits	600.00	214.20	-	-
Parts/Repairs	1,500.00	750.00	-	-
Office Expense	-	19,334.49	-	-
Equipment Purchase	5,000.00	-	-	-
Computer Expense	5,000.00	7,236.58	-	-
Contract Services	37,000.00	18,524.53	-	-
Miscellaneous Expense	2,500.00	-	-	-
Insurance Expense	1,750.00	1,346.00	-	-
Election Expense	-	-	12,000.00	-
TOTAL DISBURSEMENTS	56,470.00	48,925.80	12,000.00	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	5,030.00	5,038.44	(10,100.00)	2,145.52
CASH BALANCES, JANUARY 1	219,350.11	219,350.11	14,200.40	14,200.40
CASH BALANCES, DECEMBER 31	\$ 224,380.11	\$ 224,388.55	\$ 4,100.40	\$ 16,345.92

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>HELP AMERICA VOTE ACT FUND</u>		<u>DRAINAGE DISTRICT #3 FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 1,200.00	\$ 1,402.79
Charges for Services	1,500.00	1,507.53	-	-
Interest	50.00	6.85	-	14.48
TOTAL RECEIPTS	1,550.00	1,514.38	1,200.00	1,417.27
DISBURSEMENTS				
Election Expense	2,500.00	2,500.00	-	-
Ditch Maintenance	-	-	1,200.00	-
TOTAL DISBURSEMENTS	2,500.00	2,500.00	1,200.00	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(950.00)	(985.62)	-	1,417.27
CASH BALANCES, JANUARY 1	1,251.95	1,251.95	30.87	30.87
CASH BALANCES, DECEMBER 31	<u>\$ 301.95</u>	<u>\$ 266.33</u>	<u>\$ 30.87</u>	<u>\$ 1,448.14</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>DRAINAGE DISTRICT #10 FUND</u>		<u>DRAINAGE DISTRICT #14 FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Property Taxes	\$ 6,000.00	\$ 6,184.18	\$ 21,000.00	\$ 20,239.76
Charges For Services	-	-	-	-
Interest	250.00	692.59	750.00	1,349.70
TOTAL RECEIPTS	6,250.00	6,876.77	21,750.00	21,589.46
DISBURSEMENTS				
Ditch Maintenance	40,000.00	207.00	60,000.00	28,366.73
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	40,000.00	207.00	60,000.00	28,366.73
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(33,750.00)	6,669.77	(38,250.00)	(6,777.27)
CASH BALANCES, JANUARY 1	54,427.11	54,427.11	114,401.54	114,401.54
CASH BALANCES, DECEMBER 31	<u>\$ 20,677.11</u>	<u>\$ 61,096.88</u>	<u>\$ 76,151.54</u>	<u>\$ 107,624.27</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>DRAINAGE DISTRICT #23 FUND</u>		<u>DRAINAGE DISTRICT #25 NORTH FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Property Taxes	\$ 25,000.00	\$ 24,133.61	\$ 2,250.00	\$ 2,676.61
Interest	250.00	969.27	150.00	289.50
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	25,250.00	25,102.88	2,400.00	2,966.11
DISBURSEMENTS				
Ditch Maintenance	50,000.00	3,081.00	-	-
Bond Principal Expense	10,000.00	15,000.00	-	-
Bond Interest Expense	2,100.00	393.75	-	-
Bond Pay Agent Expense	1,000.00	-	-	-
Ditch 25 North Maintenance	-	-	10,000.00	-
TOTAL DISBURSEMENTS	63,100.00	18,474.75	10,000.00	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(37,850.00)	6,628.13	(7,600.00)	2,966.11
CASH BALANCES, JANUARY 1	80,701.90	80,701.90	22,868.12	22,868.12
CASH BALANCES, DECEMBER 31	<u>\$ 42,851.90</u>	<u>\$ 87,330.03</u>	<u>\$ 15,268.12</u>	<u>\$ 25,834.23</u>

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THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>DRAINAGE DISTRICT #25 SOUTH FUND</u>		<u>DRAINAGE DISTRICT #29 FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Property Taxes	\$ 700.00	\$ 661.90	\$ -	\$ -
Interest	<u>75.00</u>	<u>145.08</u>	<u>75.00</u>	<u>101.52</u>
TOTAL RECEIPTS	775.00	806.98	75.00	101.52
DISBURSEMENTS				
Ditch Maintenance	<u>7,500.00</u>	<u>-</u>	<u>8,000.00</u>	<u>-</u>
TOTAL DISBURSEMENTS	<u>7,500.00</u>	<u>-</u>	<u>8,000.00</u>	<u>-</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(6,725.00)	806.98	(7,925.00)	101.52
CASH BALANCES, JANUARY 1	<u>11,936.14</u>	<u>11,936.14</u>	<u>8,774.69</u>	<u>8,774.69</u>
CASH BALANCES, DECEMBER 31	<u>\$ 5,211.14</u>	<u>\$ 12,743.12</u>	<u>\$ 849.69</u>	<u>\$ 8,876.21</u>

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THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	DRAINAGE DISTRICT #30 FUND		DRAINAGE DISTRICT #32 FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 25,000.00	\$ 26,113.50
Interest	150.00	181.46	750.00	2,136.26
Transfers In	-	-	-	-
TOTAL RECEIPTS	150.00	181.46	25,750.00	28,249.76
DISBURSEMENTS				
Ditch Maintenance	15,000.00	-	120,000.00	1,269.00
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
TOTAL DISBURSEMENTS	15,000.00	-	120,000.00	1,269.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,850.00)	181.46	(94,250.00)	26,980.76
CASH BALANCES, JANUARY 1	15,685.48	15,685.48	164,772.47	164,772.47
CASH BALANCES, DECEMBER 31	\$ 835.48	\$ 15,866.94	\$ 70,522.47	\$ 191,753.23

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THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	DITCH SUPERVISION		PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ -	\$ -	\$ 3,800.00	\$ 2,605.00
Interest	50.00	44.51	-	88.61
Other	-	-	-	-
TOTAL RECEIPTS	50.00	44.51	3,800.00	2,693.61
DISBURSEMENTS				
Salaries	4,000.00	483.17	3,120.00	3,162.79
Employee Fringe Benefits	-	85.97	500.00	690.35
Miscellaneous Expense	-	-	5,380.00	-
MOPS Expense	-	-	1,000.00	110.00
TOTAL DISBURSEMENTS	4,000.00	569.14	10,000.00	3,963.14
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(3,950.00)	(524.63)	(6,200.00)	(1,269.53)
CASH BALANCES, JANUARY 1	3,858.64	3,858.64	8,371.45	8,371.45
CASH BALANCES, DECEMBER 31	\$ (91.36)	\$ 3,334.01	\$ 2,171.45	\$ 7,101.92

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	SHERIFF'S REVOLVING FUND		INMATE SECURITY FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 3,500.00	\$ 3,510.00	\$ 16,000.00	\$ 5,727.17
Interest	100.00	203.86	250.00	110.55
Other	-	-	15,000.00	22,044.72
TOTAL RECEIPTS	3,600.00	3,713.86	31,250.00	27,882.44
DISBURSEMENTS				
Parts/Repairs	-	-	10,000.00	3,588.00
Equipment	5,000.00	80.31	30,000.00	19,849.74
Fingerprinting/Background Check	5,000.00	351.00	-	-
Travel/Training	-	38.17	-	-
Miscellaneous Expense	3,000.00	1,616.53	-	-
TOTAL DISBURSEMENTS	13,000.00	2,086.01	40,000.00	23,437.74
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(9,400.00)	1,627.85	(8,750.00)	4,444.70
CASH BALANCES, JANUARY 1	17,635.25	17,635.25	12,766.92	12,766.92
CASH BALANCES, DECEMBER 31	\$ 8,235.25	\$ 19,263.10	\$ 4,016.92	\$ 17,211.62

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>LAW ENFORCEMENT RESTITUTION FUND</u>		<u>OSCA GRANT FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 11,139.14	\$ 215.68
Charges for Services	10,000.00	2,794.98	-	-
Interest	250.00	368.49	-	-
Other	-	-	-	-
TOTAL RECEIPTS	10,250.00	3,163.47	11,139.14	215.68
DISBURSEMENTS				
Fostering Court Improvement Speaker Fees	-	-	1,200.00	-
Fostering Court Improvement Mileage and Training	-	-	-	215.68
Miscellaneous Expense	-	-	-	-
Equipment	18,000.00	1,779.50	-	-
Drug Investigation Expense	20,000.00	-	-	-
TOTAL DISBURSEMENTS	38,000.00	1,779.50	1,200.00	215.68
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(27,750.00)	1,383.97	9,939.14	-
CASH BALANCES, JANUARY 1	32,703.77	32,703.77	-	-
CASH BALANCES, DECEMBER 31	\$ 4,953.77	\$ 34,087.74	\$ 9,939.14	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>COLLECTOR'S TAX MAINTENANCE FUND</u>		<u>RECORDER'S TECHNOLOGY FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	2,250.00	2,121.25
Interest	-	-	100.00	106.66
Other	<u>2,722.00</u>	<u>1,069.67</u>	<u>-</u>	<u>-</u>
TOTAL RECEIPTS	2,722.00	1,069.67	2,350.00	2,227.91
DISBURSEMENTS				
Salaries	2,500.00	984.00	-	-
Employee Fringe Benefits	222.00	85.67	-	-
Miscellaneous Expense	<u>-</u>	<u>-</u>	<u>10,000.00</u>	<u>623.48</u>
TOTAL DISBURSEMENTS	<u>2,722.00</u>	<u>1,069.67</u>	<u>10,000.00</u>	<u>623.48</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(7,650.00)	1,604.43
CASH BALANCES, JANUARY 1	<u>-</u>	<u>-</u>	<u>8,519.62</u>	<u>8,519.62</u>
CASH BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 869.62</u>	<u>\$ 10,124.05</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	<u>PROSECUTING ATTORNEY DELINQUENT SALES TAX FUND</u>		<u>GIRL CIRCLE FUND</u>	
	2019		2019	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 3,578.00	\$ 7,395.00
Interest	-	14.33	-	-
Other	-	-	-	-
TOTAL RECEIPTS	-	14.33	3,578.00	7,395.00
DISBURSEMENTS				
Salaries	1,200.00	-	-	-
Contract Services	-	-	-	4,760.00
TOTAL DISBURSEMENTS	1,200.00	-	-	4,760.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,200.00)	14.33	3,578.00	2,635.00
CASH BALANCES, JANUARY 1	1,239.09	1,239.09	(3,435.00)	(3,435.00)
CASH BALANCES, DECEMBER 31	<u>\$ 39.09</u>	<u>\$ 1,253.42</u>	<u>\$ 143.00</u>	<u>\$ (800.00)</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
 CHARLESTON, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
 CASH BALANCES -
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	TITLE II - SORT FUND		SENATE BILL 40 FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ 200,000.00	\$ 211,934.18
Intergovernmental	37,275.00	41,492.50	300.00	-
Interest	-	-	2,500.00	4,855.04
Other	-	-	35,000.00	10,915.54
Transfers In	-	-	-	-
TOTAL RECEIPTS	37,275.00	41,492.50	237,800.00	227,704.76
DISBURSEMENTS				
Contract Services	37,275.00	36,585.00	-	-
Sheltered Workshop Food	-	-	20,000.00	10,926.00
Sheltered Workshop Transportation	-	-	35,000.00	20,616.75
Kenny Rogers Center	-	-	20,000.00	12,539.89
Partnership for Hope	-	-	15,000.00	416.10
Miscellaneous Client Service	-	-	20,000.00	8,000.00
Advertising	-	-	300.00	10.00
Other Miscellaneous Expense	-	-	300.00	100.00
Postage and Delivery	-	-	250.00	-
Professional Fees	-	-	41,500.00	32,750.00
Safe Deposit Box Rental	-	-	20.00	-
Supplies and Materials	-	-	1,579.00	-
Dues and Fees	-	-	-	1,581.00
Office Supplies	-	-	1,350.00	-
Building Maintenance/Utilities	-	-	62,050.00	17,392.10
Landscaping	-	-	5,000.00	-
Paving and Parking	-	-	10,000.00	-
Bus/Transportation	-	-	-	603.66
Insurance	-	-	16,000.00	14,072.00
Furnishings	-	-	10,000.00	1,054.57
Expenses	-	-	120,000.00	-
TOTAL DISBURSEMENTS	37,275.00	36,585.00	378,349.00	120,062.07
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	-	4,907.50	(140,549.00)	107,642.69
CASH BALANCES, JANUARY 1	(6,805.00)	(6,805.00)	867,851.06	867,851.06
CASH BALANCES, DECEMBER 31	<u>\$ (6,805.00)</u>	<u>\$ (1,897.50)</u>	<u>\$ 727,302.06</u>	<u>\$ 975,493.75</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	<u>Surplus Tax</u>	<u>Recorder of Deeds</u>	<u>Fines and Forfeitures</u>	<u>Collector</u>	<u>Sheriff</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,339.60	\$ 13,293.16	\$ 45,562.13	\$ 6,305,685.14	\$ 4,284.30
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	3,339.60	13,293.16	45,562.13	6,305,685.14	4,284.30
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	3,339.60	13,293.16	45,562.13	6,305,685.14	4,284.30
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,339.60</u>	<u>\$ 13,293.16</u>	<u>\$ 45,562.13</u>	<u>\$ 6,305,685.14</u>	<u>\$ 4,284.30</u>

	<u>Federal Confiscated Drug Money</u>	<u>Dep. Sheriff Supplemental Salary</u>	<u>Financial Institution Tax</u>	<u>County Clerk</u>	<u>Total Agency Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 39,928.74	\$ 100.00	\$ 867.82	\$ 826.62	\$ 6,413,887.51
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	39,928.74	100.00	867.82	826.62	6,413,887.51
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	39,928.74	100.00	867.82	826.62	6,413,887.51
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,928.74</u>	<u>\$ 100.00</u>	<u>\$ 867.82</u>	<u>\$ 826.62</u>	<u>\$ 6,413,887.51</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Mississippi, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1845. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk, Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Mississippi County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available or measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019, for purposes of taxation, was:

	<u>2019</u>
Real Estate	\$ 106,184,340
Personal Property	56,972,769
Railroad and Utilities	<u>8,870,218</u>
	<u>\$ 172,027,327</u>

During 2019, the County Commission approved a \$0.8729 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>
General Revenue Fund	\$ 0.3493
Special Road and Bridge Fund	0.3471
Johnson Grass Fund	0.0496
Senate Bill 40 Fund	<u>0.1269</u>
	<u>\$ 0.8729</u>

F. Cash Deposits

Deposits are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such deposits is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, the carrying amount of the County's deposits was \$2,911,831.19, and the bank balance was \$8,547,236.11. The total bank balance as of December 31, 2019, was not fully insured through the Federal Deposit Insurance Corporation and Securities set by the County's Financial Institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances – Governmental Funds</u>	
Deposits and cash equivalents	\$ 2,911,831.19
Total Governmental Funds	<u>2,911,831.19</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>6,413,887.51</u>
Total Agency Funds	<u>6,413,887.51</u>
Total Deposits and Investments as of December 31, 2019	<u>\$ 9,325,718.70</u>

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. DEPOSITS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2019.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the year ended December 31, 2019.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the year ended December 31, 2019.

III. LONG-TERM DEBT

Mississippi County issued Drainage District Improvement Bonds, Series 1999 for Drainage District No. 23 of Mississippi County, dated June 4, 1999, in the original amount of \$165,000. Drainage District No. 23 of Mississippi County loaned \$165,000 to Mississippi County for twenty years at a range of 3.4% to 5.25% per annum. The note matured on May 1, 2019. The purpose and activities of the issuer are those permitted under Chapter 243 of the Revised Statutes of Missouri, as amended (the "Drainage District Bond Law"). Mississippi County issued Drainage District Bond, Series 1999, for the purpose of providing funds to the cost of construction of Drainage District No. 23 improvements.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

As of December 31, 2019, the payments for the taxable general obligation bonds were as follows:

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
Drainage District #23 Bond	\$ 15,000.00	\$ -	\$ 15,000.00	\$ -	\$ 393.75
	<u>\$ 15,000.00</u>	<u>\$ -</u>	<u>\$ 15,000.00</u>	<u>\$ -</u>	<u>\$ 393.75</u>

IV. LEASE PURCHASES

On October 2, 2014, the County entered into a lease purchase agreement with Banterra Bank. The lease was for LED lighting and worth \$70,336.40. The lease required 5 annual payments of \$15,249.69 and carried an interest rate of 2.75%.

On October 9, 2014, the County entered into a lease purchase agreement with Focus Bank. The lease was for a Paver and Truck and worth \$92,300.00. The lease required 5 annual payments of \$20,004.81 and carried an interest rate of 2.74%.

On November 12, 2015, the County entered into a lease purchase agreement with Banterra Bank. The lease is for a 2016 Pickup and worth \$31,930.00. The lease requires 5 annual payments of \$6,835.10 and carries an interest rate of 2.31%.

On October 6, 2016, the County entered into a lease purchase agreement with Banterra Bank. The lease is for a 2016 Motorgrader and worth \$158,490.97. The lease requires 5 annual payments of \$34,104.86 and carries an interest rate of 2.49%.

On July 7, 2017, the County entered into a lease purchase agreement with Focus Bank. The lease is for a Transport Van and worth \$23,500.00. The lease requires 3 annual payments of \$7,463.66 and carries an interest rate of 2.39%.

On September 7, 2017, the County entered into a lease purchase agreement with Banterra Bank. The lease is for three Police Interceptor Vehicles and worth \$91,485.00. The lease requires 5 annual payments of \$19,686.19 and carries an interest rate of 2.49%.

On March 29, 2018, the County entered into a lease purchase agreement with Banterra Bank. The lease is for Sheriff Radios and worth \$46,447.67. The lease requires 5 annual payments of \$10,197.15 and carries an interest rate of 3.19%.

On May 1, 2019, the County entered into a lease purchase agreement with Banterra Bank. The lease is for a new phone system and worth \$17,130.51. The lease requires 3 annual payments of \$6,079.46 and carries an interest rate of 3.20%.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IV. LEASE PURCHASES (concluded)

On June 26, 2019, the County entered into a lease purchase agreement with Citizens Bank. The lease is for a 2019 Motorgrader and worth \$229,737.00. The lease requires 7 annual payments of \$37,530.72 and carries an interest rate of 3.47%.

On September 19, 2019, the County entered into a lease purchase agreement with Citizens Bank. The lease is for a Front-End Loader and worth \$140,000.00. The lease requires 5 annual payments of \$30,692.25 and carries an interest rate of 3.14%.

Lease Purchases	Balance 12/31/18	Additions	Payments	Balance 12/31/19	Interest Paid
LED Lighting	\$ 14,067.28	\$ -	\$ 14,067.28	\$ -	\$ 1,182.41
Paver and Truck	18,460.00	-	18,460.00	-	1,544.81
2016 Pickup	12,772.00	-	6,386.00	6,386.00	449.10
2016 Motorgrader	95,094.57	-	31,698.19	63,396.38	2,406.67
Transport Van	16,450.00	-	7,050.00	9,400.00	413.66
3 Police Vehicles	73,188.00	-	18,297.00	54,891.00	1,389.19
Radios	46,447.67	-	9,289.53	37,158.14	907.62
Phone System	-	17,130.51	-	17,130.51	-
2019 Motorgraders	-	229,737.00	-	229,737.00	-
Front End Loader	-	140,000.00	-	140,000.00	-
	<u>\$ 276,479.52</u>	<u>\$ 386,867.51</u>	<u>\$ 105,248.00</u>	<u>\$ 558,099.03</u>	<u>\$ 8,292.46</u>

As of December 31, 2019, the County had the following Lease Purchase Obligations:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 141,600.46	\$ 13,337.93	\$ 154,938.39
2021	125,814.46	12,475.17	138,289.63
2022	94,116.27	10,069.50	104,185.77
2023	70,109.12	8,311.00	78,420.12
2024	60,819.57	7,403.40	68,222.97
2025-2026	65,639.15	9,422.29	75,061.44
	<u>\$ 558,099.03</u>	<u>\$ 61,019.29</u>	<u>\$ 619,118.32</u>

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Mississippi County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Mississippi County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

	<u>2019 Valuation</u>
Benefit Multiplier:	2.00%
Final Average Salary:	5 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	42	14
Inactive employees entitled to but not yet receiving benefits	11	6
Active employees	38	6
	<u>91</u>	<u>26</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 11.2% (General) and 20.4% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%; net of investment expenses

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019, valuation was based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.51%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 163,441	\$ 38,006
2 Interest on Total Pension Liability	418,643	115,230
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	226,687	(96,881)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(332,220)	(62,017)
7 Net change in total pension liability	476,551	(5,662)
8 Total pension liability - beginning	5,857,298	1,601,180
9 Total pension liability - ending	<u>\$ 6,333,849</u>	<u>\$ 1,595,518</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 137,355	\$ 60,975
2 Contributions - employee	51,726	12,909
3 Net investment income	462,822	81,236
4 Benefit payments, including refunds of employee contributions	(332,220)	(62,017)
5 Pension plan administrative expense	(10,380)	(2,775)
6 Other (net transfer)	222,232	5,918
7 Net change in plan fiduciary net position	531,535	96,246
8 Plan fiduciary net position - beginning	5,870,450	1,281,750
9 Plan fiduciary net position - ending	<u>\$ 6,401,985</u>	<u>\$ 1,377,996</u>
C. Net Pension Liability / (Asset)	<u>\$ (68,136)</u>	<u>\$ 217,522</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.08%	86.37%
E. Covered-Employee Payroll	\$ 1,280,512	\$ 248,306
F. Net Pension Liability as a Percentage of Covered Employee Payroll	(5.32)%	87.60%

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% Decrease 6.25%	Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 7,158,723	\$ 6,333,849	\$ 5,647,131
Plan Fiduciary Net Position	6,401,985	6,401,985	6,401,985
Net Pension Liability / (Asset) (NPL)	\$ 756,738	\$ (68,136)	\$ (754,854)
Police Division:			
Total Pension Liability (TPL)	\$ 1,822,009	\$ 1,595,518	\$ 1,407,279
Plan Fiduciary Net Position	1,377,996	1,377,996	1,377,996
Net Pension Liability / (Asset) (NPL)	\$ 444,013	\$ 217,522	\$ 29,283

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the employer recognized pension expense of \$47,100. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 167,890	\$ (140,419)	\$ 22,438	\$ (67,110)
Changes in assumptions	14,590	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	(204,934)	-	(45,683)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 182,480</u>	<u>\$ (345,353)</u>	<u>\$ 22,438</u>	<u>\$ (112,793)</u>

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2019.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2020	(72,318)	\$ (19,447)
2021	(73,167)	(57,992)
2022	(10,433)	(15,361)
2023	(6,955)	2,445
2024	-	-
Thereafter	-	-
Total	<u>\$ (162,873)</u>	<u>\$ (90,355)</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 442,222.22
Assessment Fund	42,222.22	-
Law Enforcement Fund	400,000.00	-
	<u>\$ 442,222.22</u>	<u>\$ 442,222.22</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the county) are refunded to the employee.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)(concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2019, the County collected and remitted to CERF, employee contributions of approximately \$47,358.92, for the year then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$2,813.15, for the year ended December 31, 2019.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were no participants at December 31, 2019.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Mississippi County provides employees with up to 15 days of paid vacation based upon the number of years of continuous service.

Regular full-time employees who have worked beyond their probationary period with the County who either retire or leave by some other separation shall receive compensation for all of accumulated unused vacation time leave. Sick time is not paid upon separation.

Every employee is expected to take at least some vacation time every year. Vacation is not accrued past the anniversary date of the employee.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the actual expenses exceed those budgeted in the Girl Circle Fund.
- B. For the year ended December 31, 2019, the Girl Circle Fund and the Title II – Sort Fund had a deficit amount of (\$800.00) and (\$1,897.50), respectively.
- C. For the year ended December 31, 2019, the Senior Citizens Fund had a deficit budget amount of (\$10,638.70). The Ditch Supervision Fund had a budget deficit of (\$91.36). The Title II - Sort Fund had a budget deficit of (\$6,805.00).

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Mississippi, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Mississippi ("County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 31, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

Compliance and Other Matters

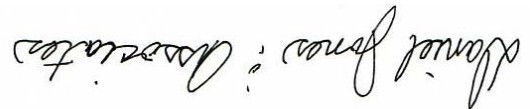
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 31, 2020

I. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (573) 683-2146 x 4.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 Criteria: The Senate Bill 40 deposits held by financial institutions must be fully collateralized through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our review of the Senate Bill 40 bank accounts, it was noted that the Senate Bill 40 deposits were under-collateralized for the year ended December 31, 2019.

Context: The Senate Bill 40 bank accounts were under-collateralized for the year ended December 31, 2019.

Effect: There is a risk that the Senate Bill 40 under-collateralized bank balances may not be returned to the Senate Bill 40 because the balances were not fully collateralized with coverage under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: Brian Menz (Accountant, Menz and Menz LLC) should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

Views of Responsible Officials and Planned Corrective Actions: Brian Menz will monitor this closer in the future. The number for his office is (573) 471-6688.

THE COUNTY OF MISSISSIPPI
CHARLESTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no prior year audit for the year ended December 31, 2018.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 31, 2020

To the Board of Commissioners
County of Mississippi

In planning and performing our audit of the regulatory based financial statements of the County of Mississippi (the "County") as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (573) 683-2146 x 4.

II. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (Concluded)

2019-002 Criteria: The Senate Bill 40 deposits held by financial institutions must be fully collateralized through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our review of the Senate Bill 40 bank accounts, it was noted that the Senate Bill 40 deposits were under-collateralized for the year ended December 31, 2019.

Context: The Senate Bill 40 bank accounts were under-collateralized for the year ended December 31, 2019.

Effect: There is a risk that the Senate Bill 40 under-collateralized bank balances may not be returned to the Senate Bill 40 because the balances were not fully collateralized with coverage under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: Brian Menz (Accountant, Menz and Menz LLC) should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

Views of Responsible Officials and Planned Corrective Actions: Brian Menz will monitor this closer in the future. The number for his office is (573) 471-6688.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events.

III. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff, which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Knox County, Missouri

The Office of the State Auditor contracted for an audit of Knox County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-092



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Knox County

2019-001	The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2019-002	The Sheriff implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.
2019-003	The Prosecuting Attorney's office implement the necessary procedures to ensure that all funds assumed upon entry to the position are accounted for in a custodial capacity and supported by funds held in the bank account.

**The County of Knox
Edina, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019 and 2018**



**The County of Knox
Edina, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2019.....	3
For the year ended December 31, 2018.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2019 and 2018.....	5
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	19
Notes to the Financial Statements.....	20
<u>Compliance Section</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	30
Schedule of Findings and Responses.....	32
Summary Schedule of Prior Year Findings and Responses.....	34

Independent Auditor's Report

To the County Commission and
Officeholders of Knox County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Knox County, Missouri, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Knox County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Knox County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate

compliance with the State of Missouri's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Knox County, Missouri as of December 31, 2019 and 2018, or changes in financial position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Knox County, Missouri as of December 31, 2019 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2020 on our consideration of Knox County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Knox County, Missouri's internal control over financial reporting and compliance.

Shopp & Vantley

Creve Coeur, Missouri
September 4, 2020

The County of Knox
Edina, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 455,847	\$ 1,577,208	\$ 1,084,445	\$ 948,610
Special Road and Bridge	188,756	1,490,994	1,581,827	97,923
Assessment	66,743	128,992	136,779	58,956
Capital Improvement	48,798	197,309	231,068	15,039
Capital Improvement - Courthouse Renovation	171,773	171,861	115,582	228,052
Law Enforcement	2,457	241,621	208,437	35,641
Sheriff's Fee	4,978	4,781	7,283	2,476
Law Enforcement Training	1,169	990	1,152	1,007
Inmate Security	3,671	1,242	132	4,781
Revolving	10,481	1,758	5,861	6,378
Concentrated Animal Feeding Operation	10,091	258	-	10,349
Children's Trust	818	636	-	1,454
Collector's Tax Maintenance	33,870	7,755	3,055	38,570
Economic Development	24	-	-	24
Election Services	18,517	6,938	7,980	17,475
Prosecuting Attorney Administrative Handling Cost	1,493	1,646	594	2,545
Prosecuting Attorney Delinquent Tax	185	1,170	-	1,355
Prosecuting Attorney Training	120	216	83	253
Recorder's Technology	8,445	1,320	85	9,680
Recorder's User Fee	14,064	2,188	1,211	15,041
Restitution	2,982	4,162	2,014	5,130
Sever Lake	69,021	22,606	35,932	55,695
Shop Tools	2,855	686	1,999	1,542
Emergency	-	32,737	-	32,737
Total	<u>\$ 1,117,158</u>	<u>\$ 3,899,074</u>	<u>\$ 3,425,519</u>	<u>\$ 1,590,713</u>

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 218,404	\$ 1,221,680	\$ 984,237	\$ 455,847
Special Road and Bridge	169,175	1,097,181	1,077,600	188,756
Assessment	73,936	130,081	137,274	66,743
Capital Improvement	178,258	165,075	294,535	48,798
Capital Improvement - Courthouse Renovation	118,343	165,142	111,712	171,773
Law Enforcement	5,965	218,811	222,319	2,457
Sheriff's Fee	5,808	4,812	5,642	4,978
Law Enforcement Training	101	1,068	-	1,169
Inmate Security	2,724	1,567	620	3,671
Revolving	11,515	1,018	2,052	10,481
Concentrated Animal Feeding Operation	9,918	173	-	10,091
Children's Trust	9,181	818	9,181	818
Collector's Tax Maintenance	29,606	8,425	4,161	33,870
Economic Development	23	1	-	24
Election Services	13,066	7,556	2,105	18,517
Prosecuting Attorney Administrative Handling Cost	753	1,114	374	1,493
Prosecuting Attorney Delinquent Tax	182	3	-	185
Prosecuting Attorney Training	226	144	250	120
Recorder's Technology	7,143	1,302	-	8,445
Recorder's User Fee	13,213	2,152	1,301	14,064
Restitution	1,446	1,536	-	2,982
Sever Lake	69,546	22,304	22,829	69,021
Shop Tools	111	2,744	-	2,855
Emergency	-	-	-	-
Total	<u>\$ 938,643</u>	<u>\$ 3,054,707</u>	<u>\$ 2,876,192</u>	<u>\$ 1,117,158</u>

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	General Revenue Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 280,000	275,383	\$ 267,260	\$ 282,403
Sales Taxes	590,000	1,078,455	403,000	613,688
Intergovernmental	54,500	38,959	60,000	55,286
Charges for Services	142,622	148,308	137,709	150,830
Interest	4,000	20,743	4,000	6,697
Other Receipts	17,707	15,360	17,242	62,776
Transfers In	-	-	50,000	50,000
Total Receipts	1,088,829	1,577,208	939,211	1,221,680
Disbursements				
County Commission	104,423	102,556	100,552	94,154
County Clerk	70,301	68,936	67,077	66,477
Elections	14,780	13,458	41,590	41,393
Building and Grounds	112,400	104,846	73,170	69,676
Employee Fringe Benefits	117,464	119,071	131,351	123,184
County Treasurer	40,735	39,953	38,700	37,840
Collector	73,249	72,069	70,190	69,982
Recorder of Deeds	45,285	44,976	43,500	42,645
Circuit Clerk	19,800	9,641	18,700	7,737
Public Administrator	18,238	17,344	18,238	17,823
Sheriff	24,000	27,525	20,100	55,515
Jail	40,000	20,961	30,000	37,279
Prosecuting Attorney	80,847	77,613	80,129	75,712
Juvenile Officer	18,207	18,207	18,207	18,207
Coroner	18,193	13,405	17,368	13,488
Health and Welfare	1,200	1,200	1,200	1,200
Debt Service	22,500	21,838	11,020	11,020
Other Disbursements	178,529	143,489	150,497	151,206
Transfers Out	167,357	167,357	69,699	49,699
Emergency Fund	-	-	28,300	-
Total Disbursements	1,167,508	1,084,445	1,029,588	984,237
Receipts Over (Under)				
Disbursements	\$ (78,679)	\$ 492,763	\$ (90,377)	\$ 237,443
Cash and Equivalents, Jan 1	455,847	455,847	218,404	218,404
Cash and Equivalents, Dec 31	\$ 377,168	\$ 948,610	\$ 128,027	\$ 455,847

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Special Road and Bridge Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 540,500	\$ 531,160	\$ 518,484	\$ 551,737
Sales Taxes	-	-	-	-
Intergovernmental	834,187	880,555	886,912	529,192
Charges for Services	3,000	4,714	3,450	9,624
Interest	5,500	10,238	6,500	5,413
Other Receipts	1,000	44,327	1,000	1,215
Transfers In	20,000	20,000	-	-
Total Receipts	<u>1,404,187</u>	<u>1,490,994</u>	<u>1,416,346</u>	<u>1,097,181</u>
<u>Disbursements</u>				
Salaries	363,600	309,062	360,004	341,019
Employee Fringe Benefits	125,900	136,381	99,456	113,447
Supplies	177,000	185,132	178,500	167,680
Insurance	35,000	41,049	30,017	34,179
Road and Bridge Materials	350,000	347,853	240,000	238,918
Equipment Repairs	70,000	106,094	70,000	72,471
Equipment Purchases	448,862	452,691	3,000	-
Road and Bridge Construction	-	-	463,839	24,680
Other Disbursements	11,608	3,565	13,609	35,206
Transfers Out	-	-	58,500	50,000
Total Disbursements	<u>1,581,970</u>	<u>1,581,827</u>	<u>1,516,925</u>	<u>1,077,600</u>
Receipts Over (Under)				
Disbursements	\$ (177,783)	\$ (90,833)	\$ (100,579)	\$ 19,581
Cash and Equivalents, Jan 1	<u>188,756</u>	<u>188,756</u>	<u>169,175</u>	<u>169,175</u>
Cash and Equivalents, Dec 31	<u><u>\$ 10,973</u></u>	<u><u>\$ 97,923</u></u>	<u><u>\$ 68,596</u></u>	<u><u>\$ 188,756</u></u>

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Assessment Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	99,538	100,697	96,290	102,951
Charges for Services	668	623	500	669
Interest	1,600	2,663	1,600	1,762
Other Receipts	500	317	-	-
Transfers In	24,692	24,692	24,699	24,699
Total Receipts	<u>126,998</u>	<u>128,992</u>	<u>123,089</u>	<u>130,081</u>
<u>Disbursements</u>				
Salaries	89,457	89,463	87,976	87,976
Employee Fringe Benefits	36,200	32,536	32,584	28,135
Materials and Supplies	5,900	2,959	5,900	3,954
Services	19,404	4,970	16,904	8,806
Other Disbursements	-	-	-	-
Capital Outlay	9,950	6,851	9,125	8,403
Transfers Out	-	-	-	-
Total Disbursements	<u>160,911</u>	<u>136,779</u>	<u>152,489</u>	<u>137,274</u>
Receipts Over (Under)				
Disbursements	\$ (33,913)	\$ (7,787)	\$ (29,400)	\$ (7,193)
Cash and Equivalents, Jan 1	<u>66,743</u>	<u>66,743</u>	<u>73,936</u>	<u>73,936</u>
Cash and Equivalents, Dec 31	<u>\$ 32,830</u>	<u>\$ 58,956</u>	<u>\$ 44,536</u>	<u>\$ 66,743</u>

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Capital Improvement Fund				Capital Improvement - Courthouse Renovation Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	160,000	166,038	160,000	162,812	160,000	166,573	140,000	162,556
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	2,000	1,271	1,900	2,263	2,500	5,288	500	2,586
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	30,000	30,000	-	-	-	-	-	-
Total Receipts	192,000	197,309	161,900	165,075	162,500	171,861	140,500	165,142
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Debt Service	96,282	96,591	66,687	66,687	-	-	-	-
Capital Outlay	140,500	134,477	267,000	227,848	228,200	115,582	111,733	111,712
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	236,782	231,068	333,687	294,535	228,200	115,582	111,733	111,712
Receipts Over (Under)								
Disbursements	\$ (44,782)	\$ (33,759)	\$ (171,787)	\$ (129,460)	\$ (65,700)	\$ 56,279	\$ 28,767	\$ 53,430
Cash and Equivalents, Jan 1	48,798	48,798	178,258	178,258	171,773	171,773	118,343	118,343
Cash and Equivalents, Dec 31	\$ 4,016	\$ 15,039	\$ 6,471	\$ 48,798	\$ 106,073	\$ 228,052	\$ 147,110	\$ 171,773

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Fund				Sheriff's Fee Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	160,000	166,012	155,382	162,546	-	-	-	-
Intergovernmental	15,500	8,129	24,219	29,203	-	-	-	-
Charges for Services	2,000	2,196	1,900	1,960	4,700	4,667	4,700	4,729
Interest	80	284	125	102	80	114	100	83
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	66,000	65,000	53,100	25,000	-	-	-	-
Total Receipts	243,580	241,621	234,726	218,811	4,780	4,781	4,800	4,812
<u>Disbursements</u>								
Salaries	170,459	159,411	164,252	162,285	-	-	-	-
Employee Fringe Benefits	24,000	12,501	18,000	16,798	-	-	-	-
Materials and Supplies	27,150	22,194	26,350	29,226	-	-	-	-
Services	5,000	4,950	5,000	6,111	5,000	1,590	5,000	3,217
Other Disbursements	4,000	2,258	4,000	4,250	-	-	-	1,425
Capital Outlay	7,200	7,123	6,419	3,649	4,500	5,693	5,000	1,000
Transfers Out	-	-	-	-	-	-	600	-
Total Disbursements	237,809	208,437	224,021	222,319	9,500	7,283	10,600	5,642
Receipts Over (Under)								
Disbursements	\$ 5,771	\$ 33,184	\$ 10,705	\$ (3,508)	\$ (4,720)	\$ (2,502)	\$ (5,800)	\$ (830)
Cash and Equivalents, Jan 1	2,457	2,457	5,965	5,965	4,978	4,978	5,808	5,808
Cash and Equivalents, Dec 31	<u>\$ 8,228</u>	<u>\$ 35,641</u>	<u>\$ 16,670</u>	<u>\$ 2,457</u>	<u>\$ 258</u>	<u>\$ 2,476</u>	<u>\$ 8</u>	<u>\$ 4,978</u>

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Training Fund				Inmate Security Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	500	-	500	-	-	-	-
Charges for Services	550	468	550	560	1,450	1,126	1,530	1,511
Interest	5	22	2	8	48	116	40	56
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	555	990	552	1,068	1,498	1,242	1,570	1,567
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	700	-
Services	1,400	1,152	653	-	-	-	200	-
Other Disbursements	-	-	-	-	-	-	-	620
Capital Outlay	-	-	-	-	1,000	132	1,000	-
Transfers Out	-	-	-	-	1,000	-	1,500	-
Total Disbursements	1,400	1,152	653	-	2,000	132	3,400	620
Receipts Over (Under)								
Disbursements	\$ (845)	\$ (162)	\$ (101)	\$ 1,068	\$ (502)	\$ 1,110	\$ (1,830)	\$ 947
Cash and Equivalents, Jan 1	1,169	1,169	101	101	3,671	3,671	2,724	2,724
Cash and Equivalents, Dec 31	\$ 324	\$ 1,007	\$ -	\$ 1,169	\$ 3,169	\$ 4,781	\$ 894	\$ 3,671

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Revolving Fund				Concentrated Animal Feeding Operation Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,457	1,517	2,900	813	-	-	-	-
Interest	227	241	170	205	130	258	130	173
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	1,684	1,758	3,070	1,018	130	258	130	173
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	1,500	-	3,340	486	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	6,716	5,861	7,600	1,566	-	-	-	-
Transfers Out	-	-	1,000	-	-	-	-	-
Total Disbursements	8,216	5,861	11,940	2,052	-	-	-	-
Receipts Over (Under)								
Disbursements	\$ (6,532)	\$ (4,103)	\$ (8,870)	\$ (1,034)	\$ 130	\$ 258	\$ 130	\$ 173
Cash and Equivalents, Jan 1	10,481	10,481	11,515	11,515	10,091	10,091	9,918	9,918
Cash and Equivalents, Dec 31	\$ 3,949	\$ 6,378	\$ 2,645	\$ 10,481	\$ 10,221	\$ 10,349	\$ 10,048	\$ 10,091

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Children's Trust Fund				Collector's Tax Maintenance Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	750	606	740	760	6,500	6,741	5,580	7,842
Interest	50	30	20	58	475	1,014	420	583
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	800	636	760	818	6,975	7,755	6,000	8,425
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	700	30	700	639
Services	-	-	9,181	9,181	3,800	1,590	3,500	1,961
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	3,000	1,435	4,000	1,561
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	9,181	9,181	7,500	3,055	8,200	4,161
Receipts Over (Under)								
Disbursements	\$ 800	\$ 636	\$ (8,421)	\$ (8,363)	\$ (525)	\$ 4,700	\$ (2,200)	\$ 4,264
Cash and Equivalents, Jan 1	818	818	9,181	9,181	33,870	33,870	29,606	29,606
Cash and Equivalents, Dec 31	\$ 1,618	\$ 1,454	\$ 760	\$ 818	\$ 33,345	\$ 38,570	\$ 27,406	\$ 33,870

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Economic Development Fund				Election Services Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,592	446	1,700	1,514
Charges for Services	-	-	-	-	2,900	5,890	2,340	5,763
Interest	-	-	-	1	250	602	125	279
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	1	4,742	6,938	4,165	7,556
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	6,000	1,144	6,000	764
Services	-	-	-	-	4,000	208	2,000	63
Other Disbursements	-	-	-	-	1,392	-	1,400	-
Capital Outlay	-	-	-	-	9,000	6,628	2,000	1,278
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	20,392	7,980	11,400	2,105
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ 1	\$ (15,650)	\$ (1,042)	\$ (7,235)	\$ 5,451
Cash and Equivalents, Jan 1	24	24	23	23	18,517	18,517	13,066	13,066
Cash and Equivalents, Dec 31	\$ 24	\$ 24	\$ 23	\$ 24	\$ 2,867	\$ 17,475	\$ 5,831	\$ 18,517

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Prosecuting Attorney Administrative Handling Cost Fund				Prosecuting Attorney Delinquent Tax Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	200	1,585	1,000	1,090	-	1,162	-	-
Interest	10	61	5	24	2	8	2	3
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	210	1,646	1,005	1,114	2	1,170	2	3
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	750	357	500	259	-	-	-	-
Other Disbursements	500	237	500	115	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	1,250	594	1,000	374	-	-	-	-
Receipts Over (Under)								
Disbursements	\$ (1,040)	\$ 1,052	\$ 5	\$ 740	\$ 2	\$ 1,170	\$ 2	\$ 3
Cash and Equivalents, Jan 1	1,493	1,493	753	753	185	185	182	182
Cash and Equivalents, Dec 31	\$ 453	\$ 2,545	\$ 758	\$ 1,493	\$ 187	\$ 1,355	\$ 184	\$ 185

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Prosecuting Attorney Training Fund				Recorder's Technology Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	140	212	135	142	1,000	1,110	1,000	1,166
Interest	1	4	4	2	100	210	80	136
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>141</u>	<u>216</u>	<u>139</u>	<u>144</u>	<u>1,100</u>	<u>1,320</u>	<u>1,080</u>	<u>1,302</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	250	83	250	250	-	-	-	-
Other Disbursements	-	-	-	-	500	85	500	-
Capital Outlay	-	-	-	-	1,000	-	1,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>250</u>	<u>83</u>	<u>250</u>	<u>250</u>	<u>1,500</u>	<u>85</u>	<u>1,500</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ (109)	\$ 133	\$ (111)	\$ (106)	\$ (400)	\$ 1,235	\$ (420)	\$ 1,302
Cash and Equivalents, Jan 1	<u>120</u>	<u>120</u>	<u>226</u>	<u>226</u>	<u>8,445</u>	<u>8,445</u>	<u>7,143</u>	<u>7,143</u>
Cash and Equivalents, Dec 31	<u>\$ 11</u>	<u>\$ 253</u>	<u>\$ 115</u>	<u>\$ 120</u>	<u>\$ 8,045</u>	<u>\$ 9,680</u>	<u>\$ 6,723</u>	<u>\$ 8,445</u>

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Recorder's User Fee Fund				Restitution Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,800	1,775	1,800	1,920	800	4,065	100	1,500
Interest	150	413	150	232	18	97	19	36
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	1,950	2,188	1,950	2,152	818	4,162	119	1,536
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	300	-	300	-	-	-	-	-
Services	950	295	950	-	-	-	-	-
Other Disbursements	500	-	500	-	-	-	-	-
Capital Outlay	4,000	916	4,000	1,301	3,000	2,014	1,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	5,750	1,211	5,750	1,301	3,000	2,014	1,000	-
Receipts Over (Under)								
Disbursements	\$ (3,800)	\$ 977	\$ (3,800)	\$ 851	\$ (2,182)	\$ 2,148	\$ (881)	\$ 1,536
Cash and Equivalents, Jan 1	14,064	14,064	13,213	13,213	2,982	2,982	1,446	1,446
Cash and Equivalents, Dec 31	<u>\$ 10,264</u>	<u>\$ 15,041</u>	<u>\$ 9,413</u>	<u>\$ 14,064</u>	<u>\$ 800</u>	<u>\$ 5,130</u>	<u>\$ 565</u>	<u>\$ 2,982</u>

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Sever Lake Fund				Shop Tools Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	20,699	20,699	20,000	21,087	-	-	-	-
Interest	900	1,781	900	1,196	1	80	3	18
Other Receipts	20	126	-	21	-	606	-	2,726
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	21,619	22,606	20,900	22,304	1	686	3	2,744
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	11,100	3,667	15,100	8,794	2,000	1,999	-	-
Services	13,300	9,186	13,300	9,162	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	20,000	18,079	17,400	4,873	-	-	-	-
Transfers Out	5,000	5,000	5,000	-	-	-	-	-
Total Disbursements	49,400	35,932	50,800	22,829	2,000	1,999	-	-
Receipts Over (Under)								
Disbursements	\$ (27,781)	\$ (13,326)	\$ (29,900)	\$ (525)	\$ (1,999)	\$ (1,313)	\$ 3	\$ 2,744
Cash and Equivalents, Jan 1	69,021	69,021	69,546	69,546	2,855	2,855	111	111
Cash and Equivalents, Dec 31	\$ 41,240	\$ 55,695	\$ 39,646	\$ 69,021	\$ 856	\$ 1,542	\$ 114	\$ 2,855

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Emergency Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	72	-	-
Other Receipts	-	-	-	-
Transfers In	32,665	32,665	-	-
Total Receipts	32,665	32,737	-	-
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	32,665	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	32,665	-	-	-
Receipts Over (Under)				
Disbursements	\$ -	\$ 32,737	\$ -	\$ -
Cash and Equivalents, Jan 1	-	-	-	-
Cash and Equivalents, Dec 31	\$ -	\$ 32,737	\$ -	\$ -

See Notes to the Financial Statements

The County of Knox
Edina, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2019 and 2018

	2019						
	Collector	County Clerk	Recorder	Prosecuting Attorney	Sheriff	Treasurer	Total
Assets							
Cash and Equivalents	\$ 4,154,079	\$ -	\$ -	\$ 2,044	\$ 2	\$ 49,092	\$ 4,205,217
Total Assets	4,154,079	-	-	2,044	2	49,092	4,205,217
Liabilities and Fund Balances							
Total Liabilities	4,154,079	-	-	2,044	2	49,092	4,205,217
	4,154,079	-	-	2,044	2	49,092	4,205,217
Fund Balances	-	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 4,154,079	\$ -	\$ -	\$ 2,044	\$ 2	\$ 49,092	\$ 4,205,217
	2018						
	Collector-Treasurer	County Clerk	Recorder	Prosecuting Attorney*	Sheriff	Treasurer	Total
Assets							
Cash and Equivalents	\$ 3,674,273	\$ 5,757	\$ -	N/A	\$ 5	\$ 46,612	\$ 3,726,647
Total Assets	3,674,273	5,757	-	N/A	5	46,612	3,726,647
Liabilities and Fund Balances							
Total Liabilities	3,674,273	5,757	-	N/A	5	46,612	3,726,647
	3,674,273	5,757	-	N/A	5	46,612	3,726,647
Fund Balances	-	-	-	N/A	-	-	-
Total Liabilities and Fund Balances	\$ 3,674,273	\$ 5,757	\$ -	N/A	\$ 5	\$ 46,612	\$ 3,726,647

*Balances for December 31, 2018 were not available.

See Notes to the Financial Statements

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies

Organized in 1845, the county of Knox was named after Revolutionary War General Henry Knox. It is a third-class county, and the county seat is Edina. Knox County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Knox County, Missouri.

Knox County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Knox County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Knox County's legal entity.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Knox County and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Knox County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50, RSMo., the County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Knox County's boundaries for the calendar year 2019 and 2018, for the purposes of taxation was:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 45,118,490	\$ 44,532,380
Personal Property	25,173,279	23,817,100
Railroad and Utilities	17,817,855	13,896,228
	<u>\$ 88,109,624</u>	<u>\$ 82,245,708</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 and 2018, respectively, for the purpose of County taxation, was as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.3341	\$ 0.3318
Special Road and Bridge Fund	0.6562	0.6606

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Knox County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Knox County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statements of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 5,795,930	\$ 4,836,564
Investments	-	-
Total Deposits and Investments as of December 31, 2019	<u>\$ 5,795,930</u>	<u>\$ 4,836,564</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 1,590,713	
Total Cash and Equivalents - Agency Funds	<u>4,205,217</u>	
	<u>\$ 5,795,930</u>	

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 4,843,805	\$ 3,985,419
Investments	-	-
Total Deposits and Investments as of December 31, 2018	<u>\$ 4,843,805</u>	<u>\$ 3,985,419</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 1,117,158	
Total Cash and Equivalents - Agency Funds	<u>3,726,647</u>	
	<u>\$ 4,843,805</u>	

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2019 and 2018, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

Note 3 - Long-Term Debt

In 2015, the County entered into a lease-purchase agreement to finance the purchase of two 2015 Dodge Ram 1500 Crew Cab 4x4 trucks at a cost of \$51,018. The agreement requires five annual payments of \$11,020, which includes interest payable at 2.59%. This lease was paid in full ahead of schedule in 2019.

In 2015, the County entered into a lease-purchase agreement to finance the purchase of a Caterpillar 140M2AWD Motor Grader at a cost of \$100,150. The agreement requires seven annual payments of \$16,196, which includes interest payable at 3.20%.

In 2015, the County entered into a lease-purchase agreement to finance the purchase of a Caterpillar 140M3AWD Motor Grader at a cost of \$216,961. The agreement requires seven annual payments of \$35,086, which includes interest payable at 3.20%.

In 2016, the County issued \$1,250,000 in Series 2016 Certificates of Participation for the purpose of paying for renovations and improvements to the County courthouse. Funds from a dedicated sales tax are used to make principal and interest payments. The certificates bear interest at 1.50% - 3.50% and mature in October of 2031. Principal payments range from \$75,000 - \$100,000, annually.

In 2016, the County entered into a lease-purchase agreement to finance the purchase of a Caterpillar 420F Backhoe Loader at a cost of \$70,150. The agreement requires five annual payments of \$15,405, which includes interest payable at 3.20%. This lease was paid in full ahead of schedule in 2019.

The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 3 - Long-Term Debt (continued)

In 2019, the County entered into a lease-purchase agreement to finance the purchase of a 2018 Komatsu PC210LC-11 Hydraulic Excavator and a 2019 Mack P164 truck at a cost of \$354,825. The agreement requires three annual payments of \$131,536, which includes interest payable at 5.50%. This lease was paid in full ahead of schedule in 2019.

	Balance at 1/1/2019	Amount Borrowed	Amount Repaid	Balance at 12/31/2019	Interest Paid During Year
Dodge Ram 1500 Trucks	\$ 21,202	\$ -	\$ (21,202)	\$ -	\$ 636
CAT 140M2AWD Motor Grader	59,916	-	(14,279)	45,637	1,917
CAT 140M3AWD Motor Grader	129,799	-	(30,933)	98,866	4,154
Series 2016 COP's	1,175,000	-	(80,000)	1,095,000	33,700
CAT 420F Backhoe Loader	43,409	-	(43,409)	-	1,899
Excavator/Truck	-	354,825	(354,825)	-	9,603
	<u>\$ 1,429,326</u>	<u>\$ 354,825</u>	<u>\$ (544,648)</u>	<u>\$ 1,239,503</u>	<u>\$ 51,909</u>

	Balance at 1/1/2018	Amount Borrowed	Amount Repaid	Balance at 12/31/2018	Interest Paid During Year
Dodge Ram 1500 Trucks	\$ 31,399	\$ -	\$ (10,197)	\$ 21,202	\$ 823
CAT 140M2AWD Motor Grader	73,752	-	(13,836)	59,916	2,360
CAT 140M3AWD Motor Grader	159,773	-	(29,974)	129,799	5,113
Series 2016 COP's	1,250,000	-	(75,000)	1,175,000	34,825
CAT 420F Backhoe Loader	56,990	-	(13,581)	43,409	1,824
Excavator/Truck	-	-	-	-	-
	<u>\$ 1,571,914</u>	<u>\$ -</u>	<u>\$ (142,588)</u>	<u>\$ 1,429,326</u>	<u>\$ 44,945</u>

As of December 31, 2019, the schedule of future payments of long-term debt of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 126,658	\$ 37,124	\$ 163,782
2021	128,151	34,031	162,182
2022	129,694	30,888	160,582
2023	85,000	27,300	112,300
2024	85,000	25,175	110,175
2025-2029	485,000	85,338	570,338
2030-2031	200,000	10,500	210,500
Total	<u>\$ 1,239,503</u>	<u>\$ 250,356</u>	<u>\$ 1,489,859</u>

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 4 - Interfund Transfers

Transfers between funds for the years ended December 31, 2019 and 2018 are as follows:

<u>Fund</u>	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 167,357	\$ 50,000	\$ 49,699
Special Road and Bridge Fund	20,000	-	-	50,000
Assessment Fund	24,692	-	24,699	-
Capital Improvement Fund	30,000	-	-	-
Law Enforcement Fund	65,000	-	25,000	-
Sever Lake Fund	-	5,000	-	-
Emergency Fund	32,665	-	-	-
Total	<u>\$ 172,357</u>	<u>\$ 172,357</u>	<u>\$ 99,699</u>	<u>\$ 99,699</u>

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo., circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo., and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 5 - State of Missouri County Employees' Retirement Fund (CERF) (continued)

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elected to make all or a portion of the required 6% contribution on behalf of employees. During 2019 and 2018, the County collected and remitted to CERF, employee contributions of \$41,651 and \$43,244 for the years ended, respectively.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$45,100 and \$43,705 for the years ended December 31, 2019 and 2018, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo., the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2019 and 2018.

Note 7 - Other Retirement Plans

Knox County has voluntary 457 and 401(a) plans administered by Norwest Bank which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 457 plan were \$18,464 and \$17,375, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 401(a) plan were \$5,697 and \$6,000, respectively.

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 8 - Post Employment Benefits

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of such matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

Vacation time is accrued for every eligible employee in the County and accrues at a rate of up to two weeks per year. The County provides full-time employees and part-time employees who occupy regular budgeted positions with sick time, which accrues at two days per calendar month of employment up to ninety days. Upon termination, no payment will be made for unused vacation or sick days. These have not been subjected to auditing procedures.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through September 4, 2020, the date the financial statements were available to be issued.

**The County of Knox
Edina, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 11 - Subsequent Events (continued)

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

To the County Commission and
Officeholders of Knox County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Knox County, Missouri as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Knox County, Missouri's basic financial statements, and have issued our report thereon dated September 4, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Knox County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Knox County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Knox County, Missouri's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019-003 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-001 and 2019-002 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Knox County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Knox County, Missouri's Responses to Findings

Knox County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Knox County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Creve Coeur, Missouri
September 4, 2020

**The County of Knox
Edina, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018**

Financial Statement Findings

2019-001 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 397-2184.

2019-002 **Criteria:** The Sheriff is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per accounting records agree to the cash balances held in the bank.

Condition: For the year ended December 31, 2018, the Sheriff's office failed to perform timely bank reconciliations.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the Sheriff's cash balances due to error or misappropriation is heightened.

Cause: The reconciled bank balance was not being compared to the balances of the funds on hand per the Sheriff's records.

Recommendation: We recommend that the Sheriff implement the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis.

Management's Response: The Sheriff's office has implemented the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis, and the procedures were implemented in the year ended December 31, 2019. The phone number for the Sheriff's office is (660) 397-2186.

**The County of Knox
Edina, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018**

Financial Statement Findings (continued)

2019-003 **Criteria:** The Prosecuting Attorney is charged with maintaining accountability over funds in a trustee capacity as an agent of an individual, taxing units, or other government. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per accounting records agree to the cash balances held in the bank.

Condition: For the year ended December 31, 2018, the Prosecuting Attorney's was unable to provide bank statements and reconciliations which support the cash balances held.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the Prosecuting Attorney's cash balances due to error or misappropriation is heightened.

Cause: The previously elected Prosecuting Attorney did not provide bank statements and reconciliations to the current office holder upon completion of her term. The prior office holder provided a narrative accounting of funds turned over, however, bank statements supporting the accounting were not provided.

Recommendation: We recommend that the Prosecuting Attorney's office implement the necessary procedures to ensure that all funds assumed upon entry to the position are accounted for in a custodial capacity and supported by funds held in the bank account.

Management's Response: The Prosecuting Attorney's office has attempted to obtain a court order to compel the bank to provide bank statements of the prior office holder, however, attempts to do so have remained unsuccessful. The Prosecuting Attorney's office has reviewed the accounting of the prior office holder's summary of funds and attempted to reconcile the accounting to the cash turned over upon assuming the duties of the office. The Prosecuting Attorney has also implemented the necessary procedures to ensure that the bank balance reconciles to the book balance on a monthly basis, and the procedures were implemented in the year ended December 31, 2019. The phone number for the Prosecuting Attorney's office is (660) 397-2658.

**The County of Knox
Edina, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2019 and 2018**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Knox County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

Prior Year Financial Statement Findings

1 Budgetary Controls Not in Compliance with State Law

Condition: We noted the following issue with the County's budgeting process during our audit:

The County Commission and other county officials did not exercise adequate budgetary control over two funds during the audit period. Expenditures were approved for payment that exceeded the approved budget for the following funds as shown below:

<u>Fund</u>	<u>Year</u>	<u>Amount</u>
Law Enforcement Training	2015	\$ 335
Law Enforcement Training	2014	423
Prosecuting Attorney Crime	2015	1,263
Prosecuting Attorney Crime	2014	2,060

Criteria: Section 50.540 RSMo. requires that the budget be revised prior to authorizing expenditures in excess of the budget.

Cause: County officials did not prepare amended budgets for the two funds.

Effect: The County Commission and the County Clerk did not follow state law and budgetary guidelines on the preparation of budget documents.

Recommendation:

A. The County Commission and County Clerk should ensure amended budgets are prepared and formally approved and filed with the state as required by state law.

B. The County Commission should not approve expenditures in excess of budgeted amounts. The County Commission should properly amend the budgets in a public meeting when unforeseen circumstances arise that necessitate increased expenditures in any fund.

Management's Response: In the future, we will make a more assertive effort to monitor the balances in all the budget funds. We will be more proactive in amending the budget when necessary.

Status: Management has corrected this issue, and therefore, the finding will not be repeated.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Chariton County, Missouri

The Office of the State Auditor contracted for an audit of Chariton County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-091



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Chariton County

2019-001	The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, procedures should be developed to ensure that expenditures do not exceed available funds.
2019-002	The county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-003	The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**The County of Chariton
Keytesville, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019 and 2018**



**The County of Chariton
Keytesville, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2019.....	3
For the year ended December 31, 2018.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2019 and 2018.....	5
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	21
Notes to the Financial Statements.....	22
<u>Compliance Section</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31
Schedule of Findings and Responses.....	33
Summary Schedule of Prior Year Findings and Responses.....	35

Independent Auditor's Report

To the County Commission and
Officeholders of Chariton County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Chariton County, Missouri, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Chariton County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Chariton County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws,

which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Chariton County, Missouri as of December 31, 2019 and 2018, or changes in financial position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Chariton County, Missouri as of December 31, 2019 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2020 on our consideration of Chariton County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chariton County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
September 4, 2020

The County of Chariton
Keytesville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 6,005,433	\$ 1,963,023	\$ 1,311,211	\$ 6,657,245
Special Road and Bridge	89,074	806,429	838,163	57,340
Assessment	549,985	342,326	270,064	622,247
Law Enforcement Sales Tax	4,110	639,787	581,876	62,021
Election Services	40,293	6,741	3,360	43,674
Tax Maintenance	15,692	9,815	13,691	11,816
Deputy Sheriff Salary Supplementation	(284)	36,984	33,314	3,386
Law Enforcement Training	274	1,243	1,280	237
Prosecuting Attorney Training	502	411	-	913
Prosecuting Attorney Tax Fee	173	-	-	173
County Law Enforcement Restitution	11,079	4,649	4,518	11,210
Victims of Domestic Violence	65	182	200	47
Administrative Handling Cost	4,953	621	2,395	3,179
Recorder	20,880	7,880	1,553	27,207
Sheriff	8,014	4,729	3,122	9,621
Local Emergency Planning Committee	6,530	3,406	2,336	7,600
County Sheriff's Revolving	762	2,389	256	2,895
Inmate Prisoner Detainee Security	1,237	616	-	1,853
Drainage District No. 3	10,454	785	-	11,239
Drainage District No. 4	112,520	19,300	10,000	121,820
Drainage District No. 6	4,453	262	-	4,715
Drainage District No. 7	5,417	854	-	6,271
Drainage District No. 8	95	2	-	97
Drainage District No. 17	140	3	-	143
Drainage District No. 18	19,289	1,058	-	20,347
Drainage District No. 19	6,854	159	-	7,013
Drainage District No. 20	8,479	2,293	-	10,772
Senior Citizens Service Board	15,618	115,236	122,854	8,000
Senate Bill 40 Board	499,144	194,214	275,968	417,390
Total	<u>\$ 7,441,235</u>	<u>\$ 4,165,397</u>	<u>\$ 3,476,161</u>	<u>\$ 8,130,471</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 5,445,778	\$ 2,041,100	\$ 1,481,445	\$ 6,005,433
Special Road and Bridge	255,230	804,303	970,459	89,074
Assessment	474,473	288,845	213,333	549,985
Law Enforcement Sales Tax	-	585,764	581,654	4,110
Election Services	34,571	9,464	3,742	40,293
Tax Maintenance	17,124	9,627	11,059	15,692
Deputy Sheriff Salary Supplementation	3,667	34,446	38,397	(284)
Law Enforcement Training	236	1,355	1,317	274
Prosecuting Attorney Training	481	227	206	502
Prosecuting Attorney Tax Fee	173	-	-	173
County Law Enforcement Restitution	10,443	2,189	1,553	11,079
Victims of Domestic Violence	117	198	250	65
Administrative Handling Cost	6,620	901	2,568	4,953
Recorder	19,034	8,446	6,600	20,880
Sheriff	6,597	5,923	4,506	8,014
Local Emergency Planning Committee	6,533	3,457	3,460	6,530
County Sheriff's Revolving	94	668	-	762
Inmate Prisoner Detainee Security	1,491	746	1,000	1,237
Drainage District No. 3	10,683	811	1,040	10,454
Drainage District No. 4	93,408	19,112	-	112,520
Drainage District No. 6	4,197	256	-	4,453
Drainage District No. 7	4,515	902	-	5,417
Drainage District No. 8	93	2	-	95
Drainage District No. 17	137	3	-	140
Drainage District No. 18	18,276	1,013	-	19,289
Drainage District No. 19	6,714	140	-	6,854
Drainage District No. 20	43,433	2,986	37,940	8,479
Senior Citizens Service Board	29,948	122,533	136,863	15,618
Senate Bill 40 Board	448,693	197,595	147,144	499,144
Total	<u>\$ 6,942,759</u>	<u>\$ 4,143,012</u>	<u>\$ 3,644,536</u>	<u>\$ 7,441,235</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	General Revenue Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 719,500	673,438	\$ 744,500	\$ 689,519
Sales Taxes	595,000	510,200	480,000	593,477
Intergovernmental	67,450	42,141	76,000	93,206
Charges for Services	493,800	503,531	477,300	482,694
Interest	118,000	158,049	70,800	126,590
Other Receipts	58,140	75,664	65,070	54,614
Transfers In	-	-	1,000	1,000
Total Receipts	2,051,890	1,963,023	1,914,670	2,041,100
Disbursements				
County Commission	94,520	88,014	94,520	88,298
County Clerk	154,300	142,053	155,714	135,177
Elections	31,500	22,271	100,000	63,007
Building and Grounds	414,018	182,251	443,394	233,566
Employee Fringe Benefits	172,370	125,829	176,870	128,407
Collector-Treasurer	99,875	92,227	97,088	92,065
Circuit Clerk	57,823	44,854	57,036	51,150
Court Administration	42,780	20,021	57,130	33,586
Public Administrator	28,150	28,498	27,950	26,754
Sheriff	268,750	144,873	252,650	119,435
Jail	135,500	66,602	135,500	55,509
Prosecuting Attorney	93,525	82,657	85,683	81,084
Juvenile Officer	37,835	31,139	37,835	31,807
Coroner	31,635	21,443	31,635	17,415
Health and Welfare	1,000	-	1,000	-
Other Disbursements	186,510	158,479	167,260	144,185
Transfers Out	319,198	60,000	497,430	180,000
Emergency Fund	61,600	-	57,500	-
Total Disbursements	2,230,889	1,311,211	2,476,195	1,481,445
Receipts Over (Under)				
Disbursements	\$ (178,999)	\$ 651,812	\$ (561,525)	\$ 559,655
Cash and Equivalents, Jan 1	6,005,433	6,005,433	5,445,778	5,445,778
Cash and Equivalents, Dec 31	\$ 5,826,434	\$ 6,657,245	\$ 4,884,253	\$ 6,005,433

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Special Road and Bridge Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	795,760	791,542	725,540	785,978
Charges for Services	-	-	-	-
Interest	6,000	4,850	5,000	6,736
Other Receipts	5,500	10,037	40,500	11,589
Transfers In	248,500	-	245,000	-
Total Receipts	1,055,760	806,429	1,016,040	804,303
<u>Disbursements</u>				
Salaries	139,166	122,258	136,254	134,954
Employee Fringe Benefits	67,700	50,846	65,650	53,399
Supplies	6,050	4,906	6,150	4,287
Insurance	13,000	14,054	11,500	11,670
Equipment Repairs	17,500	6,058	27,500	21,796
Equipment Purchases	68,000	7,034	216,000	78,257
Road and Bridge Construction	736,850	594,197	702,900	588,528
Other Disbursements	96,389	38,810	101,000	77,568
Transfers Out	-	-	-	-
Total Disbursements	1,144,655	838,163	1,266,954	970,459
Receipts Over (Under)				
Disbursements	\$ (88,895)	\$ (31,734)	\$ (250,914)	\$ (166,156)
Cash and Equivalents, Jan 1	89,074	89,074	255,230	255,230
Cash and Equivalents, Dec 31	\$ 179	\$ 57,340	\$ 4,316	\$ 89,074

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Assessment Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	276,234	322,160	276,234	271,207
Charges for Services	-	-	-	-
Interest	12,500	16,090	7,000	12,368
Other Receipts	4,500	4,076	5,250	5,270
Transfers In	-	-	-	-
Total Receipts	<u>293,234</u>	<u>342,326</u>	<u>288,484</u>	<u>288,845</u>
<u>Disbursements</u>				
Salaries	150,652	130,652	153,741	128,741
Employee Fringe Benefits	47,961	45,052	48,139	43,757
Materials and Supplies	16,500	5,902	14,000	8,721
Services	126,250	78,235	120,750	27,240
Other Disbursements	-	-	-	-
Capital Outlay	15,000	10,223	10,000	4,874
Transfers Out	-	-	-	-
Total Disbursements	<u>356,363</u>	<u>270,064</u>	<u>346,630</u>	<u>213,333</u>
Receipts Over (Under)				
Disbursements	\$ (63,129)	\$ 72,262	\$ (58,146)	\$ 75,512
Cash and Equivalents, Jan 1	<u>549,985</u>	<u>549,985</u>	<u>474,473</u>	<u>474,473</u>
Cash and Equivalents, Dec 31	<u><u>\$ 486,856</u></u>	<u><u>\$ 622,247</u></u>	<u><u>\$ 416,327</u></u>	<u><u>\$ 549,985</u></u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Sales Tax Fund				Election Services Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	350,000	337,728	320,000	348,675	-	-	-	-
Intergovernmental	200,000	207,200	50,000	48,440	2,650	2,650	2,665	2,665
Charges for Services	-	-	-	-	2,750	3,131	6,285	6,043
Interest	700	1,824	300	642	850	960	450	756
Other Receipts	32,730	32,505	18,000	6,900	-	-	-	-
Transfers In	71,998	60,530	254,430	181,107	-	-	-	-
Total Receipts	655,428	639,787	642,730	585,764	6,250	6,741	9,400	9,464
Disbursements								
Salaries	490,038	438,056	481,930	446,302	-	-	-	-
Employee Fringe Benefits	169,500	143,820	160,800	135,352	-	-	-	-
Materials and Supplies	-	-	-	-	4,000	-	1,000	451
Services	-	-	-	-	1,400	710	1,400	626
Other Disbursements	-	-	-	-	2,650	2,650	2,665	2,665
Capital Outlay	-	-	-	-	7,500	-	11,000	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	659,538	581,876	642,730	581,654	15,550	3,360	16,065	3,742
Receipts Over (Under)								
Disbursements	\$ (4,110)	\$ 57,911	\$ -	\$ 4,110	\$ (9,300)	\$ 3,381	\$ (6,665)	\$ 5,722
Cash and Equivalents, Jan 1	4,110	4,110	-	-	40,293	40,293	34,571	34,571
Cash and Equivalents, Dec 31	\$ -	\$ 62,021	\$ -	\$ 4,110	\$ 30,993	\$ 43,674	\$ 27,906	\$ 40,293

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Tax Maintenance Fund				Deputy Sheriff Salary Supplementation Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	37,900	34,511	35,000	31,471
Charges for Services	9,500	9,387	10,500	9,272	3,100	2,390	3,000	2,910
Interest	350	428	250	355	100	83	50	65
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	9,850	9,815	10,750	9,627	41,100	36,984	38,050	34,446
Disbursements								
Salaries	-	-	-	-	31,128	27,476	31,512	31,090
Employee Fringe Benefits	-	-	-	-	3,600	2,901	3,300	3,270
Materials and Supplies	3,500	2,548	3,500	3,151	-	-	-	-
Services	7,250	3,751	7,450	5,045	-	-	-	-
Other Disbursements	-	-	-	-	3,100	2,407	3,000	2,930
Capital Outlay	7,500	7,392	10,000	2,863	-	-	-	-
Transfers Out	-	-	-	-	1,300	530	2,000	1,107
Total Disbursements	18,250	13,691	20,950	11,059	39,128	33,314	39,812	38,397
Receipts Over (Under)								
Disbursements	\$ (8,400)	\$ (3,876)	\$ (10,200)	\$ (1,432)	\$ 1,972	\$ 3,670	\$ (1,762)	\$ (3,951)
Cash and Equivalents, Jan 1	15,692	15,692	17,124	17,124	(284)	(284)	3,667	3,667
Cash and Equivalents, Dec 31	\$ 7,292	\$ 11,816	\$ 6,924	\$ 15,692	\$ 1,688	\$ 3,386	\$ 1,905	\$ (284)

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Training Fund				Prosecuting Attorney Training Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,000	1,232	1,500	1,344	300	394	300	214
Interest	20	11	10	11	5	17	20	13
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	2,020	1,243	1,510	1,355	305	411	320	227
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	1,200	530	900	567	450	-	450	206
Other Disbursements	1,000	750	750	750	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	2,200	1,280	1,650	1,317	450	-	450	206
Receipts Over (Under)								
Disbursements	\$ (180)	\$ (37)	\$ (140)	\$ 38	\$ (145)	\$ 411	\$ (130)	\$ 21
Cash and Equivalents, Jan 1	274	274	236	236	502	502	481	481
Cash and Equivalents, Dec 31	\$ 94	\$ 237	\$ 96	\$ 274	\$ 357	\$ 913	\$ 351	\$ 502

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Prosecuting Attorney Tax Fee Fund				County Law Enforcement Restitution Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	2,000	4,400	3,000	1,974
Interest	-	-	-	-	200	249	125	215
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	2,200	4,649	3,125	2,189
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	2,400	2,028	1,800	1,553
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,000	2,490	5,500	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	-	-	-	-	7,400	4,518	7,300	1,553
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ (5,200)	\$ 131	\$ (4,175)	\$ 636
Cash and Equivalents, Jan 1	173	173	173	173	11,079	11,079	10,443	10,443
Cash and Equivalents, Dec 31	\$ 173	\$ 173	\$ 173	\$ 173	\$ 5,879	\$ 11,210	\$ 6,268	\$ 11,079

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Victims of Domestic Violence Fund				Administrative Handling Cost Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	205	182	255	198	1,053	550	700	790
Interest	-	-	-	-	100	71	100	111
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	205	182	255	198	1,153	621	800	901
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	1,000	798	1,000	674
Services	200	200	250	250	2,200	1,547	2,200	1,814
Other Disbursements	-	-	-	-	100	50	100	80
Capital Outlay	-	-	-	-	500	-	500	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	200	200	250	250	3,800	2,395	3,800	2,568
Receipts Over (Under)								
Disbursements	\$ 5	\$ (18)	\$ 5	\$ (52)	\$ (2,647)	\$ (1,774)	\$ (3,000)	\$ (1,667)
Cash and Equivalents, Jan 1	65	65	117	117	4,953	4,953	6,620	6,620
Cash and Equivalents, Dec 31	\$ 70	\$ 47	\$ 122	\$ 65	\$ 2,306	\$ 3,179	\$ 3,620	\$ 4,953

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Recorder Fund				Sheriff Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	8,000	7,322	8,000	8,001	6,000	4,540	5,000	5,780
Interest	300	558	200	445	100	189	100	143
Other Receipts	-	-	-	-	2,250	-	2,250	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	8,300	7,880	8,200	8,446	8,350	4,729	7,350	5,923
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,000	287	1,000	942	4,450	620	4,100	1,496
Services	7,500	1,266	7,000	5,658	5,000	1,492	5,000	2,107
Other Disbursements	-	-	-	-	1,750	1,010	1,750	903
Capital Outlay	1,000	-	1,000	-	2,400	-	2,400	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	9,500	1,553	9,000	6,600	13,600	3,122	13,250	4,506
Receipts Over (Under)								
Disbursements	\$ (1,200)	\$ 6,327	\$ (800)	\$ 1,846	\$ (5,250)	\$ 1,607	\$ (5,900)	\$ 1,417
Cash and Equivalents, Jan 1	20,880	20,880	19,034	19,034	8,014	8,014	6,597	6,597
Cash and Equivalents, Dec 31	<u>\$ 19,680</u>	<u>\$ 27,207</u>	<u>\$ 18,234</u>	<u>\$ 20,880</u>	<u>\$ 2,764</u>	<u>\$ 9,621</u>	<u>\$ 697</u>	<u>\$ 8,014</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Local Emergency Planning Committee Fund				County Sheriff's Revolving Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	3,200	3,276	3,200	3,356	-	-	-	-
Charges for Services	-	-	60	-	600	2,346	100	660
Interest	60	130	-	101	8	43	-	8
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	3,260	3,406	3,260	3,457	608	2,389	100	668
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	225	-	225	11	-	256	-	-
Services	2,400	1,861	2,400	1,800	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	4,000	475	3,000	1,649	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	6,625	2,336	5,625	3,460	-	256	-	-
Receipts Over (Under)								
Disbursements	\$ (3,365)	\$ 1,070	\$ (2,365)	\$ (3)	\$ 608	\$ 2,133	\$ 100	\$ 668
Cash and Equivalents, Jan 1	6,530	6,530	6,533	6,533	762	762	94	94
Cash and Equivalents, Dec 31	\$ 3,165	\$ 7,600	\$ 4,168	\$ 6,530	\$ 1,370	\$ 2,895	\$ 194	\$ 762

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Inmate Prisoner Detainee Security Fund				Drainage District No. 3 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 585	\$ 530	\$ 585	\$ 578
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,000	580	600	727	-	-	-	-
Interest	25	36	15	19	200	255	135	233
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	1,025	616	615	746	785	785	720	811
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	50	-	50	-
Services	-	-	-	-	5,000	-	5,000	1,040
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	1,000	1,000	-	-	-	-
Total Disbursements	-	-	1,000	1,000	5,050	-	5,050	1,040
Receipts Over (Under)								
Disbursements	\$ 1,025	\$ 616	\$ (385)	\$ (254)	\$ (4,265)	\$ 785	\$ (4,330)	\$ (229)
Cash and Equivalents, Jan 1	1,237	1,237	1,491	1,491	10,454	10,454	10,683	10,683
Cash and Equivalents, Dec 31	<u>\$ 2,262</u>	<u>\$ 1,853</u>	<u>\$ 1,106</u>	<u>\$ 1,237</u>	<u>\$ 6,189</u>	<u>\$ 11,239</u>	<u>\$ 6,353</u>	<u>\$ 10,454</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 4 Fund				Drainage District No. 6 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 18,300	\$ 16,340	\$ 18,300	\$ 16,853	\$ 185	\$ 155	\$ 185	\$ 166
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	2,500	2,960	1,500	2,259	100	107	55	90
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	20,800	19,300	19,800	19,112	285	262	240	256
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	500	-	200	-	50	-	50	-
Services	80,000	10,000	80,000	-	2,000	-	2,000	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	80,500	10,000	80,200	-	2,050	-	2,050	-
Receipts Over (Under)								
Disbursements	\$ (59,700)	\$ 9,300	\$ (60,400)	\$ 19,112	\$ (1,765)	\$ 262	\$ (1,810)	\$ 256
Cash and Equivalents, Jan 1	112,520	112,520	93,408	93,408	4,453	4,453	4,197	4,197
Cash and Equivalents, Dec 31	\$ 52,820	\$ 121,820	\$ 33,008	\$ 112,520	\$ 2,688	\$ 4,715	\$ 2,387	\$ 4,453

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 7 Fund				Drainage District No. 8 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 810	\$ 718	\$ 810	\$ 797	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	100	136	55	105	2	2	1	2
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	910	854	865	902	2	2	1	2
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	50	-	-	-	-	-
Services	4,000	-	5,000	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	4,050	-	5,050	-	-	-	-	-
Receipts Over (Under)								
Disbursements	\$ (3,140)	\$ 854	\$ (4,185)	\$ 902	\$ 2	\$ 2	\$ 1	\$ 2
Cash and Equivalents, Jan 1	5,417	5,417	4,515	4,515	95	95	93	93
Cash and Equivalents, Dec 31	\$ 2,277	\$ 6,271	\$ 330	\$ 5,417	\$ 97	\$ 97	\$ 94	\$ 95

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 17 Fund				Drainage District No. 18 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 620	\$ 596	\$ 620	\$ 619
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	3	3	2	3	380	462	280	394
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>3</u>	<u>3</u>	<u>2</u>	<u>3</u>	<u>1,000</u>	<u>1,058</u>	<u>900</u>	<u>1,013</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	50	-	50	-
Services	-	-	-	-	10,000	-	5,000	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,050</u>	<u>-</u>	<u>5,050</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ 3	\$ 3	\$ 2	\$ 3	\$ (9,050)	\$ 1,058	\$ (4,150)	\$ 1,013
Cash and Equivalents, Jan 1	<u>140</u>	<u>140</u>	<u>137</u>	<u>137</u>	<u>19,289</u>	<u>19,289</u>	<u>18,276</u>	<u>18,276</u>
Cash and Equivalents, Dec 31	<u>\$ 143</u>	<u>\$ 143</u>	<u>\$ 139</u>	<u>\$ 140</u>	<u>\$ 10,239</u>	<u>\$ 20,347</u>	<u>\$ 14,126</u>	<u>\$ 19,289</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Drainage District No. 19 Fund				Drainage District No. 20 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,450	\$ 2,054	\$ 2,450	\$ 2,619
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	150	159	100	140	250	239	550	367
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	150	159	100	140	2,700	2,293	3,000	2,986
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50	-	-	-	50	-	50	-
Services	5,000	-	5,000	-	10,000	-	20,000	37,940
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	5,050	-	5,000	-	10,050	-	20,050	37,940
Receipts Over (Under)								
Disbursements	\$ (4,900)	\$ 159	\$ (4,900)	\$ 140	\$ (7,350)	\$ 2,293	\$ (17,050)	\$ (34,954)
Cash and Equivalents, Jan 1	6,854	6,854	6,714	6,714	8,479	8,479	43,433	43,433
Cash and Equivalents, Dec 31	<u>\$ 1,954</u>	<u>\$ 7,013</u>	<u>\$ 1,814</u>	<u>\$ 6,854</u>	<u>\$ 1,129</u>	<u>\$ 10,772</u>	<u>\$ 26,383</u>	<u>\$ 8,479</u>

See Notes to the Financial Statements

The County of Chariton
Keytesville, Missouri
Comparative Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Senior Citizens Service Board Fund				Senate Bill 40 Board Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 109,000	\$ 113,693	\$ 113,000	\$ 106,098	\$ 196,540	\$ 185,198	\$ 203,187	\$ 192,810
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	5,000	9,016	3,000	4,785
Other Receipts	-	1,543	-	16,435	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>109,000</u>	<u>115,236</u>	<u>113,000</u>	<u>122,533</u>	<u>201,540</u>	<u>194,214</u>	<u>206,187</u>	<u>197,595</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	520	283	510	695	300	835	300	50
Services	123,000	122,571	140,000	136,168	347,225	275,133	217,551	147,094
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>123,520</u>	<u>122,854</u>	<u>140,510</u>	<u>136,863</u>	<u>347,525</u>	<u>275,968</u>	<u>217,851</u>	<u>147,144</u>
Receipts Over (Under)								
Disbursements	\$ (14,520)	\$ (7,618)	\$ (27,510)	\$ (14,330)	\$ (145,985)	\$ (81,754)	\$ (11,664)	\$ 50,451
Cash and Equivalents, Jan 1	<u>15,618</u>	<u>15,618</u>	<u>29,948</u>	<u>29,948</u>	<u>499,144</u>	<u>499,144</u>	<u>448,693</u>	<u>448,693</u>
Cash and Equivalents, Dec 31	<u>\$ 1,098</u>	<u>\$ 8,000</u>	<u>\$ 2,438</u>	<u>\$ 15,618</u>	<u>\$ 353,159</u>	<u>\$ 417,390</u>	<u>\$ 437,029</u>	<u>\$ 499,144</u>

See Notes to the Financial Statements

	2018				
	Collector-Treasurer	Recorder	Prosecuting Attorney	Sheriff	Total
Assets					
Cash and Equivalents	\$ 10,762,744	\$ 4,415	\$ -	\$ 2,145	\$ 10,769,304
Total Assets	10,762,744	4,415	-	2,145	10,769,304
Liabilities and Fund Balances					
Total Liabilities	10,762,744	4,415	-	2,145	10,769,304
	10,762,744	4,415	-	2,145	10,769,304
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 10,762,744	\$ 4,415	\$ -	\$ 2,145	\$ 10,769,304

21

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies

Organized in 1820, the county of Chariton is named for the Chariton River. It is a third-class county, and the county seat is Keytesville. Chariton County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector-Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk/*ex-officio* Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Chariton County, Missouri, the Chariton County Senior Citizens Service Board, and the Chariton County Senate Bill 40 Board.

Chariton County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Chariton County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Chariton County's legal entity. The Senior Citizens Service Board and the Senate Bill 40 Board are controlled by separate boards and are also included under the control of the County.

Certain elected County officials, such as the County Collector-Treasurer, *Ex-officio* Recorder, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Chariton County and the comparisons of such information with the corresponding budgeted information for all funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Chariton County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo., Chariton County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2019: County Sheriff's Revolving Fund. The following fund had actual expenditures which exceeded the budgeted expenditures in 2018: Drainage District No. 20 Fund. The following fund expended more funds than available, resulting in a deficit fund balance in 2018: Deputy Sheriff Salary Supplementation Fund.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Chariton County's boundaries for the calendar year 2019 and 2018, for the purposes of taxation was:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 78,077,830	\$ 69,218,330
Personal Property	40,670,860	41,926,400
Railroad and Utilities	125,770,348	134,897,232
	<u>\$ 244,519,038</u>	<u>\$ 246,041,962</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 and 2018, respectively, for the purpose of County taxation, was as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.2650	\$ 0.2750
Special Road and Bridge Fund	0.1000	0.1000
Senior Citizens Service Board Fund	0.0500	0.0500
Senate Bill 40 Board Fund	0.0800	0.0800

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Collector-Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statements of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 18,597,232	\$ 18,337,755
Investments	919,772	919,772
Total Deposits and Investments as of December 31, 2019	<u>\$ 19,517,004</u>	<u>\$ 19,257,527</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 8,130,471	
Total Cash and Equivalents - Agency Funds	11,386,533	
	<u>\$ 19,517,004</u>	

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 17,227,615	\$ 15,982,572
Investments	982,924	982,924
Total Deposits and Investments as of December 31, 2018	<u>\$ 18,210,539</u>	<u>\$ 16,965,496</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 7,441,235	
Total Cash and Equivalents - Agency Funds	10,769,304	
	<u>\$ 18,210,539</u>	

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2019 and 2018, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Chariton County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2019 Balance	% of Portfolio	2018 Balance	% of Portfolio
Merchants and Farmers Bank	Cert. of Deposit	\$ 539,177	58.62%	\$ 526,809	53.60%
Regional Missouri Bank	Cert. of Deposit	105,992	11.52%	104,105	10.59%
Regional Missouri Bank	Cert. of Deposit	274,603	29.86%	201,575	20.51%
Regional Missouri Bank	Cert. of Deposit	-	n/a	150,435	15.30%

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 3 - Interfund Transfers

Transfers between funds for the years ended December 31, 2019 and 2018 are as follows:

<u>Fund</u>	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 60,000	\$ 1,000	\$ 180,000
Law Enforcement Sales Tax Fund	60,530	-	181,107	-
Deputy Sheriff Salary Supplementation Fund	-	530	-	1,107
Inmate Prisoner Detainee Security Fund	-	-	-	1,000
Total	<u>\$ 60,530</u>	<u>\$ 60,530</u>	<u>\$ 182,107</u>	<u>\$ 182,107</u>

Note 4 - Local Government Employees Retirement System (LAGERS)

Plan Description

The County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute Sections 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri, 65102, by calling (800) 447-4334, or by visiting the LAGERS website at www.molagers.org.

Benefits Provided

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police) and early retirement age is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and the amount of credited service time.

Contributions

Full-time employees of the County contribute 4% to the pension plan. The January 1st statutorily required contribution rates were 7.10% (General) and 3.50% (Police) of annual covered payroll for the year ended December 31, 2019, and 8.00% (General) and 3.20% (Police) of annual covered payroll for the year ended December 31, 2018. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2019 and 2018, the County contributed \$62,071 and \$70,266, respectively.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo., circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo., and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. During 2019 and 2018, the County remitted to CERF, employee contributions of \$25,445 and \$23,893, respectively, for the years ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 5 - State of Missouri County Employees' Retirement Fund (CERF) (continued)

- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$59,396 and \$52,551 for the years ended December 31, 2019 and 2018, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo., the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2019 and 2018.

Note 7 - Other Retirement Plans

Chariton County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by deductions from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 457 plan were \$34,294 and \$34,003, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 401(a) plan were \$519 and \$405, respectively.

Note 8 - Post Employment Benefits

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

Regular full-time employees who have completed twelve consecutive calendar months of service are eligible to receive vacation time as follows: 1 to 2 years, 1 week; 2 to 10 years, 2 weeks; and over 10 years, 3 weeks. Employees may accumulate and carry forward vacation leave as follows: 1-10 years of continuous services, 20 days; and, over 10 years of continuous service, 30 days. Upon termination of employment, an employee with more than one year of service will receive equivalent cash reimbursement for all unused accrued vacation leave. These have not been subject to auditing procedures.

The County of Chariton
Keytesville, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 9 - Claims, Commitments, and Contingencies (continued)

Compensated Absences (continued)

Regular full-time employees earn one full day of sick leave for each complete calendar month of employment. Sick leave may accrue up to a maximum of 30 days. Upon termination of employment, no payment will be made for unused sick days.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Other Commitments

In 2009, the County adopted a resolution authorizing the creation of the Chariton County, Missouri Enhanced Enterprise Zone Board. Part of the County's taxing district contains a development area subject to an Enhanced Enterprise Zone (EEZ) plan where the County must abate 50% of the real property tax assessed on improvements. If approved, the abatements within the EEZ must continue for 10 years if the business maintains operations and eligibility with special provisions allowing for up to 25 years. Future amounts abated are based on maintaining operations and eligibility and cannot be estimated.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through September 4, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

To the County Commission and
Officeholders of Chariton County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Chariton County, Missouri as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Chariton County, Missouri's basic financial statements, and have issued our report thereon dated September 4, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chariton County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Chariton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Chariton County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-002 and 2019-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chariton County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a

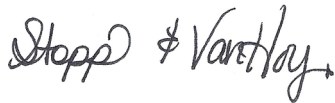
direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and responses as item 2019-001.

Chariton County, Missouri's Responses to Findings

Chariton County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Chariton County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
September 4, 2020

The County of Chariton
Keytesville, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018

Financial Statement Findings

2019-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit. Additionally, expenditures are not to exceed available funds, resulting in a deficit fund balance available.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2019: County Sheriff's Revolving Fund. The following fund had actual expenditures which exceeded the budgeted expenditures in 2018: Drainage District No. 20 Fund. The following fund expended more funds than available, resulting in a deficit fund balance in 2018: Deputy Sheriff Salary Supplementation Fund.

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and expending funds in excess of funds available in certain funds.

Cause: Oversight

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, procedures should be developed to ensure that expenditures do not exceed available funds.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure compliance with Chapter 50, RSMo., and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 288-3273.

2019-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: Management has not prepared documentation of internal controls.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 288-3273.

The County of Chariton
Keytesville, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018

Financial Statement Findings (continued)

2019-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 288-3273.

The County of Chariton
Keytesville, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2019 and 2018

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Chariton County, Missouri, on the applicable findings in the prior audit report issued for the year ended December 31, 2015.

Prior Year Financial Statement Findings

None



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Benton County, Missouri

The Office of the State Auditor contracted for an audit of Benton County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-090



Recommendations in the contracted audit of Benton County

2019-001	The county periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.
2019-002	The county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-003	The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2019-004	The county utilize their accounting software to track cash and fund balances. Due to the nature of corrections that need to be made within the accounting software, it may require the county to engage a qualified accounting firm or software specialist who is knowledgeable with the software that the county uses to fully correct this issue.

**The County of Benton
Warsaw, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019**



**The County of Benton
Warsaw, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis For the year ended December 31, 2019.....	3
Statement of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis For the year ended December 31, 2019.....	4
Statement of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	17
Notes to the Financial Statements.....	18
<u>Compliance Section</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	28
Schedule of Findings and Responses.....	30
Summary Schedule of Prior Year Findings and Questioned Costs.....	32

Independent Auditor's Report

To the County Commission and
Officeholders of Benton County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Benton County, Missouri, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Benton County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Benton County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws,

which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Benton County, Missouri as of December 31, 2019, or changes in financial position or cash flows thereof for the year then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

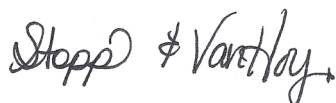
Benton County, Missouri has not adequately tracked cash and fund balances for all funds of the County for the year ended December 31, 2019. We were unable to verify that the beginning and ending bank balances reconcile to cash and fund balances on the fund level. The amounts by which cash and fund balances are misstated, although not reasonably determinable, are presumed to be material.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the matter described in the preceding paragraph, in all material respects, the cash balances of each fund of Benton County, Missouri as of December 31, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2020 on our consideration of Benton County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Benton County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
August 13, 2020

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 384,870	\$ 2,796,835	\$ 2,708,041	\$ 473,664
Special Road and Bridge	809,260	1,606,850	1,701,908	714,202
Assessment	472,179	399,441	323,382	548,238
Capital Improvement	1,131,827	1,121,885	804,920	1,448,792
E-911	221,952	793,905	759,929	255,928
Adult Abuse	2,701	5,312	5,467	2,546
Law Enforcement	6,660	1,929	3,542	5,047
Prosecuting Attorney Training	266	1,008	250	1,024
Prosecuting Attorney Bad Check	32,007	2,563	7,899	26,671
Recorder User	36,793	17,874	7,076	47,591
Sheriff Civil	14,430	20,626	31,516	3,540
Drug Abuse Resistance Education (DARE)	1,768	2,637	1,505	2,900
Sheriff Revolving	27,726	13,451	10,428	30,749
Sheriff Inmate Security	21,655	17,216	9,303	29,568
Election Services	1,516	634	856	1,294
Help America Vote Act (HAVA)	720	3,287	3,187	820
General Investment	302,917	8,814	-	311,731
County Aid Road Trust Investment	52,067	592,748	592,289	52,526
Tax Maintenance	42,200	35,271	41,032	36,439
Administrative Handling Cost	2,940	2,514	-	5,454
Law Enforcement Sales Tax	15,485	261,356	226,468	50,373
Jail Sales Tax	72,091	1,028,062	576,534	523,619
Senior Citizens Services Board	53,493	134,076	125,070	62,499
Total	<u>\$ 3,707,523</u>	<u>\$ 8,868,294</u>	<u>\$ 7,940,602</u>	<u>\$ 4,635,215</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	General Revenue Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 375,158	\$ 362,578
Sales Taxes	1,304,057	1,304,057
Intergovernmental	509,551	474,845
Charges for Services	433,683	448,687
Interest	20,000	18,013
Other Receipts	104,499	67,797
Transfers In	137,919	120,858
Total Receipts	2,884,867	2,796,835
<u>Disbursements</u>		
County Commission	112,550	102,173
County Clerk	99,647	96,890
Elections	65,221	43,289
Building and Grounds	65,121	58,713
Employee Fringe Benefits	325,295	309,369
County Treasurer	52,931	51,840
Collector	154,501	129,948
Recorder of Deeds	86,679	86,304
Circuit Clerk	38,200	15,740
Court Administration	18,527	11,772
Public Administrator	66,404	63,987
Sheriff	847,635	820,394
Jail	352,894	309,818
Prosecuting Attorney	300,758	290,618
Juvenile Officer	45,325	40,904
Coroner	63,055	62,086
Emergency Management	42,211	41,028
Extension Office	27,000	25,307
Other Disbursements	131,156	123,101
Transfers Out	24,760	24,760
Emergency Fund	86,550	-
Total Disbursements	3,006,420	2,708,041
Receipts Over (Under)		
Disbursements	\$ (121,553)	\$ 88,794
Cash and Equivalents, Jan 1	384,870	384,870
Cash and Equivalents, Dec 31	\$ 263,317	\$ 473,664

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Special Road and Bridge Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ 571,615	\$ 567,166
Sales Taxes	-	-
Intergovernmental	343,588	333,204
Charges for Services	-	-
Interest	22,000	17,784
Other Receipts	100,372	96,407
Transfers In	592,289	592,289
Total Receipts	1,629,864	1,606,850
<u>Disbursements</u>		
Salaries	478,466	474,737
Employee Fringe Benefits	135,917	123,304
Supplies	169,672	160,528
Insurance	42,000	36,854
Road and Bridge Materials	250,621	147,394
Equipment Repairs	130,000	122,598
Equipment Purchases	436,366	433,971
Road and Bridge Construction	149,100	100,392
Other Disbursements	75,237	67,529
Transfers Out	43,608	34,601
Total Disbursements	1,910,987	1,701,908
Receipts Over (Under)		
Disbursements	\$ (281,123)	\$ (95,058)
Cash and Equivalents, Jan 1	809,260	809,260
Cash and Equivalents, Dec 31	\$ 528,137	\$ 714,202

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Assessment Fund	
	Budget	Actual
<u>Receipts</u>		
Property Taxes	\$ -	\$ -
Sales Taxes	-	-
Intergovernmental	351,444	351,444
Charges for Services	1,725	1,737
Interest	15,000	14,031
Other Receipts	8,000	7,469
Transfers In	24,760	24,760
Total Receipts	400,929	399,441
<u>Disbursements</u>		
Salaries	240,964	203,415
Employee Fringe Benefits	62,379	39,081
Materials and Supplies	25,600	21,029
Services	16,200	8,507
Other Disbursements	-	-
Capital Outlay	97,411	51,350
Transfers Out	-	-
Total Disbursements	442,554	323,382
Receipts Over (Under)		
Disbursements	\$ (41,625)	\$ 76,059
Cash and Equivalents, Jan 1	472,179	472,179
Cash and Equivalents, Dec 31	\$ 430,554	\$ 548,238

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Capital Improvement Fund		E-911 Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,041,281	1,041,281	780,956	780,956
Intergovernmental	-	-	-	-
Charges for Services	-	-	6,366	5,866
Interest	34,740	32,273	7,500	7,016
Other Receipts	71,900	45,144	75	67
Transfers In	3,187	3,187	-	-
Total Receipts	<u>1,151,108</u>	<u>1,121,885</u>	<u>794,897</u>	<u>793,905</u>
<u>Disbursements</u>				
Salaries	-	-	492,345	441,321
Employee Fringe Benefits	-	-	107,860	68,293
Materials and Supplies	-	-	13,400	9,983
Services	40,000	39,463	56,269	50,547
Other Disbursements	66,515	66,515	960	960
Capital Outlay	1,438,614	685,766	196,382	188,825
Transfers Out	16,230	13,176	-	-
Total Disbursements	<u>1,561,359</u>	<u>804,920</u>	<u>867,216</u>	<u>759,929</u>
Receipts Over (Under)				
Disbursements	\$ (410,251)	\$ 316,965	\$ (72,319)	\$ 33,976
Cash and Equivalents, Jan 1	<u>1,131,827</u>	<u>1,131,827</u>	<u>221,952</u>	<u>221,952</u>
Cash and Equivalents, Dec 31	<u>\$ 721,576</u>	<u>\$ 1,448,792</u>	<u>\$ 149,633</u>	<u>\$ 255,928</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Adult Abuse Fund		Law Enforcement Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	6,870	5,276	2,696	1,929
Interest	40	36	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>6,910</u>	<u>5,312</u>	<u>2,696</u>	<u>1,929</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	6,000	5,467	5,500	3,542
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>6,000</u>	<u>5,467</u>	<u>5,500</u>	<u>3,542</u>
Receipts Over (Under)				
Disbursements	\$ 910	\$ (155)	\$ (2,804)	\$ (1,613)
Cash and Equivalents, Jan 1	<u>2,701</u>	<u>2,701</u>	<u>6,660</u>	<u>6,660</u>
Cash and Equivalents, Dec 31	<u>\$ 3,611</u>	<u>\$ 2,546</u>	<u>\$ 3,856</u>	<u>\$ 5,047</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Prosecuting Attorney Training Fund		Prosecuting Attorney Bad Check Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	1,324	1,008	3,500	1,867
Interest	-	-	700	696
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>1,324</u>	<u>1,008</u>	<u>4,200</u>	<u>2,563</u>
<u>Disbursements</u>				
Salaries	-	-	1,000	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	1,000	250	9,899	7,899
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	<u>1,000</u>	<u>250</u>	<u>10,899</u>	<u>7,899</u>
Receipts Over (Under)				
Disbursements	\$ 324	\$ 758	\$ (6,699)	\$ (5,336)
Cash and Equivalents, Jan 1	<u>266</u>	<u>266</u>	<u>32,007</u>	<u>32,007</u>
Cash and Equivalents, Dec 31	<u>\$ 590</u>	<u>\$ 1,024</u>	<u>\$ 25,308</u>	<u>\$ 26,671</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Recorder User Fund		Sheriff Civil Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	19,000	16,930	20,630	20,626
Interest	1,100	944	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>20,100</u>	<u>17,874</u>	<u>20,630</u>	<u>20,626</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	500	301	2,000	316
Services	12,250	6,716	-	-
Other Disbursements	300	59	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	31,200	31,200
Total Disbursements	<u>13,050</u>	<u>7,076</u>	<u>33,200</u>	<u>31,516</u>
Receipts Over (Under)				
Disbursements	\$ 7,050	\$ 10,798	\$ (12,570)	\$ (10,890)
Cash and Equivalents, Jan 1	<u>36,793</u>	<u>36,793</u>	<u>14,430</u>	<u>14,430</u>
Cash and Equivalents, Dec 31	<u>\$ 43,843</u>	<u>\$ 47,591</u>	<u>\$ 1,860</u>	<u>\$ 3,540</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Drug Abuse Resistance Education (DARE) Fund		Sheriff Revolving Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	13,996	12,509
Interest	50	37	1,100	942
Other Receipts	3,000	2,600	-	-
Transfers In	-	-	-	-
Total Receipts	<u>3,050</u>	<u>2,637</u>	<u>15,096</u>	<u>13,451</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	3,000	1,505	-	-
Services	-	-	10,400	1,738
Other Disbursements	-	-	1,738	6,170
Capital Outlay	-	-	2,000	2,000
Transfers Out	-	-	520	520
Total Disbursements	<u>3,000</u>	<u>1,505</u>	<u>14,658</u>	<u>10,428</u>
Receipts Over (Under)				
Disbursements	\$ 50	\$ 1,132	\$ 438	\$ 3,023
Cash and Equivalents, Jan 1	<u>1,768</u>	<u>1,768</u>	<u>27,726</u>	<u>27,726</u>
Cash and Equivalents, Dec 31	<u>\$ 1,818</u>	<u>\$ 2,900</u>	<u>\$ 28,164</u>	<u>\$ 30,749</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Sheriff Inmate Security Fund		Election Services Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	22,241	16,661	1,000	634
Interest	600	555	-	-
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>22,841</u>	<u>17,216</u>	<u>1,000</u>	<u>634</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	8,000	4,500	-	-
Services	15,000	4,803	800	781
Other Disbursements	-	-	-	-
Capital Outlay	-	-	200	75
Transfers Out	-	-	-	-
Total Disbursements	<u>23,000</u>	<u>9,303</u>	<u>1,000</u>	<u>856</u>
Receipts Over (Under)				
Disbursements	\$ (159)	\$ 7,913	\$ -	\$ (222)
Cash and Equivalents, Jan 1	<u>21,655</u>	<u>21,655</u>	<u>1,516</u>	<u>1,516</u>
Cash and Equivalents, Dec 31	<u>\$ 21,496</u>	<u>\$ 29,568</u>	<u>\$ 1,516</u>	<u>\$ 1,294</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Help America Vote Act (HAVA) Fund		General Investment Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	3,187	3,187	-	-
Charges for Services	200	100	-	-
Interest	-	-	9,000	8,814
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>3,387</u>	<u>3,287</u>	<u>9,000</u>	<u>8,814</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	3,187	3,187	-	-
Total Disbursements	<u>3,187</u>	<u>3,187</u>	<u>-</u>	<u>-</u>
Receipts Over (Under)				
Disbursements	\$ 200	\$ 100	\$ 9,000	\$ 8,814
Cash and Equivalents, Jan 1	<u>720</u>	<u>720</u>	<u>302,917</u>	<u>302,917</u>
Cash and Equivalents, Dec 31	<u>\$ 920</u>	<u>\$ 820</u>	<u>\$ 311,917</u>	<u>\$ 311,731</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	County Aid Road Trust		Tax Maintenance Fund	
	Investment Fund			
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	585,894	585,894	-	-
Charges for Services	-	-	35,622	34,453
Interest	6,854	6,854	441	818
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>592,748</u>	<u>592,748</u>	<u>36,063</u>	<u>35,271</u>
<u>Disbursements</u>				
Salaries	-	-	4,800	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	2,500	1,185
Services	-	-	2,200	1,874
Other Disbursements	-	-	650	1,185
Capital Outlay	-	-	1,500	16,788
Transfers Out	592,289	592,289	20,000	20,000
Total Disbursements	<u>592,289</u>	<u>592,289</u>	<u>31,650</u>	<u>41,032</u>
Receipts Over (Under)				
Disbursements	\$ 459	\$ 459	\$ 4,413	\$ (5,761)
Cash and Equivalents, Jan 1	<u>52,067</u>	<u>52,067</u>	<u>42,200</u>	<u>42,200</u>
Cash and Equivalents, Dec 31	<u><u>\$ 52,526</u></u>	<u><u>\$ 52,526</u></u>	<u><u>\$ 46,613</u></u>	<u><u>\$ 36,439</u></u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Administrative Handling Cost Fund		Law Enforcement Sales Tax Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	260,573	260,573
Intergovernmental	-	-	-	-
Charges for Services	2,514	2,514	-	-
Interest	-	-	1,400	783
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	<u>2,514</u>	<u>2,514</u>	<u>261,973</u>	<u>261,356</u>
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	1,000	-	-	-
Services	-	-	218,638	205,107
Other Disbursements	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	21,361	21,361
Total Disbursements	<u>1,000</u>	<u>-</u>	<u>239,999</u>	<u>226,468</u>
Receipts Over (Under)				
Disbursements	\$ 1,514	\$ 2,514	\$ 21,974	\$ 34,888
Cash and Equivalents, Jan 1	<u>2,940</u>	<u>2,940</u>	<u>15,485</u>	<u>15,485</u>
Cash and Equivalents, Dec 31	<u>\$ 4,454</u>	<u>\$ 5,454</u>	<u>\$ 37,459</u>	<u>\$ 50,373</u>

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

	Jail Sales Tax Fund		Senior Citizens Services Board Fund	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ 132,000	\$ 131,817
Sales Taxes	1,022,652	1,022,652	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	5,410	5,410	600	1,070
Other Receipts	-	-	-	1,189
Transfers In	-	-	-	-
Total Receipts	1,028,062	1,028,062	132,600	134,076
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	50	-
Services	-	-	125,388	125,070
Other Disbursements	-	-	100	-
Capital Outlay	711,000	576,534	-	-
Debt Service	241,194	-	-	-
Transfers Out	-	-	-	-
Total Disbursements	952,194	576,534	125,538	125,070
Receipts Over (Under)				
Disbursements	\$ 75,868	\$ 451,528	\$ 7,062	\$ 9,006
Cash and Equivalents, Jan 1	72,091	72,091	53,493	53,493
Cash and Equivalents, Dec 31	\$ 147,959	\$ 523,619	\$ 60,555	\$ 62,499

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Statement of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2019

	Collector	Recorder	Sheriff	Treasurer	Total
Assets					
Cash and Equivalents	\$ 10,892,785	\$ 15,987	\$ 6,893	\$ 234,403	\$ 11,150,068
Total Assets	10,892,785	15,987	6,893	234,403	11,150,068
Liabilities and Fund Balances					
Total Liabilities	10,892,785	15,987	6,893	234,403	11,150,068
	10,892,785	15,987	6,893	234,403	11,150,068
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 10,892,785	\$ 15,987	\$ 6,893	\$ 234,403	\$ 11,150,068

See Notes to the Financial Statements

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies

Organized in 1835, the county of Benton was named after United States Senator Thomas Hart Benton. It is a third-class county, and the county seat is Warsaw. Benton County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Benton County, Missouri and the Benton County Senior Citizens Services Board.

Benton County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Benton County, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise Benton County's legal entity. The Senior Citizens Services Board is controlled by a separate board and also included under the control of the County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other government. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statement of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Benton County and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Benton County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50, RSMo., Benton County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following funds had actual expenditures which exceeded the budgeted expenditures in 2019: Tax Maintenance Fund.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 for the purposes of taxation was:

	<u>2019</u>
Real Estate	\$ 193,506,460
Personal Property	67,022,442
Railroad and Utilities	<u>12,146,825</u>
	<u><u>\$ 272,675,727</u></u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 for the purpose of County taxation, was as follows:

General Revenue	\$ 0.1350
Special Road and Bridge	0.2232
Senior Citizens Services Board	0.0500

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Benton County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Benton County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statement of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 15,785,283	\$ 15,260,941
Investments	-	-
Total Deposits and Investments as of December 31, 2019	<u>\$ 15,785,283</u>	<u>\$ 15,260,941</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 4,635,215	
Total Cash and Equivalents - Agency Funds	<u>11,150,068</u>	
	<u>\$ 15,785,283</u>	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2019, 100% of the County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Benton County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 2 - Deposits and Investments (continued)

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Benton County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

Note 3 - Long-Term Debt

In 2014, the County entered into a financing agreement with John Deere Financial for a 2014 JD 672G Motor Grader for \$110,820. The agreement requires seven annual payments of \$18,162, which includes interest payable at 3.500%. The lease agreement expires on March 27, 2021.

In 2014, the County entered into a financing agreement with U.S. Bancorp Government Leasing and Finance, Inc., for a 911 communications equipment and maintenance agreement for \$351,320. The agreement requires seven annual payments of \$55,100, which includes interest payable at 2.390%. The lease agreement expires on September 26, 2021.

In 2014, the County entered into a financing agreement with John Deere Financial for a Backhoe Loader for \$108,850. The agreement requires an initial payment of \$10,883 and five additional annual payments of \$21,435, which includes interest payable at 3.000%. This lease agreement was paid in full as of December 31, 2019.

In 2015, the County entered into a financing agreement with U.S. Bancorp Government Leasing and Finance, Inc., for a 2016 Peterbilt Truck for \$138,239. The agreement requires seven annual payments of \$21,882, which includes interest payable at 2.633%. The lease agreement expires on May 27, 2022.

In 2016, the County entered into a financing agreement with U.S Bancorp Government Leasing and Finance, Inc., for a 2016 6105D John Deere Cab Tractor and a 2016 Tiger Mid Mount Side Rotary Mower for \$100,522. The agreement requires seven annual payments of \$16,049, which includes interest payable at 2.860%. The lease agreement expires on January 8, 2023.

In 2016, the County entered into a financing agreement with John Deere Financial for a 2017 JD 672GXDW Motor Grader for \$245,711. The agreement requires six annual payments of \$44,565, which includes interest payable at 3.340%. The lease agreement expires on February 1, 2022.

In 2017, the County entered into a financing agreement with John Deere Financial for a used 2015 JD 410L Loader Backhoe for \$105,428. The agreement requires five annual payments of \$23,440, which includes interest payable at 3.500%. The lease agreement expires on January 20, 2023.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 3 - Long-Term Debt (continued)

In 2017, the County entered into a financing agreement with U.S. Bancorp Government Leasing and Finance, Inc., for Metal Culverts for \$107,500. The agreement requires three annual payments of \$37,910, which includes interest payable at 2.870%. The lease agreement expires on May 1, 2020.

In 2017, the County entered into a financing agreement with John Deere Financial for a 2017 JD 544KXDW Wheel Loader for \$138,820. The agreement requires five annual payments of \$30,795, which includes interest payable at 3.500%. The lease agreement expires on June 15, 2022.

In 2017, the County entered into a financing agreement with John Deere Financial for a 2017 JD 524K-II Wheel Loader and a 2018 JD 672G Motor Grader for \$387,000. The agreement required two annual payments of \$201,079, which included interest payable at 2.600%. This lease agreement was paid in full as of December 31, 2019.

In 2019, the County entered into a financing agreement with U.S. Bancorp Government Leasing and Finance, Inc., for a 2019 6105E Cab Tractor for \$65,417. The agreement requires four annual payments of \$17,620, which includes interest payable at 3.008%. The lease agreement expires on August 26, 2023.

In 2019, the County entered into a financing agreement with Geo-Comm, Inc. for a server including software support and maintenance for \$56,667. The agreement requires an initial payment of \$19,250 and two additional payments of \$19,248, which includes imputed interest payable of 1.800%. The lease agreement expires on June 11, 2021.

In 2019, the County issued \$7,200,000 Series 2019 Certificates of Participation for the purpose of paying for the construction of a new jail for detention facilities and administrative space as well as paying for certain costs in connection with the execution and delivery of the Series 2019 Certificates. The Certificates bear interest at 2.750% - 3.375% and mature in April of 2039.

	Balance at 1/1/2019	Amount Borrowed	Amount Repaid	Balance at 12/31/2019	Interest Paid During Year
JD 672G Motor Grader	\$ 50,830	\$ -	\$ (16,355)	\$ 34,475	\$ 1,807
911 Communications Equipment	157,702	-	(51,331)	106,371	3,769
Backhoe Loader	20,803	-	(20,803)	-	632
2015 Peterbilt Truck	82,057	-	(19,722)	62,335	2,160
Cab Tractor and Rotary Mower	73,797	-	(28,277)	45,520	3,822
JD 672GXDW Motor Grader	169,444	-	(44,107)	125,337	459
JD 410L Loader Backhoe	105,428	-	(19,446)	85,982	3,994
Metal Culverts	72,675	-	(35,823)	36,852	2,086
JD 544KXDW Wheel Loader	112,962	-	(26,777)	86,185	4,018
Wheel Loader and Motor Grader	195,983	-	(195,983)	-	5,096
6105E Cab Tractor	-	65,417	-	65,417	-
Server	-	56,667	(19,250)	37,417	-
Series 2019 COP's	-	7,200,000	-	7,200,000	-
	<u>\$ 1,041,681</u>	<u>\$ 7,322,084</u>	<u>\$ (477,874)</u>	<u>\$ 7,885,891</u>	<u>\$ 27,843</u>

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 3 - Long-Term Debt (continued)

As of December 31, 2019, the schedule of future payments of long-term debt of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 249,265	\$ 302,110	\$ 551,375
2021	233,468	244,135	477,603
2022	147,820	237,273	385,093
2023	55,338	232,511	287,849
2024	-	230,738	230,738
2025-2029	-	1,153,688	1,153,688
2030-2034	2,910,000	948,112	3,858,112
2035-2039	4,290,000	373,275	4,663,275
Total	<u>\$ 7,885,891</u>	<u>\$ 3,721,842</u>	<u>\$ 11,607,733</u>

Note 4 - Interfund Transfers

Transfers between funds for the year ended December 31, 2019 are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ 120,858	\$ 24,760
Special Road and Bridge Fund	592,289	34,601
Assessment Fund	24,760	-
Capital Improvement Fund	3,187	13,176
Sheriff Civil Fund	-	31,200
Sheriff Revolving Fund	-	520
Help America Vote Act (HAVA) Fund	-	3,187
County Aid Road Trust Investment Fund	-	592,289
Tax Maintenance Fund	-	20,000
Law Enforcement Sales Tax Fund	-	21,361
Total	<u>\$ 741,094</u>	<u>\$ 741,094</u>

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo., circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo., and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 5 - State of Missouri County Employees' Retirement Fund (CERF) (continued)

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2019, the County collected and remitted to CERF, employee contributions of \$138,430 for the year ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$207,887 for the year ended December 31, 2019.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo., the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 for the year ended December 31, 2019.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 7 - Other Retirement Plans

Benton County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the year ended December 31, 2019 for the 457 plan were \$57,885, and employee contributions collected and remitted by the County for the year ended December 31, 2019 for the 401(a) plan were \$16,815.

Note 8 - Post Employment Benefits

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of such matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides full-time employees with up to 40 days of sick time, to accrue at three-fourths day per complete calendar month of employment. Upon termination, employees are compensated for 25% to 50% of accrued sick time depending on the length of employment. Vacation time is accrued for every full-time employee, and accrues up to fifteen days per year depending on length of employment. However, employees may only carry over ten vacation days from one year to the next. Any days accrued in excess of ten days will be forfeited at the end of the year. Employees are not compensated for unused vacation time at termination.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County of Benton
Warsaw, Missouri
Notes to the Financial Statements
For the year ended December 31, 2019

Note 10 - Risk Management (continued)

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 13, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

In May of 2020, the County issued \$5,200,000 Series 2020 Certificates of Participation for the purpose of paying for the construction of a new jail for detention facilities and administrative space as well as paying for certain costs in connection with the execution and delivery of the Series 2019 Certificates. The Certificates bear interest at 3.000% and mature in April of 2034.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

To the County Commission and
Officeholders of Benton County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Benton County, Missouri as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Benton County, Missouri's basic financial statements, and have issued our report thereon dated August 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Benton County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Benton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Benton County, Missouri's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2019-004 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2019-002 and 2019-003 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Benton County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and responses as item 2019-001.

Benton County, Missouri's Responses to Findings

Benton County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Benton County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Creve Coeur, Missouri
August 13, 2020

**The County of Benton
Warsaw, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2019**

Financial Statement Findings

2019-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following funds had actual expenditures which exceeded the budgeted expenditures in 2019: Tax Maintenance Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in a certain fund.

Recommendation: We recommend that the County periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 438-7326.

2019-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Cause: Management has not prepared documentation of internal controls.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 438-7326.

The County of Benton
Warsaw, Missouri
Schedule of Findings and Responses
For the year ended December 31, 2019

Financial Statement Findings (continued)

2019-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (660) 438-7326.

2019-004 **Criteria:** Strong internal controls over financial statement reporting require that cash and fund balances be tracked for all funds.

Condition: During our audit, we noted the County was not adequately tracking cash and fund balances for all County funds within the accounting system. Beginning cash balances per the Treasurer's records did not reconcile to beginning fund balances by \$38,342. Ending cash balances per the Treasurer's records did not reconcile to ending fund balances by \$36,431.

Cause: The County is not properly tracking cash and fund balances within their accounting system due to uncorrected software errors.

Effect: Because cash and fund balances are not adequately being tracked within the accounting system or by the Treasurer, it is possible that cash and fund balances are materially misstated due to error or fraud.

Recommendation: We recommend that the County utilize their accounting software to track cash and fund balances. Due to the nature of corrections that need to be made within the accounting software, it may require the County to engage a qualified accounting firm or software specialist who is knowledgeable with the software that the County uses to fully correct this issue.

Management's Response: After discussing this situation with the auditors, the Treasurer's office intends to confirm the amount that needs adjusting to reflect the correction due to the software issues, and will make it in a timely manner. The phone number for the Treasurer's office is (660) 438-6313.

The County of Benton
Warsaw, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2019

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Benton County, Missouri, on the applicable findings in the prior audit report issued for the one year ended December 31, 2018.

Prior Year Financial Statement Findings

2018-001 **Criteria:** The Treasurer is charged with maintaining accountability over funds in the county treasury. A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per the accounting records agree to the cash balances held in the bank.

Condition: For all months during 2018, the Treasurer's Annual Settlement was not agreed to the reconciled monthly bank account balances for the Treasurer's main checking account. At December 31, 2018 the Treasurer's Annual Settlement had a stated cash balance of \$3,795,677, however, the bank reconciliation showed a reconciled bank balance of \$3,757,336, a difference of \$38,341. The difference between the book and reconciled bank balances varied from month to month. Similar conditions were noted in the past two prior audit reports.

Cause: The reconciled bank balance is not being compared to the balances of the funds on hand per the Treasurer's settlements.

Effect: Without timely, accurate bank reconciliations, the risk of material misstatement of the County's cash balances due to error or misappropriation is heightened.

Recommendation: We recommend the Treasurer implement the necessary procedures to ensure that the bank balance reconciles to the book balance of the County's funds when performing the bank reconciliation on a monthly basis.

County's Response: The Treasurer's office is working in conjunction with the accounting software writer, to try and rectify the issues that have occurred causing the reconciliation to be off. It is believed that this problem can be fixed in a short time period.

Auditor's Response: The response is appropriate to correct the concern.

Status: Management has not corrected this issue and the finding is repeated as finding 2019-004 in the current year.

Prior Year Federal Award Findings

2018-002 Federal Grantor: U.S. Department of Transportation
Pass-Through Grantor: Missouri Department of Transportation
Federal CFDA Number: 20.205
Program Title: Highway Planning and Construction
Pass-through Entity Identifying Number: BRO-008(14)
Award Year: 2018
Questioned Costs: None

The County of Benton
Warsaw, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the year ended December 31, 2019

Prior Year Federal Award Findings (continued)

2018-002 **Criteria:** Federal award requirements state that recipients receiving advances of federal funds must implement (cont.) procedures to minimize the time elapsing between the receipt of federal funds and the disbursement of the funds. BRO program regulations state that Local Public Agencies (Benton County) must "develop cash management procedures to ensure payment is made to the contractor/consultant within two (2) business days of receipt of funds from MoDOT."

Condition: There were several instances where the County wrote checks to the consulting engineers and construction contractors well after the reimbursement from MoDOT was received into the County's bank account. The County submitted invoices to MoDOT for reimbursement prior to making the payment on the invoice to the engineer or construction contractor. There were six checks totaling \$127,335 that were written between three and seven business days after receipt of funds from MoDOT

Cause: The County Commission meets only once per week to approve disbursements, therefore, a meeting may not be held within two business days of receiving reimbursement from MoDOT.

Effect: The grant is intended to be a reimbursement type grant, however, the County may have inappropriately earned interest on the federal funds due to the delay in payments.

Recommendation: We recommend that the County implement procedures to ensure that federal funds are disbursed in a timely manner in accordance with federal regulations and the terms and conditions of federal awards.

County's Response: In the future, when federal money is received due to projects of this nature, Commissioners will hold a special meeting within two business days in order to distribute these types of expenditures.

Auditor's Response: The response is appropriate to correct the concern.

Status: This finding is no longer applicable.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Barton County, Missouri

The Office of the State Auditor contracted for an audit of Barton County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

A handwritten signature in black ink, reading "Nicole R. Galloway", is centered on the page. The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

November 2020
Report No. 2020-089



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Barton County

2019-001	The county adopt a budget for all funds and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.
2019-002	The county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-003	The county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

**The County of Barton
Lamar, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019 and 2018**



**The County of Barton
Lamar, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2019.....	3
For the year ended December 31, 2018.....	4
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2019 and 2018.....	5
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	19
Notes to the Financial Statements.....	20
<u>Compliance Section</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29
Schedule of Findings and Responses.....	31
Summary Schedule of Prior Year Findings and Questioned Costs.....	33

Independent Auditor's Report

To the County Commission and
Officeholders of Barton County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Barton County, Missouri, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Barton County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Barton County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws,

which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Barton County, Missouri as of December 31, 2019 and 2018, or changes in financial position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Barton County, Missouri as of December 31, 2019 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2020 on our consideration of Barton County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Barton County, Missouri's internal control over financial reporting and compliance.



Creve Coeur, Missouri
August 11, 2020

The County of Barton
Lamar, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 562,560	\$ 1,467,900	\$ 1,565,814	\$ 464,646
Special Road and Bridge	2,054,310	877,960	642,172	2,290,098
Assessment	153	219,183	219,050	286
Recorder's	18,651	6,256	8,178	16,729
Administrative Handling Cost	39,858	1,316	4,502	36,672
Law Enforcement Sales Tax	47	748,673	748,716	4
Prosecuting Attorney Training	11	2,513	2,000	524
Law Enforcement Training	2,579	2,880	5,270	189
Petty Cash	200	90	90	200
Election	55,371	8,177	4,149	59,399
911 Emergency Service	528,238	107,155	126,294	509,099
Noxious Weed	4,894	-	-	4,894
Crisis Intervention	758	-	-	758
Local Emergency Preparedness Committee	1,572	-	1,224	348
Collector's Tax Maintenance	138,884	33,607	28,802	143,689
Sheriff's Discretionary	4,088	16,991	21,079	-
Law Enforcement K-9	50	3,965	-	4,015
Sheriff's Revolving	11,033	3,662	480	14,215
Drug Abuse Resistance Education	3,761	84	-	3,845
Road and Bridge Budget Allocation	-	59,663	59,663	-
Inmate Security	30,607	24,609	23,532	31,684
Jail Maintenance	24,429	20,530	16,368	28,591
Law Enforcement Restitution	-	686	-	686
Federal Forfeiture	3,107	70	-	3,177
Total	<u>\$ 3,485,161</u>	<u>\$ 3,605,970</u>	<u>\$ 3,477,383</u>	<u>\$ 3,613,748</u>

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 511,967	\$ 1,368,686	\$ 1,318,093	\$ 562,560
Special Road and Bridge	1,710,593	817,355	473,638	2,054,310
Assessment	2,257	210,502	212,606	153
Recorder's	22,593	7,661	11,603	18,651
Administrative Handling Cost	39,193	2,394	1,729	39,858
Law Enforcement Sales Tax	50	819,424	819,427	47
Prosecuting Attorney Training	20	1,658	1,667	11
Law Enforcement Training	1,990	3,271	2,682	2,579
Petty Cash	200	240	240	200
Election	47,950	7,714	293	55,371
911 Emergency Service	530,414	109,263	111,439	528,238
Noxious Weed	4,894	-	-	4,894
Crisis Intervention	758	-	-	758
Local Emergency Preparedness Committee	3,014	-	1,442	1,572
Collector's Tax Maintenance	122,668	21,903	5,687	138,884
Sheriff's Discretionary	871	15,425	12,208	4,088
Law Enforcement K-9	89	1	40	50
Sheriff's Revolving	8,100	3,108	175	11,033
Drug Abuse Resistance Education	3,689	72	-	3,761
Road and Bridge Budget Allocation	-	59,663	59,663	-
Inmate Security	31,739	24,104	25,236	30,607
Jail Maintenance	-	50,000	25,571	24,429
Law Enforcement Restitution	-	-	-	-
Federal Forfeiture	5,019	88	2,000	3,107
Total	<u>\$ 3,048,068</u>	<u>\$ 3,522,532</u>	<u>\$ 3,085,439</u>	<u>\$ 3,485,161</u>

See Notes to the Financial Statements

**The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	General Revenue Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 120,000	\$ 115,667	\$ 119,000	\$ 118,629
Sales Taxes	530,000	543,662	515,000	543,830
Intergovernmental	80,684	82,498	77,684	73,229
Charges for Services	505,405	483,760	484,940	513,390
Interest	13,000	17,209	7,000	14,240
Other Receipts	237,663	162,735	14,190	72,808
Transfers In	62,349	62,369	64,377	32,560
Total Receipts	1,549,101	1,467,900	1,282,191	1,368,686
Disbursements				
County Commission	185,530	124,500	175,105	118,052
County Clerk	79,325	77,221	78,369	77,655
Elections	61,829	58,650	88,246	75,465
Building and Grounds	135,478	76,978	134,296	73,498
Employee Fringe Benefits	206,345	183,135	188,100	179,431
Collector-Treasurer	129,307	120,702	114,527	110,820
Recorder of Deeds	83,625	78,437	82,078	83,480
Circuit Clerk	17,700	10,453	33,350	22,907
Court Administration	16,250	9,359	211,900	18,415
Public Administrator	52,000	43,506	63,606	54,203
Sheriff	80,000	116,556	-	56,819
Prosecuting Attorney	127,594	113,791	127,722	120,859
Juvenile Officer	26,500	22,719	26,100	20,111
Coroner	23,300	26,549	28,700	23,358
Public Health and Welfare	32,014	32,429	33,475	31,233
Other Disbursements	754,247	443,423	201,800	174,169
Transfers Out	50,500	27,406	85,000	77,618
Emergency Fund	46,500	-	38,475	-
Total Disbursements	2,108,044	1,565,814	1,710,849	1,318,093
Receipts Over (Under)				
Disbursements	\$ (558,943)	\$ (97,914)	\$ (428,658)	\$ 50,593
Cash and Equivalents, Jan 1	562,560	562,560	511,967	511,967
Cash and Equivalents, Dec 31	\$ 3,617	\$ 464,646	\$ 83,309	\$ 562,560

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Special Road and Bridge Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	811,500	819,726	1,055,500	769,376
Charges for Services	-	-	-	-
Interest	30,000	49,426	15,500	37,750
Other Receipts	-	-	-	713
Transfers In	8,808	8,808	9,516	9,516
Total Receipts	850,308	877,960	1,080,516	817,355
Disbursements				
Salaries	172,400	136,312	168,435	141,717
Employee Fringe Benefits	65,420	42,966	60,955	46,284
Supplies	9,750	5,705	11,750	4,605
Insurance	8,500	6,985	8,000	1,759
Road and Bridge Materials	174,600	104,833	148,600	65,311
Equipment Repairs	18,000	30,696	17,500	13,229
Rentals	400	180	250	291
Equipment Purchases	2,500	2,297	2,500	-
Road and Bridge Construction	134,000	87,819	345,000	17,688
Other Disbursements	205,000	197,291	429,000	155,694
Transfers Out	27,060	27,088	27,060	27,060
Emergency Fund	750,000	-	-	-
Total Disbursements	1,567,630	642,172	1,219,050	473,638
Receipts Over (Under)				
Disbursements	\$ (717,322)	\$ 235,788	\$ (138,534)	\$ 343,717
Cash and Equivalents, Jan 1	2,054,310	2,054,310	1,710,593	1,710,593
Cash and Equivalents, Dec 31	\$ 1,336,988	\$ 2,290,098	\$ 1,572,059	\$ 2,054,310

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Assessment Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	185,155	210,303	186,428	185,313
Charges for Services	-	-	-	-
Interest	700	1,429	100	694
Other Receipts	10,189	7,451	12,962	11,995
Transfers In	34,500	-	35,000	12,500
Total Receipts	<u>230,544</u>	<u>219,183</u>	<u>234,490</u>	<u>210,502</u>
<u>Disbursements</u>				
Salaries	122,588	122,099	119,878	118,744
Employee Fringe Benefits	44,840	41,695	41,819	39,513
Materials and Supplies	5,600	5,006	7,100	4,308
Services	15,200	16,367	16,000	10,870
Other Disbursements	-	-	-	-
Capital Outlay	41,500	33,844	47,700	38,363
Transfers Out	-	39	808	808
Total Disbursements	<u>229,728</u>	<u>219,050</u>	<u>233,305</u>	<u>212,606</u>
Receipts Over (Under)				
Disbursements	\$ 816	\$ 133	\$ 1,185	\$ (2,104)
Cash and Equivalents, Jan 1	<u>153</u>	<u>153</u>	<u>2,257</u>	<u>2,257</u>
Cash and Equivalents, Dec 31	<u>\$ 969</u>	<u>\$ 286</u>	<u>\$ 3,442</u>	<u>\$ 153</u>

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Recorder's Fund				Administrative Handling Cost Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	5,500	5,825	5,400	7,167	1,000	455	1,200	1,039
Interest	250	431	200	494	700	861	400	763
Other Receipts	-	-	-	-	-	-	-	592
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	5,750	6,256	5,600	7,661	1,700	1,316	1,600	2,394
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	400	345	1,000	310	1,000	1,976	1,000	-
Services	800	1,027	900	763	6,000	769	2,500	594
Other Disbursements	-	-	-	-	1,500	7	1,500	10
Capital Outlay	12,800	6,806	14,400	10,530	10,000	300	10,000	-
Transfers Out	-	-	-	-	1,450	1,450	1,000	1,125
Total Disbursements	14,000	8,178	16,300	11,603	19,950	4,502	16,000	1,729
Receipts Over (Under)								
Disbursements	\$ (8,250)	\$ (1,922)	\$ (10,700)	\$ (3,942)	\$ (18,250)	\$ (3,186)	\$ (14,400)	\$ 665
Cash and Equivalents, Jan 1	18,651	18,651	22,593	22,593	39,858	39,858	39,193	39,193
Cash and Equivalents, Dec 31	\$ 10,401	\$ 16,729	\$ 11,893	\$ 18,651	\$ 21,608	\$ 36,672	\$ 24,793	\$ 39,858

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Sales Tax Fund				Prosecuting Attorney Training Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	543,500	543,662	530,000	543,822	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	158,000	125,133	231,575	207,689	550	1,061	800	530
Interest	-	12	15	33	3	2	2	3
Other Receipts	18,000	40,480	24,000	22,466	-	-	-	-
Transfers In	28,238	39,386	30,414	45,414	1,450	1,450	1,000	1,125
Total Receipts	747,738	748,673	816,004	819,424	2,003	2,513	1,802	1,658
Disbursements								
Salaries	371,169	392,273	347,512	395,028	-	-	-	-
Employee Fringe Benefits	98,206	80,070	162,360	135,890	-	-	-	-
Materials and Supplies	37,500	36,957	24,400	49,746	-	-	200	-
Services	185,002	186,458	207,022	203,781	2,000	2,000	1,500	1,667
Other Disbursements	600	100	600	100	-	-	-	-
Capital Outlay	35,540	33,107	37,900	26,074	-	-	-	-
Transfers Out	19,740	19,751	36,175	8,808	-	-	-	-
Total Disbursements	747,757	748,716	815,969	819,427	2,000	2,000	1,700	1,667
Receipts Over (Under)								
Disbursements	\$ (19)	\$ (43)	\$ 35	\$ (3)	\$ 3	\$ 513	\$ 102	\$ (9)
Cash and Equivalents, Jan 1	47	47	50	50	11	11	20	20
Cash and Equivalents, Dec 31	\$ 28	\$ 4	\$ 85	\$ 47	\$ 14	\$ 524	\$ 122	\$ 11

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Training Fund				Petty Cash Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,100	839	1,200	1,089	-	-	-	-
Charges for Services	2,350	2,020	2,600	2,116	-	-	-	-
Interest	38	21	15	39	-	-	-	-
Other Receipts	100	-	675	27	-	-	-	-
Transfers In	-	-	500	-	500	90	500	240
Total Receipts	<u>3,588</u>	<u>2,880</u>	<u>4,990</u>	<u>3,271</u>	<u>500</u>	<u>90</u>	<u>500</u>	<u>240</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	500	90	500	240
Services	4,200	4,181	3,300	2,682	-	-	-	-
Other Disbursements	1,350	1,089	1,450	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	265	-	-	-	-	-
Total Disbursements	<u>5,550</u>	<u>5,270</u>	<u>5,015</u>	<u>2,682</u>	<u>500</u>	<u>90</u>	<u>500</u>	<u>240</u>
Receipts Over (Under)								
Disbursements	\$ (1,962)	\$ (2,390)	\$ (25)	\$ 589	\$ -	\$ -	\$ -	\$ -
Cash and Equivalents, Jan 1	<u>2,579</u>	<u>2,579</u>	<u>1,990</u>	<u>1,990</u>	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
Cash and Equivalents, Dec 31	<u>\$ 617</u>	<u>\$ 189</u>	<u>\$ 1,965</u>	<u>\$ 2,579</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 200</u>

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Election Fund				911 Emergency Service Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	6,500	6,820	9,750	6,616	90,000	95,682	125,000	98,685
Interest	800	1,267	400	999	9,000	11,449	4,500	10,542
Other Receipts	-	90	-	99	-	24	360	36
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	7,300	8,177	10,150	7,714	99,000	107,155	129,860	109,263
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	2,000	-	2,000	-	4,850	3,858	3,650	2,892
Services	6,000	-	6,000	293	81,050	47,134	81,400	39,475
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	10,000	4,149	10,000	-	49,350	47,064	44,600	38,658
Transfers Out	-	-	-	-	28,238	28,238	30,414	30,414
Total Disbursements	18,000	4,149	18,000	293	163,488	126,294	160,064	111,439
Receipts Over (Under)								
Disbursements	\$ (10,700)	\$ 4,028	\$ (7,850)	\$ 7,421	\$ (64,488)	\$ (19,139)	\$ (30,204)	\$ (2,176)
Cash and Equivalents, Jan 1	55,371	55,371	47,950	47,950	528,238	528,238	530,414	530,414
Cash and Equivalents, Dec 31	\$ 44,671	\$ 59,399	\$ 40,100	\$ 55,371	\$ 463,750	\$ 509,099	\$ 500,210	\$ 528,238

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Noxious Weed Fund				Crisis Intervention Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	-	-	-	-
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	4,000	-	4,000	-	750	-	750	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	4,000	-	4,000	-	750	-	750	-
Receipts Over (Under)								
Disbursements	\$ (4,000)	\$ -	\$ (4,000)	\$ -	\$ (750)	\$ -	\$ (750)	\$ -
Cash and Equivalents, Jan 1	4,894	4,894	4,894	4,894	758	758	758	758
Cash and Equivalents, Dec 31	<u>\$ 894</u>	<u>\$ 4,894</u>	<u>\$ 894</u>	<u>\$ 4,894</u>	<u>\$ 8</u>	<u>\$ 758</u>	<u>\$ 8</u>	<u>\$ 758</u>

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Local Emergency Preparedness Committee Fund				Collector's Tax Maintenance Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,700	-	2,650	-	-	-	-	-
Charges for Services	-	-	-	-	20,000	30,582	21,000	19,234
Interest	-	-	-	-	2,500	3,025	1,000	2,669
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	2,700	-	2,650	-	22,500	33,607	22,000	21,903
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	4	-	41	1,000	-	500	-
Services	4,200	1,220	5,600	1,401	5,000	397	1,500	187
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	21,000	4,048	8,000	-
Transfers Out	-	-	-	-	24,357	24,357	9,000	5,500
Total Disbursements	4,200	1,224	5,600	1,442	51,357	28,802	19,000	5,687
Receipts Over (Under)								
Disbursements	\$ (1,500)	\$ (1,224)	\$ (2,950)	\$ (1,442)	\$ (28,857)	\$ 4,805	\$ 3,000	\$ 16,216
Cash and Equivalents, Jan 1	1,572	1,572	3,014	3,014	138,884	138,884	122,668	122,668
Cash and Equivalents, Dec 31	\$ 72	\$ 348	\$ 64	\$ 1,572	\$ 110,027	\$ 143,689	\$ 125,668	\$ 138,884

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Sheriff's Discretionary Fund				Law Enforcement K-9 Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	9,300	8,087	1,190	699	-	-	-	-
Charges for Services	17,500	8,678	12,500	12,226	-	-	-	-
Interest	-	-	-	-	-	24	-	1
Other Receipts	-	-	-	2,500	-	3,941	250	-
Transfers In	-	226	-	-	-	-	-	-
Total Receipts	26,800	16,991	13,690	15,425	-	3,965	250	1
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	3,800	4,432	3,800	3,465	50	-	100	40
Services	100	2,715	300	5,296	-	-	-	-
Other Disbursements	-	482	-	-	-	-	-	-
Capital Outlay	20,000	13,450	8,890	3,425	-	-	-	-
Transfers Out	-	-	710	22	-	-	-	-
Total Disbursements	23,900	21,079	13,700	12,208	50	-	100	40
Receipts Over (Under)								
Disbursements	\$ 2,900	\$ (4,088)	\$ (10)	\$ 3,217	\$ (50)	\$ 3,965	\$ 150	\$ (39)
Cash and Equivalents, Jan 1	4,088	4,088	871	871	50	50	89	89
Cash and Equivalents, Dec 31	<u>\$ 6,988</u>	<u>\$ -</u>	<u>\$ 861</u>	<u>\$ 4,088</u>	<u>\$ -</u>	<u>\$ 4,015</u>	<u>\$ 239</u>	<u>\$ 50</u>

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Sheriff's Revolving Fund				Drug Abuse Resistance Education Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,400	3,375	2,500	2,920	-	-	-	-
Interest	125	287	75	188	-	84	-	73
Other Receipts	-	-	-	-	1,000	-	1,200	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	2,525	3,662	2,575	3,108	1,000	84	1,200	72
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,000	-	1,000	-	200	-	150	-
Services	300	480	300	175	100	-	100	-
Other Disbursements	-	-	-	-	800	-	800	-
Capital Outlay	500	-	500	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	4,800	480	1,800	175	1,100	-	1,050	-
Receipts Over (Under)								
Disbursements	\$ (2,275)	\$ 3,182	\$ 775	\$ 2,933	\$ (100)	\$ 84	\$ 150	\$ 72
Cash and Equivalents, Jan 1	11,033	11,033	8,100	8,100	3,761	3,761	3,689	3,689
Cash and Equivalents, Dec 31	\$ 8,758	\$ 14,215	\$ 8,875	\$ 11,033	\$ 3,661	\$ 3,845	\$ 3,839	\$ 3,761

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Road and Bridge Budget Allocation Fund				Inmate Security Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	59,663	59,663	59,663	59,663	-	-	-	-
Charges for Services	-	-	-	-	24,350	23,939	26,000	23,394
Interest	-	-	-	-	-	670	150	710
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	59,663	59,663	59,663	59,663	24,350	24,609	26,150	24,104
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	17,000	16,153	16,700	8,326
Services	-	-	-	-	4,000	4,336	2,500	4,191
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	5,000	3,043	18,000	12,719
Debt Service	59,663	59,663	59,663	59,663	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	59,663	59,663	59,663	59,663	26,000	23,532	37,200	25,236
Receipts Over (Under)								
Disbursements	\$ -	\$ -	\$ -	\$ -	\$ (1,650)	\$ 1,077	\$ (11,050)	\$ (1,132)
Cash and Equivalents, Jan 1	-	-	-	-	30,607	30,607	31,739	31,739
Cash and Equivalents, Dec 31	\$ -	\$ -	\$ -	\$ -	\$ 28,957	\$ 31,684	\$ 20,689	\$ 30,607

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Jail Maintenance Fund				Law Enforcement Restitution Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	681	-	-
Interest	-	-	-	-	-	5	-	-
Other Receipts	-	4,530	-	-	-	-	-	-
Transfers In	16,000	16,000	50,000	50,000	-	-	-	-
Total Receipts	16,000	20,530	50,000	50,000	-	686	-	-
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	40,000	16,368	50,000	25,571	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	40,000	16,368	50,000	25,571	-	-	-	-
Receipts Over (Under)								
Disbursements	\$ (24,000)	\$ 4,162	\$ -	\$ 24,429	\$ -	\$ 686	\$ -	\$ -
Cash and Equivalents, Jan 1	24,429	24,429	-	-	-	-	-	-
Cash and Equivalents, Dec 31	\$ 429	\$ 28,591	\$ -	\$ 24,429	\$ -	\$ 686	\$ -	\$ -

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Federal Forfeiture Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	-	70	50	88
Other Receipts	-	-	-	-
Transfers In	-	-	-	-
Total Receipts	-	70	50	88
<u>Disbursements</u>				
Salaries	-	-	-	-
Employee Fringe Benefits	-	-	-	-
Materials and Supplies	-	-	-	-
Services	-	-	-	-
Other Disbursements	-	-	-	-
Capital Outlay	-	-	5,000	2,000
Transfers Out	-	-	-	-
Total Disbursements	-	-	5,000	2,000
Receipts Over (Under)				
Disbursements	\$ -	\$ 70	\$ (4,950)	\$ (1,912)
Cash and Equivalents, Jan 1	3,107	3,107	5,019	5,019
Cash and Equivalents, Dec 31	\$ 3,107	\$ 3,177	\$ 69	\$ 3,107

See Notes to the Financial Statements

The County of Barton
Lamar, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2019 and 2018

2019						
	Collector- Treasurer	Recorder	Assessor	Prosecuting Attorney	Sheriff	Total
Assets						
Cash and Equivalents	\$ 7,581,296	\$ 7,141	\$ 1,256	\$ (24)	\$ 6,244	\$ 7,595,913
Total Assets	7,581,296	7,141	1,256	(24)	6,244	7,595,913
Liabilities and Fund Balances						
Total Liabilities	7,581,296	7,141	1,256	(24)	6,244	7,595,913
	7,581,296	7,141	1,256	(24)	6,244	7,595,913
Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 7,581,296	\$ 7,141	\$ 1,256	\$ (24)	\$ 6,244	\$ 7,595,913
2018						
	Collector- Treasurer	Recorder	Assessor	Prosecuting Attorney	Sheriff	Total
Assets						
Cash and Equivalents	\$ 7,338,516	\$ 4,430	\$ 723	\$ 93	\$ 5,430	\$ 7,349,192
Total Assets	7,338,516	4,430	723	93	5,430	7,349,192
Liabilities and Fund Balances						
Total Liabilities	7,338,516	4,430	723	93	5,430	7,349,192
	7,338,516	4,430	723	93	5,430	7,349,192
Fund Balances	-	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 7,338,516	\$ 4,430	\$ 723	\$ 93	\$ 5,430	\$ 7,349,192

See Notes to the Financial Statements

**The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies

Organized in 1855, the county of Barton was named after former U.S. Senator David Barton. It is a third-class county, and the county seat is Lamar. Barton County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector-Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Barton County.

Barton County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Barton County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Barton County's legal entity.

Certain elected County officials, such as the County Collector-Treasurer, Recorder, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Barton County, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

**The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

If Barton County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50, RSMo., Barton County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2019 and 2018: Law Enforcement Sales Tax Fund.

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Barton County's boundaries for the calendar year 2019 and 2018, for the purposes of taxation was:

The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes (continued)

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 109,968,990	\$ 110,427,350
Personal Property	49,832,810	47,679,670
Railroad and Utilities	29,359,468	25,572,959
	<u>\$ 189,161,268</u>	<u>\$ 183,679,979</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 and 2018, respectively, for the purpose of County taxation, was as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.0500	\$ 0.0500

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Collector-Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Barton County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Barton County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statements of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 2 - Deposits and Investments (continued)

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 11,209,661	\$ 10,984,670
Investments	-	-
Total Deposits and Investments as of December 31, 2019	<u>\$ 11,209,661</u>	<u>\$ 10,984,670</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 3,613,748	
Total Cash and Equivalents - Agency Funds	<u>7,595,913</u>	
	<u>\$ 11,209,661</u>	

The carrying values and bank balances of deposits and investments shown above are included in the financial statements at December 31, 2018, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 10,834,353	\$ 9,946,645
Investments	-	-
Total Deposits and Investments as of December 31, 2018	<u>\$ 10,834,353</u>	<u>\$ 9,946,645</u>
 Total Cash and Equivalents - Governmental Funds	 \$ 3,485,161	
Total Cash and Equivalents - Agency Funds	<u>7,349,192</u>	
	<u>\$ 10,834,353</u>	

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2019 and 2018, 100% of Barton County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Barton County or its agent but not in the government's name. Barton County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Barton County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 2 - Deposits and Investments (continued)

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Barton County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

Note 3 - Long-Term Debt

In 2012, the County, along with the City of Lamar, the City of Lamar Heights, and the Barton County Ambulance District, entered into a direct loan agreement with the Missouri Transportation Finance Corporation for \$1,543,580 for the purpose of funding improvements to Route 71 at 30th Road and 1st Street. Each of the participating entities are responsible for providing their annual share of the loan payment to the County in a timely manner to remit payment on the loan. The loan was originally payable in ten annual installments of \$173,383 with interest payable at 2.170%. Due to additional principal payments made, at December 31, 2019 the remainder of the loan is payable in three annual installments of \$59,663 with interest payable at 2.170%. This loan will mature on August 1, 2022.

In 2016, the County entered into a capital lease financing agreement with U.S. Bank Equipment Finance for law enforcement vehicles for \$48,407. The lease is payable in four annual installments of \$12,892, with interest payable at 2.550%. The lease expires on March 21, 2020.

In 2016, the County entered into a capital lease financing agreement with U.S. Bank Equipment Finance for law enforcement equipment for \$31,285. The lease is payable in five annual installments of \$6,817, with interest payable at 2.890%. The lease expires on September 12, 2021.

In 2018, the County entered into a capital lease financing agreement with U.S. Bank Equipment Finance for a law enforcement vehicle for \$28,000. The lease is payable in five annual installments of \$6,528, with interest payable at 5.336%. The lease expires on August 27, 2023.

	Balance at 1/1/2019	Amount Borrowed	Amount Repaid	Balance at 12/31/2019	Interest Paid During Year
Road Improvements	\$ 226,256	\$ -	\$ (54,759)	\$ 171,497	\$ 4,904
Vehicle Lease #1	24,820	-	(12,252)	12,568	641
Equipment Lease	19,310	-	(6,252)	13,058	565
Vehicle Lease #2	28,000	-	(5,033)	22,967	1,494
	<u>\$ 298,386</u>	<u>\$ -</u>	<u>\$ (78,296)</u>	<u>\$ 220,090</u>	<u>\$ 7,604</u>

	Balance at 1/1/2018	Amount Borrowed	Amount Repaid	Balance at 12/31/2018	Interest Paid During Year
Road Improvements	\$ 279,851	\$ -	\$ (53,595)	\$ 226,256	\$ 6,068
Vehicle Lease #1	36,764	-	(11,944)	24,820	949
Equipment Lease	25,384	-	(6,074)	19,310	743
Vehicle Lease #2	-	28,000	-	28,000	-
	<u>\$ 341,999</u>	<u>\$ 28,000</u>	<u>\$ (71,613)</u>	<u>\$ 298,386</u>	<u>\$ 7,760</u>

**The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 3 - Long-Term Debt (continued)

As of December 31, 2019, the schedule of future payments of long-term debt of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 80,241	\$ 5,659	\$ 85,900
2021	69,368	3,640	73,008
2022	64,284	1,907	66,191
2023	6,197	331	6,528
Total	<u>\$ 220,090</u>	<u>\$ 11,537</u>	<u>\$ 231,627</u>

Note 4 - Interfund Transfers

Transfers between funds for the years ended December 31, 2019 and 2018 are as follows:

<u>Fund</u>	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue	\$ 62,369	\$ 27,406	\$ 32,560	\$ 77,618
Special Road and Bridge	8,808	27,088	9,516	27,060
Assessment	-	39	12,500	808
Administrative Handling Cost	-	1,450	-	1,125
Law Enforcement Sales Tax	39,386	19,751	45,414	8,808
Prosecuting Attorney Training	1,450	-	1,125	-
Petty Cash	90	-	240	-
911 Emergency Service	-	28,238	-	30,414
Collector's Tax Maintenance	-	24,357	-	5,500
Sheriff's Discretionary	226	-	-	22
Jail Maintenance	16,000	-	50,000	-
Total	<u>\$ 128,329</u>	<u>\$ 128,329</u>	<u>\$ 151,355</u>	<u>\$ 151,355</u>

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo., circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo., and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

**The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 5 - State of Missouri County Employees Retirement Fund (CERF) (continued)

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2019 and 2018, the County remitted to CERF, employee contributions of \$56,400 and \$54,698, respectively, for the years ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchant's and manufacturer's license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$104,561 and \$95,867 for the years ended December 31, 2019 and 2018, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

**The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo., Barton County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2019 and 2018.

Note 7 - Other Retirement Plans

Barton County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by a deduction from employees' salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 457 plan were \$19,381 and \$23,237, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 401(a) plan were \$7,507 and \$7,375, respectively.

Note 8 - Post Employment Benefits

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County can be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of such matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides full time employees with up to 30 days of sick leave to accrue at one day per complete calendar month of employment. Upon termination, an employee will not be compensated for accumulated sick leave. Vacation time is accrued for every full time employee, and accrues at the rate of one day per month up to one and one-half days per month depending on the length of employment. Employees may accrue up to fifteen days of vacation. Upon termination, an employee will be compensated for accumulated vacation time.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

**The County of Barton
Lamar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Rural Services Workers Compensation Insurance Trust. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$1,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through August 11, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

To the County Commission and
Officeholders of Barton County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Barton County, Missouri as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Barton County, Missouri's basic financial statements, and have issued our report thereon dated August 11, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Barton County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Barton County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Barton County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2019-002 and 2019-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Barton County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material

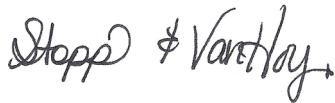
effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and responses as item 2019-001.

Barton County, Missouri's Responses to Findings

Barton County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Barton County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Stopp & VanHoy", with a stylized flourish at the end.

Creve Coeur, Missouri
August 11, 2020

**The County of Barton
Lamar, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018**

Financial Statement Findings

2019-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute Chapter 50, RSMo. The following fund had actual expenditures which exceeded the budgeted expenditures in 2019 and 2018: Law Enforcement Sales Tax Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budget in a certain fund.

Recommendation: We recommend that the County adopt a budget for all funds and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (417) 682-3529.

2019-002 **Criteria:** Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Cause: Management has not prepared documentation of internal controls.

Effect: Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Management's Response: The County will work to prepare internal control documentation. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (417) 682-3529.

**The County of Barton
Lamar, Missouri
Schedule of Findings and Responses
For the years ended December 31, 2019 and 2018**

Financial Statement Findings (continued)

2019-003 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (417) 682-3529.

**The County of Barton
Lamar, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2019 and 2018**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Barton County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

Prior Year Financial Statement Finding

1 Budgetary Controls

Condition: Actual expenditures exceeded budgeted expenditures for three funds in 2014 and one fund in 2015. The detailed list of funds can be found in Note 1.D.10 to the financial statements. The over-expenditure of the Law Enforcement Sales Tax Fund in 2015 was the result of an audit adjustment to correct a journal entry that resulted in negative disbursements being recorded to the fund. RSMo. 50.740 prohibits expenditures in excess of the approved budgets.

The County did not adopt a formal budget for the Inmate Security Fund in 2014. The fund was created in February 2014, subsequent to the approval of the 2014 budget, and no amendment was made to include the newly created fund.

Budgetary controls are significant to the proper management and custodianship of county funds. Compliance with statutory requirements related to budgets will improve controls over county funds and help maintain the integrity of the budget process.

Recommendation: We recommend the County strictly adhere to the authorized spending limits as documented in the adopted County budget or follow the appropriate procedures to amend the budget and ensure funds are available to finance the expenditure. We also recommend that the County adopt complete formal budgets for all funds as required by law.

County's Response: Barton County will strive to monitor authorized spending limits adopted in the budget and will complete formal budgets for all funds.

Auditor's Evaluation: The response is appropriate to correct the concern.

Status: Management has not corrected this issue; therefore, this finding is reported as 2019-001 in the current year.

Prior Year Federal Award Finding

2015-01 Federal Grantor: U.S. Department of Transportation
 Pass-through Grantor: Highway and Transportation Commission
 Federal CFDA Number: 20.205
 Program Title: Highway Planning and Construction
 Pass-through Entity Identifying Number: BRO-B006(17), BRO-B006(18), BRO-B006(19), BRO-B006(20)
 Award Year: 2015
 Questioned Costs: None

**The County of Barton
Lamar, Missouri
Summary Schedule of Prior Year Findings and Questioned Costs
For the years ended December 31, 2019 and 2018**

Prior Year Federal Award Finding (continued)

2015-01 Federal Grantor: U.S. Department of Homeland Security
(cont.) Pass-through Grantor: Missouri Department of Public Safety
Federal CFDA Number: 97.036
Program Title: Disaster Grants - Public Assistance (Presidentially-Declared Disasters)
Pass-through Entity Identifying Number: n/a
Award Year: 2014
Questioned Costs: None

Condition: The County Clerk did not prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) for both the years ending December 31, 2015 and 2014. The SEFA presented for audit for December 31, 2015 reported total expenditures for CFDA 20.205 of \$770,003, however, the correct amount of expenditures for this program during the year was \$677,762, resulting in an overstatement of expenditures of \$92,241. Also, \$11,682 of federal expenditures under CFDA 97.036 were not included on the SEFA for the year ended December 31, 2014. The SEFA presented in this report has been adjusted to report the correct amounts.

Cause: The County Clerk indicated that the expenditures for CFDA 20.205 on the SEFA for 2015 were based on the amount of reimbursements received, rather than the amount disbursed. The overstatement was a result of including on the 2015 SEFA \$110,181 disbursed in 2014 and reported on the 2014 SEFA but for which the County received reimbursement from MODOT in 2015. \$17,940 of expenditures were incurred in 2015 but were not reported on the 2015 SEFA since the County was not reimbursed until 2016.

The expenditures of funds under CFDA 97.036 were not included on the SEFA for 2014 because the money was passed-through the state and the County believed the grant to be state funds instead of federal.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2015 and 2014.

Criteria: OMB Circular A-133, section .300 (b) requires auditees to "Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs." Section .310 (d) requires auditees to "Prepare appropriate financial statements, including the schedule of expenditures of Federal awards..."

Recommendation: We recommend that the County Clerk implement controls to ensure that future Schedules of Expenditures of Federal Awards are prepared accurately on the cash basis of accounting and include all federal awards expended by the County.

Corrective Action Plan: Barton County will endeavor to accurately prepare future SEFA's and strive to report all federal awards on them.

Auditor's Evaluation: The response is appropriate to correct the concern.

Status: This finding is no longer applicable.



Nicole Galloway, CPA

Missouri State Auditor

Medicaid Managed Care Program

Report No. 2020-088

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Medicaid Managed Care Program

Eligibility Bypass	The Department of Social Services (DSS) improperly issued capitation payments on behalf of participants whose eligibility was previously activated (and remained active) in the Missouri Eligibility Determination and Enrollment System (MEDES) through a manual bypass process. This bypass state prevented MEDES controls from deactivating eligibility (and, in turn, discontinuing payments) when these participants later became ineligible.
Indicator Control	The DSS improperly issued capitation overpayments on behalf of some participants, and issued potentially preventable capitation payments (not considered overpayments) on behalf of other participants. This occurred because of weaknesses in an "indicator" control (i.e., system flag) in the MEDES and the related manual tracking processes.
Out-State-Participants	The DSS improperly issued capitation payments on behalf of participants who were ineligible due to no longer residing in Missouri. Automatic and manual attempts to deactivate eligibility were not always successful due to MEDES control limitations.
Incarcerated Participants	The DSS is not performing effective incarceration matches, or the results are not always used effectively, to detect, discontinue, and recoup capitation payments issued on behalf of participants who are incarcerated.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Medicaid Managed Care Program

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology	12

Management Advisory	
Report - State Auditor's	
Findings	
1. Eligibility Bypass	15
2. Indicator Control	20
3. Out-of-State Participants	27
4. Incarcerated Participants	31



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Jennifer Tidball, Acting Director
Department of Social Services
Jefferson City, Missouri

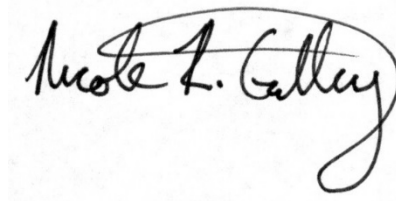
We have audited certain operations of the Department of Social Services, Medicaid Managed Care program. This audit was conducted in fulfillment of our duties under Chapter 29, RSMo. The objectives of our audit were to:

1. Evaluate the effectiveness of procedures for ensuring the reliability of submitted and reported managed care encounter data.
2. Evaluate the use and effectiveness of data management, monitoring, and analytic techniques for providing oversight of the program.
3. Evaluate compliance with certain legal provisions.
4. Evaluate the economy and efficiency of certain management practices and information system control activities.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) no significant deficiencies in procedures for ensuring the reliability of encounter data, (2) the need for improvement of data analytic techniques utilized by the department for overseeing the program, (3) noncompliance with state and federal laws, and (4) the need for improvement in management practices and information system control activities.

The accompanying Management Advisory Report presents our findings arising from our audit of the Medicaid Managed Care Program.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Jeffrey Thelen, CPA, CISA
	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
In-Charge Auditor:	Anh Nguyen, CPA
Audit Staff:	Zachery L. Harris
	Devin Jackson

Medicaid Managed Care Program

Introduction

Background

The Medicaid program was created in 1965, under Title XIX of the Social Security Act, to provide health coverage to individuals with low income and/or disabilities. The Medicaid program, called MO HealthNet in Missouri, is jointly administered and funded by the federal government (Centers for Medicare & Medicaid Services [CMS]) and state governments. In Missouri, the Department of Social Services (DSS) MO HealthNet Division (MHD) administers the Medicaid program, with the assistance of the Family Support Division (FSD) for participant eligibility determinations.

Missouri's Medicaid Managed Care (MC) program was established in September 1995. According to the CMS,¹ "Managed Care is a health care delivery system organized to manage cost, utilization, and quality. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations (MCOs) that accept a set per member per month (capitation) payment for these services."

Since May 2017, Missouri has contracted with three MCOs: Home State Health, Missouri Care, and UnitedHealthcare. The MCOs do not directly serve program participants, but act as health management organizations administering networks of providers, such as hospitals, doctors, and subcontractors. In Missouri, providers serve participants with doctor visits, hospital stays, emergency care, specialist referrals, behavioral health and substance/tobacco abuse services, and other services such as dental, eye care, medical equipment, and family planning.

The CMS also indicates,¹ "By contracting with various types of MCOs to deliver Medicaid program health care services to their beneficiaries, states can reduce Medicaid program costs and better manage utilization of health services. Improvement in health plan performance, health care quality, and outcomes are key objectives of Medicaid managed care." The state's collection, use, and submission of encounter data (records of services provided to MC program participants) are critical to achieving these objectives.

The MHD administers the Medicaid Management Information System (MMIS) to issue capitation payments to, and collect encounter data from, MCOs. The MMIS receives and relies on participant eligibility and enrollment data from other DSS systems to issue capitation payments and determine if received encounter data are valid. For the majority of MC program participants, eligibility data comes from the Missouri Eligibility

¹ Centers for Medicare & Medicaid Services, Managed Care, <<https://www.medicaid.gov/medicaid/managed-care/index.html>>, accessed December 30, 2019.



Medicaid Managed Care Program Introduction

Determination and Enrollment System (MEDES), which the FSD administers to activate, adjust, and deactivate participant eligibility. Therefore, coordination between the MHD and FSD through the MMIS and MEDES is crucial.

Table 1 summarizes the basic (non-exhaustive) relationship and responsibilities between various entities under Missouri's MC program.

Table 1: MC program entity relationship and responsibilities

Responsibility	The DSS	MCOs	Providers	Participants
General	Administers the state's MC program and related systems.	Act as a health management organization between the DSS, providers, and participants.	Provide medical services to participants.	Receive medical services from providers.
Participant eligibility and enrollment	Uses systems, primarily the MEDES, to administer participant eligibility. Uses systems to administer participant enrollment with a given MCO.	Receive periodic participant eligibility and enrollment data from the DSS.	Use DSS and/or MCO resources to confirm participants are eligible and enrolled before performing services.	Provide the DSS with necessary eligibility information. Enroll with an MCO, and select a provider networked with that MCO.
Capitation payments	Uses the MMIS to issue monthly capitation payments to MCOs on behalf of all eligible and enrolled participants.	Receive capitation payments from the DSS.	No involvement; providers do not receive capitation payments from the DSS or MCOs.	No involvement; participants do not receive capitation payments from the DSS or MCOs.
Encounter data	Uses the MMIS to receive and process encounter data from MCOs, generally at a real-time basis. Submits encounter data to the federal government.	Receive and process encounter data from providers. Submit encounter data to the DSS.	Create encounter data from services provided to participants. Submit encounter data to MCOs.	No involvement; participants do not have any encounter data responsibilities.

Source: SAO observations of the MC program and discussions with DSS officials

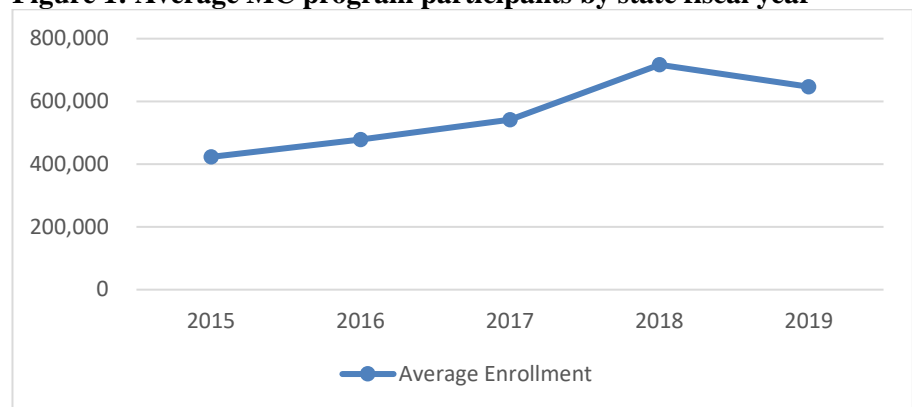
During the 3 state fiscal years ending June 30, 2019, the state's MC program covered approximately 1 million unique participants. The MMIS received records for approximately 21 million encounters (instances of services provided), and issued approximately \$5.58 billion in MC benefits.



Medicaid Managed Care Program Introduction

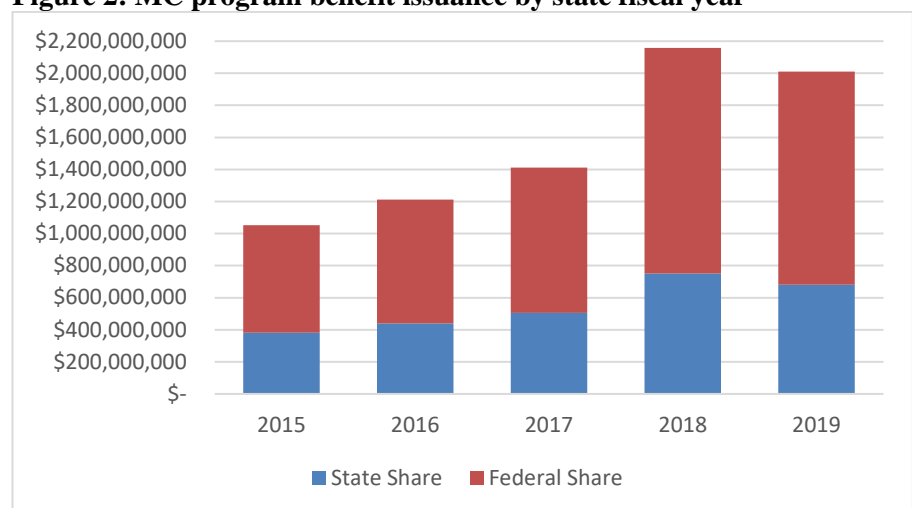
Figures 1 and 2 show the average MC participant counts and total benefit issuances for each of the 5 state fiscal years ending June 30, 2019. In May 2017, the DSS completed a statewide MC program expansion that increased MCO coverage from 54 counties to all 114 counties in the state. During this expansion, individuals in uncovered counties who were participating in the existing Medicaid fee-for-service (FFS) program were generally moved to the MC program. Exceptions included individuals who either opted out, or were elderly (age 65 or older), blind or disabled. This change resulted in a significant increase in MC participants and benefits issued, which is reflected in state fiscal year 2018 data. In state fiscal year 2019, the state had an average of approximately 650,000 participants in the MC program, and issued approximately \$2 billion in benefits.

Figure 1: Average MC program participants by state fiscal year



Source: SAO analysis of FSD monthly data reports

Figure 2: MC program benefit issuance by state fiscal year



Source: SAO analysis of FSD monthly data reports



Medicaid Managed Care Program Introduction

Eligibility and enrollment

Initial eligibility determinations and periodic redeterminations are regulated by complex factors that are beyond the scope of this audit. However, certain basic factors facilitate understanding the topics discussed in this report.

Upon applying for assistance, initial eligibility is determined individually for all members of a household, but considers factors such as family composition, income level, and insurance status. Federal law² requires the individual to be a Missouri resident and U.S. citizen or qualified alien. In addition, the individual must be within one of the following eligibility groups:

- MO HealthNet for Families
- MO HealthNet for Pregnant Women
- MO HealthNet for Kids
- Children's Health Insurance Program (CHIP)
- Children in care and custody of the state
- Children receiving adoption subsidy
- Individuals in the refugee assistance program (program ended May 2018)

Eligibility groups for the elderly (age 65 or older), blind and disabled are not listed above because such individuals receive Medicaid services under the FFS program instead of the MC program.

After an individual is determined to be eligible, he/she is formally enrolled with (assigned to) an MCO. This process generally begins both the participant's coverage under the MCO (and providers), as well as the capitation payments to the MCO.

Eligible participants are subject to annual redeterminations, in which the DSS reviews participants for changes in circumstances to continue, adjust, or deactivate eligibility. Participants are required to report changes in their circumstances that potentially affect eligibility (such as residency, income, employment, household composition, and other factors) to the DSS within 10 calendar days. However, as observed during audit reviews and explained by DSS personnel, participants do not always report, or timely report, such changes to the department.

Capitation payments

MC program benefit payments most frequently occur as capitation payments, or "per member per month" payments. As long as a participant remains both eligible and enrolled, the DSS automatically issues monthly capitation payments on his/her behalf. Capitation payments are issued to MCOs and never issued directly to the participants or providers.

² Section 42 USC Section 1396b(x) and 42 CFR Section 435.403.



Medicaid Managed Care Program Introduction

According to 42 CFR Section 438.2, "The State makes the [capitation] payment regardless of whether the particular beneficiary [participant] receives services during the period covered by the payment." For example, even if a participant does not receive services for a consecutive year, capitation payments will continue as long as the participant remains eligible and enrolled.

If services are provided, capitation payments are not reimbursements of the provider's service cost. According to the GAO,³ "...capitated payments generally reflect the average cost to provide covered services to enrollees, rather than a specific service. Federal law requires capitation rates to be actuarially sound, meaning that, among other things, they must be reasonably calculated for the populations expected to be covered and for the services expected to be furnished under contract."

The capitation payment amount issued on a participant's behalf depends on the person's age, eligibility group, income, county of residence, and the MCO. In general, capitation payments are approximately \$200 to \$400 per month for most children and adults, but typically exceed \$1,000 per month for newborns (individuals younger than one year old). Participants eligible under CHIP may be required to pay monthly premiums. Capitation payments can be pro-rated, for example, if a participant is only eligible and enrolled for a portion of a given month.

The state's MC program costs are partially reimbursed by the federal government. During the 3 years ending June 30, 2019, the federal share was approximately 65 percent of MC program costs.

Encounter data

According to the GAO,⁴ "Encounter data are the primary record of services provided to beneficiaries in managed care, and these data are used for several critical purposes, including program oversight, expenditure forecasting, and policy analysis." The GAO also indicates "Reliable encounter data—which . . . we have defined to mean data that are complete, accurate, and submitted in a timely manner, as required by regulation—are central to CMS's and the states' abilities to effectively oversee the Medicaid managed care program."

Encounter data are continuously created and transmitted, beginning with providers and ultimately flowing to the federal government. Upon completing a service, a provider creates and sends encounter data to its associated MCO;

³ Report GAO-18-291, *Medicaid - CMS Should Take Steps to Mitigate Program Risks in Managed Care*, May 2018, <<https://www.gao.gov/assets/700/691619.pdf>>, page 8, accessed January 6, 2020.

⁴ Report GAO-19-10, *Medicaid Managed Care - Additional CMS Actions Needed to Help Ensure Data Reliability*, October 2018, <<https://www.gao.gov/assets/700/695069.pdf>>, pages 1-2, accessed January 6, 2020.



Medicaid Managed Care Program Introduction

each MCO sends data collected from all contracted providers to the DSS; and the DSS sends data collected from each MCO to the CMS.

Encounter data include detailed information for a given service, including basic concepts such as the participant, provider, and MCO involved in the service; the medical procedure completed; when the service occurred; and when the MCO submitted the data to the DSS.

A given service, once generated into encounter data, is also known as an "encounter claim." Despite this label, encounter data do not represent claims for payment, and do not result in the DSS reimbursing service costs to MCOs or providers. The DSS only issues capitation payments to MCOs.

MCO contracts indicate the department "collects and uses encounter data for many purposes such as federal reporting, rate setting and risk adjustment, payment indication of [newborn] delivery and NICU [neonatal intensive care unit] supplemental payments, services verification, managed care quality improvement activities, utilization patterns and access to care, hospital rate setting, and research studies."

Federal law⁵ requires states to conduct at least once every 3 years an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by MCOs. The department's first deadline for this audit is June 30, 2021.

Overpayments

Improper payments, including overpayments, may occur in the MC program. Under 42 CFR Section 431.958, improper payments are defined as "any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible beneficiary..."

If a participant's eligibility is not deactivated in the MEDES (or if enrollment is not deactivated through other systems) when appropriate, capitation payments will continue automatically (as overpayments) because the MMIS will not receive an update to discontinue such payments.

When overpayments begin, they can continue indefinitely without further DSS intervention. Among other system control factors, this depends on if the DSS sets the participant's eligibility and/or enrollment to remain active (1) for a definite period (for example, a specific deactivation date, such as one year in the future, was preemptively entered) or (2) indefinitely (MEDES and MMIS recognize the deactivation date as December 31, 9999). The practice

⁵ 42 CFR 438.602(e).



Medicaid Managed Care Program Introduction

of setting a participant's eligibility and/or enrollment to remain active indefinitely is not necessarily unusual. While some eligibility groups have pre-defined time limits that allow the DSS to preemptively set a definite deactivation date (for example, MO HealthNet for Pregnant Women participants have an initial 60-day limit for postpartum benefits), most do not.

Overpayments can occur due to timing delays between when (1) a participant change in circumstance occurs; (2) the participant informs the DSS of the change, or when the DSS directly detects the change; and (3) the DSS acts on the change to deactivate the participant's eligibility and/or enrollment. For example, if a participant moved out-of-state on January 1, but capitation payments continued until the DSS detected the move on March 31, the participant becomes ineligible going forward, but the capitation payments issued during that 3-month period would be overpayments. Such timing delays are not unusual, and are not unique to the MC program.

However, overpayments can also occur due to significant MEDES control limitations that are unique to the MC program. When the MEDES was implemented in January 2014, control limitations prevented the DSS from activating, adjusting, and deactivating a participant's eligibility using standard processes intended by the system. In addition, the MEDES was designed to perform automatic redeterminations (annual reviews for changes in circumstances to continue, adjust, or deactivate a participant's eligibility). However, control limitations caused eligibility for some participants to be inappropriately deactivated either before a redetermination could occur, or as a result of the redetermination. To protect participant eligibility until development of MEDES updates, (1) automatic redeterminations were disabled until June 2018, and (2) all participants were put in a "blocked" state until October 2018 to further prevent eligibility deactivation. These actions significantly increased the number of manual redeterminations required of DSS personnel, and disabled controls that counteract risks associated with setting a participant's eligibility to remain active indefinitely (deactivation date of December 31, 9999). In addition, while automatic redeterminations were re-enabled in June 2018, the DSS has not performed an expected annual redetermination within MEDES for some current participants due to remaining MEDES control limitations or complexities arising from the DSS's long-term resolution efforts in the MEDES.⁶ We noted this problem in the state's single audit report for the year ended June 30, 2019.⁷

⁶ These MEDES control limitations and complexities are discussed in the Management Advisory Report (MAR) section.

⁷ SAO, Report No. 2020-014, *State of Missouri Single Audit Year Ended June 30, 2019*, finding 2019-005, page 44, issued March 2020.



Medicaid Managed Care Program Introduction

The DSS has contractual authority to recoup overpayments from MCOs. If the DSS elects to recoup overpayments, the MCO repays the capitation payments (state and federal shares) to the DSS. The department repays the federal share to the CMS.

However, the DSS generally only recoups overpayments associated with deceased or incarcerated participants, because it is physically impossible for such participants to receive services. In contrast, the DSS will generally not recoup overpayments associated with ineligible participants in other scenarios because it is still physically possible for such participants to receive services and they were listed as eligible in the MEDES when the MCO checked eligibility. In such other scenarios, DSS officials indicated, "the health plan [MCO] has exercised their due diligence if they have checked [the participant's] eligibility prior to authorizing services, therefore it would be inappropriate to penalize them by recouping the capitated payment." Also, the "DSS does not recoup capitation payments from a participant when eligibility is granted due to an agency error."

Because the DSS only recoups capitation payments in limited situations, it is unlikely that overpayments identified in this report will be recovered (with the exception of MAR finding number 4 that concerns incarcerated participants). Overall, the overpayments identified emphasize the need for the DSS to prevent overpayments from occurring.

The MEDES has been periodically updated since January 2014 to resolve system weaknesses. While these updates improved functionality going forward (for new participants), given the nature of the MEDES control limitations and complexities arising from the DSS's long-term resolution efforts in the MEDES, the updates do not necessarily automatically correct all previously impacted participants. As a result, there remains a need for significant effort by the DSS to identify participants with active eligibility who are truly ineligible, and to deactivate their eligibility to discontinue overpayments.

Public health emergency and restrictions on deactivating eligibility

On January 31, 2020, the federal Department of Health and Human Services declared a public health emergency for COVID-19. On March 18, 2020, the Families First Coronavirus Response Act was signed into law.

The act temporarily increases the federal share of MC program costs. Specifically, it provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the MO HealthNet program. The state's FMAP percentage was approximately 66



Medicaid Managed Care Program Introduction

percent prior to this act.⁸ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the public health emergency, including any extensions, ends.

To receive the temporary increase in federal share, among other requirements, states may not deactivate participants' eligibility from Medicaid if such participants were already enrolled (or become enrolled) during the emergency period. Limited exceptions only allow states to deactivate eligibility if the participant (1) voluntarily requests closure of his/her case, (2) is no longer a resident of the state, (3) becomes deceased, or (4) is a child eligible under CHIP who ages out when he/she turns age 19. While there is no exception for incarcerated participants, one is not specifically needed because the act does not supersede existing federal law prohibiting states from obtaining federal share reimbursements for benefits issued on behalf of incarcerated participants.

As discussed in the report's MAR findings, MEDES system control limitations and complexities arising from the DSS's long-term resolution efforts in the MEDES cause situations in which participants who are truly ineligible remain actively eligible, and therefore, their eligibility should be deactivated. However, if such situations do not meet an exception, the DSS cannot deactivate such participants' eligibility during the emergency period. As a result, any future overpayments set to continue for such participants cannot be immediately discontinued. This requires the DSS to continue identifying truly ineligible participants during the public emergency, to enable timely deactivation once the public emergency ends.

Scope and Methodology

The scope of our audit included evaluating (1) DSS management's procedures to ensure reliable MC encounter data, (2) DSS management's techniques to provide oversight of the program, (3) policies and procedures, and (4) other management functions and compliance requirements in place during the period July 2016 to June 2019. Due to MEDES system control limitations and complexities rising from the DSS's long-term resolution efforts in the MEDES, we also observed activity beyond June 2019 for further comprehension and to assess significance.

Our methodology included reviewing written policies and procedures, and interviewing various DSS personnel. We obtained an understanding of the applicable controls that are significant within the context of the audit

⁸ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). CHIP represents one of the MC program's eligibility groups available to participants. Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act. The state's FMAP and EFMAP collectively affect federal share coverage of MC program costs.



Medicaid Managed Care Program Introduction

objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of these controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We obtained data files of MC program participant records, capitation payments, and encounter data from the MMIS for the period July 2016 through June 2019 from the DSS. We also obtained data files of additional MC program participant records from the MEDES. Such data generally covered the same July 2016 through June 2019 period. However, because our requests were made after June 2019, and also because the MEDES could not generate snapshot (point-in-time) reports as of June 30, 2019, the data received also contained up-to-date (at the time of DSS fulfillment) information for periods beyond June 2019. Such information generally enhanced our ability to assess other details and analyze the flow of information from the MEDES to the MMIS. While the DSS owns MMIS and MEDES data, such data are collected and managed by separate contractors on the department's behalf. To determine the reliability of the MC program data, we evaluated the materiality of the data to our audit objectives and assessed the data by various means, including (1) interviewing knowledgeable DSS officials, (2) reviewing existing information about the data and the systems that produced them, (3) performing certain analytic techniques, and (4) reviewing internal controls. Based on this evaluation, we determined the data and information were sufficiently reliable for the purposes of the audit.

We obtained a listing of deaths recorded in the state for the period 1995 to 2018 from the Missouri Department of Health and Senior Services (DHSS). We matched these records to MC participant records to determine if any deceased participant cases continued to have capitation payments made on behalf of the participant after death.⁹ Although we used computer-processed data from the DHSS for our audit work, we did not rely on the results of any processes performed by the DHSS system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

⁹ Acknowledgement: The data used in this document/presentation was acquired from the Missouri DHSS. The contents of this document including data analysis, interpretation or conclusions are solely the responsibility of the authors and do not represent the official views of DHSS.



Medicaid Managed Care Program Introduction

We obtained a listing of individuals incarcerated by the state during the period July 2016 through June 2019 from the Missouri Department of Corrections (DOC). We matched those records to MC participant records to determine if incarcerated participant cases continued to have capitation payments made on behalf of the participants after incarceration. Although we used computer-processed data from the DOC for our audit work, we did not rely on the results of any processes performed by the DOC system in arriving at our conclusions. Our conclusions were based on our review of the issues specific to the audit objectives.

We based our evaluation on accepted state, federal and international standards and best practices related to information technology security controls from the following sources:

- National Institute of Standards and Technology (NIST)
- U.S. Government Accountability Office (GAO)
- ISACA

Medicaid Managed Care Program

Management Advisory Report

State Auditor's Findings

1. Eligibility Bypass

The Department of Social Services (DSS) improperly issued capitation payments on behalf of participants whose eligibility was previously activated (and remained active) in the Missouri Eligibility Determination and Enrollment System (MEDES) through a manual bypass process. This bypass state prevented MEDES controls from deactivating eligibility (and, in turn, the Medicaid Management Information System [MMIS] from discontinuing payments) when these participants later became ineligible. We identified 18,248 participants in a bypass state. For 23 of 45 participants we reviewed, actual and potential overpayments totaled \$87,185 during the 3 years ended June 30, 2019, with an additional \$44,211 through the 8 months ending February 28, 2020.

Bypass process

When the MEDES was implemented in January 2014, significant control limitations impeded the department's ability to properly administer participant eligibility. The DSS could not always activate, adjust, and deactivate participants' eligibility using standard processes intended by the system. According to DSS officials:

- MEDES functionality only allowed applications to be taken and did not allow changes in cases or annual reviews to be completed in the system. When implemented, MEDES accepted an initial application to create a household and associated participant eligibility, but it prevented future adjustments that could impact eligibility, such as adding or removing household members, or adjusting a participant's details following a change in circumstance. These limitations meant automatic annual redeterminations of participant eligibility could not be completed. MEDES updates resolved these limitations by August 22, 2016; however, automatic redeterminations remained disabled until June 2018.
- MEDES did not systematically approve newborn eligibility. Initially, newborns of women eligible for MO HealthNet (participants younger than 1 year old), who by federal law are automatically provided Medicaid eligibility, could not be directly added to their existing household to allow MEDES to activate their eligibility. MEDES updates resolved this limitation by December 2016.

Before the MEDES updates resolved these control limitations, the DSS established a bypass process as a labor-intensive workaround to manually activate, adjust, and deactivate eligibility. This process was necessary to activate and/or maintain the eligibility of applicants and participants meeting program requirements. Otherwise, such applicants and participants would have been at risk of being unable to obtain program services, because MEDES (and, in turn, providers) could not formally confirm their active eligibility.

The MEDES updates improved functionality going forward for new participants and households. However, these updates could not automatically



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

correct the state of previously bypassed participants. While the department's need to continue bypass processes has declined considerably since 2016, some participants still remain in that state, with eligibility set to remain active indefinitely (deactivation date of December 31, 9999).

Participants who remain in a bypass state are not subject to MEDES controls, including the system's June 2018 update to complete automatic annual redeterminations. Because MEDES controls cannot deactivate such participants' eligibility, DSS personnel must use the same bypass process to manually deactivate the participant's eligibility. Therefore, these participants are generally at increased risk of improper capitation payments over time.

Review

We reviewed MEDES eligibility records generated around December 31, 2019, to identify participants who, at that time, remained in a bypass state because their eligibility was (1) previously activated manually via the bypass process during (or preceding) the 3 years ended June 30, 2019, and (2) set to remain active indefinitely. Participants meeting these conditions remain in a bypass state until manually removed by DSS personnel. We identified 18,248 participants in this state, for whom the DSS paid approximately \$101 million in capitation payments during the 3 years ended June 30, 2019. These participants and payments do not all necessarily reflect ineligible participants or overpayments; it is possible for a participant's eligibility to remain valid despite being in a bypass state.

In a separate analysis, we also determined 1,633 of these 18,248 participants maintained MC program eligibility during the entire 3 year period ended June 30, 2019, but did not have any encounter claims reported during that time.¹⁰ There is no requirement for a participant to periodically obtain medical services, as a condition to maintain eligibility; however, not obtaining any medical services for an extended period of time may indicate a participant is no longer a state resident or some other situation that would question further program eligibility.

We reviewed 45 of the 18,248 participants. The DSS paid \$337,734 in capitation payments associated with these participants during the 3 years ended June 30, 2019. When we began our review in late February 2020, capitation payments were still being issued on behalf of 44 of the 45 participants.

As shown in Table 2, our review found that actual and potential overpayments totaling \$87,185 (approximately 26 percent of the \$337,734) during the 3 years ended June 30, 2019, occurred for 23 of the 45 participants. In addition,

¹⁰ This analysis identified, in total, 6,654 participants. We provided department officials with a listing of all of these participants for further review.



Medicaid Managed Care Program
Management Advisory Report - State Auditor's Findings

actual and potential overpayments totaling \$44,211 during the 8 months ended February 28, 2020, continued to occur for each of them.

Table 2: Review of actual and potential overpayments for participants in bypass state

Participant	Issue	Capitation Payments			Count of Capitation Months		
		36 months	8 months	Total	36 months	8 months	Total
		ending 6/30/19	ending 2/28/20		ending 6/30/19	ending 2/28/20	
01	Failed to close	\$ 11,292	2,090	13,382	36	7	43
02	Failed to close	2,180	1,818	3,998	11	8	19
03	Failed to close	1,555	1,195	2,750	11	8	19
04	Failed to close	8,059	2,853	10,912	22	8	30
05	Failed to close	6,747	3,029	9,776	19	8	27
06	Failed to close	2,181	2,882	5,063	6	8	14
07	Failed to close	3,113	2,774	5,887	9	8	17
08	Failed to close	799	3,205	4,004	2	8	10
09	Failed to close	2,627	1,413	4,040	16	8	24
10	Failed to close	973	1,381	2,354	6	8	14
11	No redetermination ¹	5,828	2,859	8,687	16	8	24
12	No redetermination	3,211	1,189	4,400	22	8	30
13	No redetermination	4,478	1,543	6,021	23	8	31
14	No redetermination	4,488	1,818	6,306	22	8	30
15	No redetermination	615	1,848	2,463	3	8	11
16	No redetermination	4,263	1,413	5,676	26	8	34
17	No redetermination	3,626	2,853	6,479	10	8	18
18	No redetermination	3,387	1,091	4,478	26	8	34
19	No redetermination	5,326	1,348	6,674	36	8	44
20	No redetermination	3,211	1,189	4,400	22	8	30
21	No redetermination	4,488	1,818	6,306	22	8	30
22	No redetermination	2,604	1,189	3,793	18	8	26
23	No redetermination	2,134	1,413	3,547	13	8	21
Totals		\$ 87,185	44,211	131,396	397	183	580

¹ Capitation payments listed for participants with no redetermination are considered potential overpayments.

Source: SAO analysis of MMIS capitation payment data. All capitation payment figures represent state and federal shares combined.

Further explanation of the information in Table 2 follows:

- Failed to close (10 of 23 participants): Review of the case information in MEDES for these participants indicated their eligibility was previously intended to be deactivated. Participants were known to be ineligible for various reasons, such as not responding to an annual review notice to redetermine eligibility, or because the department's attempts to mail communications to the participant were returned as unable to locate. DSS



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

personnel attempted to deactivate eligibility; however, such attempts were unsuccessful due to the participant's bypass state.

- No redetermination (13 of 23 participants): Review of the case information in MEDES for these participants found nothing to indicate their eligibility was previously intended to be deactivated. However, the bypass state prevented an annual redetermination from occurring in MEDES at least once every 12 months as required, even after this control was reestablished in June 2018. The DSS may also complete redeterminations within other programs, and outside of the MEDES, to satisfy the participant's MC program redeterminations. However, none occurred for these participants.

Capitation payments listed for these participants are considered potential overpayments. To confirm if actual overpayments occurred for a given participant, the DSS must complete a current redetermination, and its outcome must find the participant is ineligible for the MC program. We requested DSS personnel perform current redeterminations for these participants; however, they could not complete them prior to completion of our audit.

When our review of this area was substantially completed, the DSS had not deactivated eligibility for 22 of 23 participants. Therefore, these 22 participants are at increased risk of continued actual and potential overpayments.

For the 22 of 45 participants reviewed but not listed in Table 2, we did not identify overpayments within the 3 years ending June 30, 2019. However, for 5 of the 22 participants, our review observed similar concerns after June 30, 2019: 2 participants' cases failed to close and 3 participants had late or outstanding redeterminations. This shows that participants remaining in the bypass state is an ongoing problem.

We provided the DSS with the list of all 18,248 participants identified. While we only formally reviewed 45 participants, we analyzed the remaining 18,203 participants. Of these, 17,634 appear at greatest risk of continued actual and potential overpayments, and need further investigation. Capitation payments for the full month of June 2019 were issued on behalf of all 17,634 participants, and nearly all were still actively eligible as of January 2020.

Under 42 CFR Section 431.958, improper payments are defined as "any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible beneficiary..." 42 CFR Section



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

435.916(a) requires a redetermination of eligibility once every 12 months, or when criteria affecting a participant's eligibility changes.

Without effective controls to identify and discontinue capitation payments issued on behalf of ineligible participants who remain in a bypass state, the DSS is at increased risk of making actual and potential overpayments.

The DSS may be unable to deactivate eligibility when applicable for participants reported to the department in this finding until after the public health emergency ends, to remain compliant with the requirements for the temporary increase in the federal share of Medicaid program costs.

Recommendation

The DSS continue resolving MEDES control limitations as applicable, to prevent issuing capitation payments on behalf of ineligible participants who remain in a bypass state. In addition, the DSS should perform redeterminations on the 13 identified participants without a current redetermination and deactivate eligibility (as soon as possible, permitting the public health emergency) for applicable participants and the other 9 participants whose cases did not close properly. Also, the DSS should review the provided participant listing to determine if further action is needed.

Auditee's Response

The Missouri Eligibility Determination and Enrollment System (MEDES) development began in calendar year 2013 and was implemented in January 2014. Due to development issues, the bypass process was necessary to activate and/or maintain the eligibility of applicants and participants meeting program requirements. In 2018 the DSS completed the functionality for MO HealthNet MAGI processes in MEDES. Since the final functionality to complete systemic annual reviews was implemented in June 2018, the DSS has continued resolving MEDES control limitations for participants in a bypass state during the period under review, July 1, 2016 through June 30, 2019. The DSS has continued to move the individuals with manual eligibility determinations into MEDES and complete eligibility reviews. After the MEDES eligibility review, the DSS ends eligibility if the individual is determined ineligible. This audit confirms that the DSS' action to implement annual renewals in 2018 and 2019 to verify continued eligibility was the correct action.

Additionally, the DSS is reviewing the provided participant listing to determine if further action is needed.

Auditor's Comment

The audit shows many cases in bypass status have not been reviewed or resolved timely. It is not clear why the department mentions actions taken to implement annual reviews in 2018 as noteworthy when such annual reviews have been a federal requirement for many years. For any cases in which the participant is no longer eligible, each additional monthly capitation payment results in unnecessary costs to the state and federal government.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

2. Indicator Control

The DSS improperly issued capitation overpayments on behalf of some participants, and issued potentially preventable capitation payments (not considered overpayments) on behalf of other participants. This occurred because of weaknesses in an "indicator" control in the MEDES and the related manual tracking processes. For all participants reporting a disability, if MEDES attempts to deactivate MC program eligibility for any reason, the indicator triggers and instead maintains the participant's eligibility indefinitely. The indicator's intended purpose is to allow the DSS to maintain eligibility for some participants, as legally required, until department personnel can manually review whether the participant is eligible for the separate MO HealthNet Aged, Blind and Disabled (MHABD) program. However, the indicator can trigger unnecessarily (i.e., when a participant's circumstances make MHABD program eligibility impossible). In addition, DSS personnel did not always effectively track all triggered indicators to ensure timely completion of the review. This weakness allowed overpayments and potentially preventable capitation payments to continue for extended periods.

We identified 2,810 participants with outstanding triggered indicators. Our review of 20 participants identified concerns with 17. We separated the results into two groups.

- In Group 1, covering 10 participants reviewed, overpayments occurred because the indicator triggered unnecessarily. Overpayments totaled \$45,431 during the 3 years ended June 30, 2019, with an additional \$25,038 through the 9 months ending March 31, 2020.
- In Group 2, covering 7 participants reviewed, overpayments did not occur because the indicator triggered appropriately, and the DSS was required to maintain MC program eligibility until its review for MHABD program eligibility was complete. However, for 6 of the 7 participants, MC program eligibility continued for 12 to 30 months after the indicator triggered. More timely resolution of the review may have made some of the capitation costs preventable.

Indicator overview

The MEDES indicator control (essentially a flag) is only associated with participants who receive benefits from the Supplemental Security Income (SSI; assistance to the aged, blind and disabled) or Social Security Disability Insurance (SSDI) programs, and/or report a disability. It maintains the participant's MC program eligibility, as required by federal law,¹¹ until DSS

¹¹ When an individual is found ineligible for one MO HealthNet category, the department explores eligibility for other MO HealthNet programs prior to ending the individual's current eligibility because 42 CFR 435.909 mandates that Medicaid agencies not require a separate application if an individual receives certain other benefits.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

eligibility specialists (ESs) complete a review to determine if the participant is eligible for the state's separate MHABD program.

For such participants, when the MEDES attempts to deactivate eligibility for any reason, the indicator automatically triggers. Once triggered, the participant's eligibility remains active indefinitely (superseding any deactivation attempt), and capitation payments continue indefinitely, until the indicator is manually terminated or the participant's enrollment with an MCO ends.

Because the indicator triggers when MEDES attempts to deactivate eligibility for any reason, we observed the system cannot distinguish between situations that suggest possibility of MHABD eligibility (for example, an update shows income now exceeds a set MC program threshold) from those that do not (for example, the participant is deceased, incarcerated, cannot be located, no longer resides in the state, or did not respond to annual redetermination notices). In the latter case, to prevent overpayments, we also determined it is more efficient for the indicator to not trigger, since standard MEDES controls would deactivate eligibility more promptly.

Regardless of whether the indicator triggers unnecessarily or appropriately, all triggered indicators are intended to be manually tracked, then queued for ES review. The participant's indicator is not terminated (and MC program eligibility is not deactivated) until the review is complete. According to DSS officials, payments to MCOs for the participants are not considered overpayments for the period between when the indicator triggers, and when the ES review is completed.

DSS officials explained that reviews generally take 3 months to complete, but can take significantly longer. The time needed to complete each review varies by participant: "Application processing time for MHABD cases for individuals receiving SSI or SSDI is 45 days," but "When an individual claims a disability and does not receive SSI or SSDI, a Medical Review Team (MRT) determination is necessary to complete the MHABD determination. An MRT determination often takes a minimum of 90 days, but can take a significantly longer time due to needing a disability exam and waiting on medical records from providers." MRT determinations are further impacted by provider cooperation and medical record clarity.

Upon completing the review, the ES terminates the indicator, and MC program eligibility deactivates. Alternatively, if the review finds the participant should remain eligible in the MC program (for example, because the MEDES incorrectly attempted to deactivate eligibility), the ES terminates the indicator but takes additional action to reactivate or maintain eligibility. If a review is not completed, then the indicator remains triggered.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

Indicator tracking

The DSS relies on a manual tracking process to ensure all participants with a triggered indicator are queued for ES review. However, per discussions with DSS officials, the following factors reflect difficulties in successfully tracking all necessary reviews. These weaknesses increase the risk that the indicator will remain triggered without ES review:

- While MC program eligibility is administered in the MEDES, MHABD program eligibility is administered using a separate system. The use of two systems requires DSS personnel to manually track the indicators outside of the systems.
- In November 2018, the DSS implemented an external site/queue to track triggered indicators requiring ES review. Indicators triggered prior to this month were generally subject to weaker tracking procedures, in part due to overall MEDES system control limitations. Indicators triggered during or after November 2018 are generally subject to stronger tracking procedures, but continue to require manual effort.
- When the indicator triggers, the MEDES does not automatically create a notification (either internal or external to the MEDES) alerting an ES of the event. Instead, an ES must manually add a task in the external site/queue, to consider the indicator successfully tracked.
- If the indicator triggers because eligibility is deactivated by automatic MEDES controls (without ES action or presence), it is unlikely any ESs will become aware of the indicator, and subsequently the need to manually add a task in the external site/queue.
- Alternatively, if the indicator triggers because eligibility is deactivated by manual ES action, there remains risk the ES will not see the indicator trigger, and subsequently will not realize the need to manually add a task in the external site/queue. This problem is due to the time period between (1) when MEDES first recognizes intent to deactivate eligibility (the ES is present), and (2) when MEDES actually attempts to deactivate eligibility (the ES may not be present). In most situations, when the MEDES first recognizes intent to deactivate eligibility, state and federal law requires the DSS to notify the participant 10 business days before the deactivation may truly occur. This period allows the participant a chance to request an administrative hearing to continue eligibility. When that period expires, if no request is received, the MEDES will attempt to deactivate eligibility (and, subsequently, trigger the indicator). By this time, it is unlikely the ES will return to add a task in the external site/queue.
- During the 3 years ending June 30, 2019 (and after), the DSS ran a daily report regarding disabled participants. However, it was not designed to



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

identify participants losing MC program eligibility. Therefore, it would not necessarily help department personnel identify indicators that triggered, but were not tracked in the external site/queue. To evaluate further, we requested and received records directly from MEDES for outstanding indicators. DSS officials explained they have begun using the data we requested to enhance tracking efforts going forward.

Review

We reviewed MEDES records generated around January 28, 2020, of participants who (1) had at least one indicator trigger during the 3 years ended June 30, 2019, and (2) the indicator(s) had not been terminated (meaning an ES review either had not been performed or had not been completed). We identified 2,810 such participants for whom the DSS paid approximately \$10.47 million in capitation payments during the 3 years ended June 30, 2019, after the indicator triggered.

We reviewed 20 of the 2,810 participants. The DSS paid \$101,057 in capitation payments associated with these participants during the 3 years ended June 30, 2019, after their indicator triggered. When we began our review in late March 2020, capitation payments were still being issued on behalf of 16 of 20 participants.

Our review of the 20 participants identified concerns with 17, between two groups, both reflecting weaknesses in tracking processes. Group 1 concerns 10 participants for which overpayments occurred because the indicator triggered unnecessarily. Group 2 concerns 7 participants for which overpayments did not occur, and it was appropriate for the indicator to trigger; but because the DSS review took or was taking a significant amount of time it is likely some of these capitation payments could have been prevented.

Group 1: Indicator trigger was unnecessary For the 10 participants in this group, the indicator triggered unnecessarily. The participants' eligibility circumstances supported prompt deactivation of eligibility, without need for an ES review.

As shown in Table 3, our review found that overpayments totaling \$45,431 (approximately 45 percent of the \$101,057) during the 3 years ended June 30, 2019, occurred for the 10 participants. In addition, overpayments totaling \$25,038 during the 9 months ended March 31, 2020, continued to occur for 9 of 10 participants.



Medicaid Managed Care Program
Management Advisory Report - State Auditor's Findings

Table 3: Review of overpayments for Group 1 participants with triggered indicator control

Participant	Issue	Capitation Payments			Count of Capitation Months		
		36 months ending 6/30/19	9 months ending 3/31/20	Total	36 months ending 6/30/19	9 months ending 3/31/20	Total
01	Non-response	\$ 1,061	0	1,061	3	0	3
02	Non-response	4,064	3,212	7,276	11	9	20
03	Non-response	3,990	3,219	7,209	11	9	20
04	Unable to locate	4,066	2,057	6,123	20	9	29
05	Unable to locate	2,781	3,212	5,993	8	9	17
06	Unable to locate	1,605	1,511	3,116	10	9	19
07	Unable to locate	3,801	2,057	5,858	19	9	28
08	Left household	10,816	3,630	14,446	26	9	35
09	Voluntary close	10,307	3,258	13,565	29	9	38
10	Other	2,940	2,882	5,822	10	9	19
	Totals	\$ 45,431	25,038	70,469	147	81	228

Source: SAO analysis of MMIS capitation payment data. All capitation payment figures represent state and federal shares combined.

Further explanations of the information in Table 3 (specifically, the events causing an attempted deactivation of the participant's eligibility) follow:

- Non-response (3 of 10 participants): The participant or the head of household did not respond to an annual review notice to redetermine eligibility.
- Unable to locate (4 of 10 participants): A DSS attempt to mail communication to the participant was returned as unable to locate. In these situations, federal law and DSS policy allow immediate deactivation of the participant's eligibility if no other address or contact information can be found.
- Left household (1 of 10 participants): The participant moved out of the household.
- Voluntary close (1 of 10 participants): The participant contacted the DSS to voluntarily close his/her case.
- Other (1 of 10 participants): The participant's indicator was triggered for not being pregnant when applying for MO Pregnant Women coverage and non-compliance with Child Support Enforcement.

When our review of this area was substantially completed, the DSS had not deactivated eligibility for 9 of the 10 participants. Therefore, these



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

participants are at increased risk of continued overpayments. In MAR findings number 3 and 4, we also observed the indicator trigger unnecessarily and caused overpayments for participants in our out-of-state residency and incarceration test work.

DSS officials previously identified problems with the indicator control, including triggering in unnecessary situations, and created a request with its vendor in January 2017 to resolve these issues. However, the underlying cause of the problem has not been resolved and department officials indicated efforts remain in progress.

Group 2: Indicator trigger was appropriate For the 7 participants in this group, it was appropriate for the indicator to trigger. Overpayments did not occur because the DSS was required to maintain MC eligibility until its review for MHABD eligibility was complete. For 6 of 7 participants, as shown in Table 4, payments continued for 12 to 30 months after the indicator triggered. This length of time may indicate untimely reviews due to control weaknesses previously mentioned. Table 4 also includes the capitation payments issued on behalf of the participants after their respective indicators triggered. It is likely some of these capitation payments were preventable. However, we cannot calculate a specific amount because the time required to complete a given review varies by participant.

Table 4: Listing of capitation payments for Group 2 participants with triggered indicator control

Participant	Issue	Capitation Payments			Count of Capitation Months		
		36 months	9 months	Total	36 months	9 months	Total
		ending 6/30/19	ending 3/31/20		ending 6/30/19	ending 3/31/20	
11	Excessive income \$	7,900	2,310	10,210	22	6	28
12	Excessive income	2,098	1,863	3,961	6	5	11
13	Excessive income	2,932	3,258	6,190	9	9	18
14	Excessive income	2,994	3,231	6,225	9	9	18
15	Excessive income	5,729	3,212	8,941	16	9	25
16	No dependents	7,275	2,658	9,933	22	8	30
17	No dependents	2,843	2,989	5,832	9	8	17
Totals		\$ 31,771	19,521	51,292	93	54	147

Source: SAO analysis of MMIS capitation payment data. All capitation payment figures represent state and federal shares combined.

Further explanations of the information in Table 4 (specifically, the events causing an attempted deactivation of the participant's eligibility) follow:

- Excessive income (5 of 7 participants): The participant or the head of household had income exceeding established eligibility thresholds.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

- No dependents (2 of 7 participants): The participant was the head of household, but his/her child or children left or were removed from the household, leaving the participant without dependents. The presence of dependents was necessary for the participant's own continued eligibility.

When our review of this area was substantially completed, the DSS had not deactivated eligibility for 4 of 7 participants. Therefore, these 4 participants are at increased risk of (potentially preventable) continued capitation payments.

Conclusions

We provided the DSS with a listing of all 2,810 participants with outstanding triggers indicated. While we only formally reviewed 20 participants, we could not further split the remaining 2,790 participants between Group 1 and Group 2. This distinction requires a review of each participant's case to understand why the indicator triggered, and whether it was unnecessary or appropriate. DSS officials could not provide an estimated percent of participants who historically, as a result of the indicator trigger and review, were determined eligible for the MHABD program.

However, from our analysis of the 2,790 remaining participants, 2,440 appear at greatest risk of continued concern (and potential overpayments), and should be further investigated. Capitation payments for the full month of June 2019 were issued on behalf of all 2,440 participants, and nearly all were still actively eligible as of January 2020.

DSS officials indicated they believe that for the majority of the 2,790 remaining participants, the indicators triggered when the tracking procedures were weaker, prior to the November 2018 implementation of an external site/queue. While tracking issues continued after November 2018, this conclusion is generally supported by Table 5, which lists the number of outstanding triggers, and their days/months outstanding since June 30, 2019, for such participants.

Table 5: Duration of outstanding triggered indicators

Days Outstanding since 6/30/19	Months Outstanding since 6/30/19	Count	Percent
0 to 90	0 to 3	27	1%
91 to 365	3 to 12	739	25%
366 to 730	12 to 24	1,100	38%
731 to 1,039	24 to 34	<u>1,034</u>	36%
	Total ¹	<u>2,900</u>	

¹ A given participant can have more than one outstanding trigger.

Source: SAO analysis of MEDES indicator control data.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

Under 42 CFR Section 431.958, improper payments are defined as "any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and includes any payment to an ineligible beneficiary..."

Without the ability for MEDES to avoid triggering indicators in unnecessary situations, and without effective controls to track and review (or timely review) participants with triggered indicators, the DSS is at increased risk of making overpayments, or otherwise potentially preventable capitation payments.

The DSS may be unable to deactivate eligibility when applicable for participants reported to the department in this finding until after the public health emergency ends, to remain compliant for the temporary increase in the federal share of Medicaid program costs.

Recommendation

The DSS continue working with its system vendor to prevent the indicator from triggering unnecessarily; improve processes to ensure all participants with triggered indicators are successfully tracked and reviewed timely; and deactivate eligibility (as soon as possible, permitting the public health emergency) for all 9 participants in Group 1, and the 4 identified participants in Group 2, if applicable. In addition, the DSS should review the provided participant listing to determine if further action is needed.

Auditee's Response

The DSS continues to work with the MEDES vendor to prevent the indicator from triggering unnecessarily. Additionally, the DSS is working with the MEDES vendor to implement systematic tracking of individuals with triggered indicators to ensure all participants are tracked and reviewed timely. These processes are expected to be complete by June 2021. The DSS will take action to deactivate eligibility for the 9 identified participants in Group 1 when the public health emergency expires. The DSS will review the 4 identified participants in Group 2 for necessary action and if appropriate, the DSS will deactivate eligibility when the public health emergency expires. The DSS is also reviewing the provided participant listing to complete reviews and determine if further action is needed.

3. Out-of-State Participants

The DSS improperly issued capitation payments on behalf of participants who were ineligible due to no longer residing in Missouri. Automatic and manual attempts to deactivate eligibility were not always successful due to MEDES control limitations. We identified 2,615 participants with out-of-state home addresses. For 34 of 35 participants reviewed, overpayments totaled \$133,107 during the 3 years ended June 30, 2019, with an additional \$17,227 through the 8 months ended February 2020.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

We reviewed MEDES address records generated around December 31, 2019 (and later additional records generated around May 18, 2020), to identify participants whose home address was outside of Missouri during the 3 years ended June 30, 2019. We identified 2,615 participants, for whom the DSS paid approximately \$6.56 million in capitation payments during their out-of-state periods (within the 3 years ended June 30, 2019).

We reviewed 35 of the 2,615 participants. The DSS paid \$139,174 in capitation payments associated with these participants during their out-of-state periods (within the 3 years ended June 30, 2019). As of mid-February 2020, shortly after our review began, capitation payments had been discontinued for all 35 participants.

As shown in Table 6, our review found overpayments totaling \$133,107 (approximately 96 percent of the \$139,174) during the 3 years ended June 30, 2019, occurred for 34 of 35 participations. In addition, overpayments totaling \$17,227 during the 8 months ended February 28, 2020, continued to occur for 11 of 34 participants, before their eligibility was deactivated.



Medicaid Managed Care Program
Management Advisory Report - State Auditor's Findings

Table 6: Review of overpayments for out-of-state participants

Participant	Issue	Capitation Payments			Count of Capitation Months		
		36 months ending 6/30/19	8 months ending 2/28/20	Total	36 months ending 6/30/19	8 months ending 2/28/20	Total
01	Indicator	\$ 1,563	0	1,563	8	0	8
02	Indicator	1,244	0	1,244	5	0	5
03	Indicator	2,226	1,041	3,267	14	7	21
04	Indicator	4,329	1,773	6,102	12	5	17
05	Indicator	1,246	1,170	2,416	9	7	16
06	Indicator	4,084	3,481	7,565	8	6	14
07	Indicator	1,132	0	1,132	9	0	9
08	Indicator	1,559	0	1,559	4	0	4
09	Indicator	1,144	865	2,009	9	6	15
10	Indicator	1,174	0	1,174	4	0	4
11	Indicator	2,033	0	2,033	5	0	5
12	Indicator	4,373	2,664	7,037	14	8	22
13	Indicator	2,693	2,055	4,748	8	6	14
14	Newborn	1,448	0	1,448	2	0	2
15	Newborn	12,111	859	12,970	10	1	11
16	Newborn	11,902	0	11,902	10	0	10
17	Newborn	11,820	960	12,780	10	1	11
18	Newborn	9,703	0	9,703	9	0	9
19	Newborn	8,449	0	8,449	10	0	10
20	Newborn	8,384	0	8,384	7	0	7
21	Newborn	9,439	0	9,439	9	0	9
22	Newborn	3,745	0	3,745	5	0	5
23	Blocked	2,457	0	2,457	8	0	8
24	Blocked	1,274	0	1,274	8	0	8
25	Blocked	2,070	0	2,070	6	0	6
26	Blocked	1,854	0	1,854	9	0	9
27	Blocked	1,426	0	1,426	4	0	4
28	Blocked	3,390	0	3,390	3	0	3
29	Blocked	3,451	2,298	5,749	10	7	17
30	Blocked	1,416	0	1,416	3	0	3
31	Blocked	1,472	0	1,472	9	0	9
32	Blocked	1,009	0	1,009	3	0	3
33	Blocked	4,116	61	4,177	7	1	8
34	Policy error	3,371	0	3,371	5	0	5
Totals		\$ 133,107	17,227	150,334	256	55	311

Source: SAO analysis of MMIS capitation payment data. All capitation payment figures represent state and federal shares combined.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

Further explanations of the information in Table 6 follow:

- Indicator (13 of 34 participants): When the DSS added the participant's out-of-state home address in MEDES, the system automatically attempted to deactivate the participant's eligibility. However, as described in MAR finding number 2, because the participant received SSI or SSDI and/or reported a disability, MEDES also automatically triggered the indicator control. Therefore, eligibility remained active. None of these participants overlap with those reviewed in MAR finding number 2.
- Newborn (9 of 34 participants): The participant is a newborn (younger than 1 year old). According to DSS officials, "Currently, MEDES determines [activates] eligibility for newborns for one full year of eligibility and does not take into consideration whether the individual is a Missouri resident or not. This has previously been identified as an issue and there is an open ticket [vendor request] to modify MEDES functionality to take action to close newborns if they move out-of-state." The correction remains in progress. Overpayments involving newborn participants are often significant, because the capitation rates for newborns are higher than rates for most other participants. The monthly rates paid for the 9 participants tested in detail ranged from \$701 to \$1,262 during the audit period.
- Blocked (11 of 34 participants): The participant was in a "blocked" state that generally prevented automatic eligibility deactivation attempts from being effective. Previously, all MEDES participants were forced into a blocked state in the DSS's long-term efforts to prevent MEDES from automatically deactivating eligibility in an unintended manner. However, this state created additional complexities that required a greater degree of DSS manual action to deactivate eligibility when necessary. DSS personnel manually unblocked individual participants on an as-needed basis until October 2018, when they unblocked all remaining participants.
- Policy error (1 of 34 participants): The participant was moving out-of-state and called the DSS to deactivate his/her eligibility. DSS personnel set the participant's eligibility to deactivate immediately (as opposed to after 10 business days had passed). Federal law and DSS policy only allow this method when the participant makes the request in writing. DSS personnel identified the error and reactivated/re-deactivated eligibility to return to compliance. Overpayments occurred because the second deactivation was not timely.

We provided the DSS with the list of all 2,615 participants identified. While we only formally reviewed 35 participants, we analyzed the remaining 2,580 participants. Of these, 642 are at greatest risk of continued overpayments (MEDES address records indicate the participant remains out-of-state), and



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

should be further investigated. Capitation payments for the full month of June 2019 were issued on behalf of all 642 participants, and all were still actively eligible as of January 2020. The DSS is allowed to deactivate eligibility for all applicable participants before the public health emergency ends, using the exception for non-residents, and remain compliant for the temporary increase in federal share of Medicaid program costs.

According to 42 CFR 435.403, state agencies must only provide Medicaid to eligible residents of the state. According to DSS officials, "the requirement is only that the individual states they are a resident of the state and intend to remain, even without a fixed address;" however, "having a home address located within the state of Missouri is what the DSS uses to support residency requirements." These home address records were used in our review. Furthermore, DSS policy states "when FSD discovers an individual or household has moved out of state, action must be taken to close the MO HealthNet eligibility."

Without effective controls to identify and discontinue capitation payments issued on behalf of participants who no longer reside in Missouri, the DSS is at increased risk of making overpayments.

Recommendation

The DSS improve efforts to timely and successfully deactivate eligibility, and continue resolving MEDES control limitations as applicable, to prevent issuing capitation payments on behalf of participants no longer residing in Missouri. In addition, the DSS should review the provided participant listing to determine if further action is needed.

Auditee's Response

The DSS is in the process of implementing the Program Participation Analyzer, which is a clearinghouse that ensures duplicate participation does not occur across state lines. This is expected to be implemented in December 2020. The DSS continues to work with the MEDES vendor to resolve MEDES control limitations to deactivate eligibility for participants no longer residing in Missouri. Additionally, the DSS is reviewing the provided participant listing to determine if further action is needed. The implementation of annual renewals in 2018 assisted in addressing this issue.

4. Incarcerated Participants

The DSS is not performing effective incarceration matches, or the results are not always used effectively, to detect, discontinue, and recoup capitation payments issued on behalf of participants who are incarcerated. We identified 515 incarcerated participants potentially missed in the department's match processes. For the 10 participants reviewed, overpayments totaled \$73,620 during the 3 years ended June 30, 2019, with an additional \$16,117 during the 7 months ended January 2020. As of July 2020, the DSS had recouped the majority of the overpayments.



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

The DSS uses Missouri Department of Corrections (DOC) data to create monthly reports to identify recently incarcerated MC program participants. Matches detected in these reports do not automatically result in deactivation of a given participant's eligibility. Instead, DSS ESs manually review each match, and potentially confirm information with the DOC, to verify the match results before proceeding.

We compared records of capitation payments to records of individuals who were in the custody of the DOC. We identified 515 participants who were incarcerated during a portion of the 3 years ended June 30, 2019. The DSS paid approximately \$1.65 million in capitation payments associated with these participants during their periods of incarceration (within the 3 years ended June 30, 2019).

We reviewed 10 of the 515 participants. We obtained copies of the DSS's July 2017 and January 2019 match reports. None of the 10 participants we selected are listed in these reports, despite several remaining incarcerated during at least one of those months. According to DSS officials, the report is generated using the incarceration month and is not an accumulative report of all incarcerated individuals. Instead, if a match is identified, that initial identification is the only time the participant will appear in a report. Further review of the two reports confirmed that almost all of the participants the DSS detected were newly incarcerated in the month immediately preceding each report (June 2017 or December 2018). None of the 10 participants we reviewed began their incarceration in these months.

The DSS paid \$73,620 in capitation payments associated with these participants during their incarceration periods (within the 3 years ended June 30, 2019). As shown in Table 7, our review found the entire amount represented overpayments. When we began our review in mid-October 2019, capitation payments were still being issued on behalf of 9 of 10 participants. Overpayments totaling \$16,117 during the 7 months ended January 31 2020, continued to occur for each of them.



Medicaid Managed Care Program
Management Advisory Report - State Auditor's Findings

Table 7: Review of capitation payments for incarcerated participants

Participant	Issue	Capitation Payments			Count of Capitation Months		
		36 months ending 6/30/19	7 months ending 1/31/20	Total	36 months ending 6/30/19	7 months ending 1/31/20	Total
01	Not detected	\$ 11,865	1,109	12,974	36	3	39
02	Not detected	11,182	1,712	12,894	33	5	38
03	Not detected	8,334	2,207	10,541	30	7	37
04	Not detected	5,447	1,773	7,220	15	5	20
05	Not detected	1,808	1,985	3,793	4	5	9
06	Bypass	13,974	1,583	15,557	36	4	40
07	Bypass	4,455	558	5,013	13	2	15
08	Indicator	8,197	1,583	9,780	20	4	24
09	Indicator	3,542	1,834	5,376	11	5	16
10	Indicator	4,816	1,773	6,589	14	5	19
Totals		\$ 73,620	16,117	89,737	212	45	257

Source: SAO analysis of MMIS capitation payment data. All capitation payment figures represent state and federal shares combined.

Further explanations of the information in Table 7 follow:

- Not detected (5 of 10 participants): Prior to our review, the DSS did not detect the participant's incarceration. Among other reasons, DSS reports may fail to detect participants if key data between the DSS and DOC, such as the participant's Social Security number (SSN), disagree. However, our comparisons of key data between the DSS and DOC found the SSN always agreed, and names either agreed or were strong matches.
- Bypass (2 of 10 participants): The participant's bypass state, as described in MAR finding number 1, caused the participant to not be subject to MEDES controls. Therefore, eligibility remained active despite DSS attempts to deactivate eligibility. Neither of these 2 participants overlap with those reviewed in MAR finding number 1.
- Indicator (3 of 10 participants): The system automatically attempted to deactivate the participant's eligibility (potentially for reasons unrelated to incarceration). However, as described in MAR finding number 2, because the participant received SSI or SSDI and/or reported a disability, MEDES also automatically triggered the indicator control. Therefore, eligibility remained active. None of these 3 participants overlap with those reviewed in the other MAR findings.

By mid-October 2019 (when our review of this area was substantially completed), the DSS had not deactivated eligibility for 9 of 10 participants. The DSS deactivated eligibility for all 9 participants by February 2020, recouped \$73,718 (82 percent) of overpayments listed in Table 7 by August 2020, and indicated an additional \$13,687 (15 percent) would be recouped by



Medicaid Managed Care Program Management Advisory Report - State Auditor's Findings

early October 2020. The DSS cannot recoup the remaining \$2,332 (3 percent), for the 7 months preceding May 2017, for Participant 03. These overpayments were issued to a previous MCO whose contract ended prior to the May 2017 statewide MC program expansion. The state will still be responsible for repaying the federal share for all of the amount overpaid including the portion not recouped.

We provided the DSS with a list of all 515 participants identified. While we only formally reviewed 10 participants, we analyzed the remaining 505 participants. Of these:

- 18 participants appear at greatest risk of continued overpayments, and should be further investigated. Capitation payments for the full month of June 2019 were issued on behalf of all 18 participants, and nearly all were still actively eligible as of January 2020.
- 487 participants are of reduced (or no) risk of continued overpayments, because prior to June 2019, their eligibility was deactivated and/or they were released from incarceration. However, department personnel need to investigate these participants for recoupment, because overpayments occurred during the 3 years ended June 30, 2019.

Federal law does not explicitly deem incarcerated participants to be ineligible. However, under 42 USC Section 1396d(a)(30)(A), 42 CFR Section 435.1009(a)(1), and 42 CFR Section 435.1010, federal law prohibits states from obtaining federal Medicaid matching funds for health care services provided to inmates of public institutions, such as state prisons and local jails. These laws remain in effect and are not superseded by the Families First Coronavirus Response Act's limitations to deactivate participant eligibility.

According to DSS officials, for cases in which the participant is incarcerated, there is no physical way to provide the service, so enrollment can be retroactively ended. Enrollment is ended on the day before the date of incarceration for incarcerated individuals. Procedures to deactivate eligibility were in effect until August 28, 2019, when Sections 217.930 and 221.125, RSMo, began requiring the DSS to suspend eligibility. The change from deactivating to suspending eligibility has substantially the same effect of discontinuing capitation payments. Suspension expedites the potential reactivation of eligibility for incarcerated participants that meet certain exceptions (need medical attention that requires their release for a minimum of 24 hours); but such services are reimbursed under the fee-for-service model, instead of the capitation payment model.

Without effective controls to detect, discontinue, and/or recoup capitation payments issued to MCOs on behalf of participants who are incarcerated, the DSS is at increased risk of allowing overpayments to continue.



Medicaid Managed Care Program
Management Advisory Report - State Auditor's Findings

Recommendation

The DSS improve incarceration match processes and procedures, and continue resolving MEDES issues as applicable, to prevent the issuance of capitation payments on behalf of incarcerated participants. In addition, the DSS should review the provided participant listing for further action, including deactivation of eligibility, recoupment of overpayments, and repayment of federal shares.

Auditee's Response

The DSS is working to improve incarceration match processes and procedures.

As noted in the Management Advisory Report, effective August 28, 2019, Sections 217.930 and 221.125, RSMo, require the DSS to suspend MO HealthNet coverage for incarcerated individuals, rather than deactivate eligibility. While the DSS acknowledges that the change from deactivating to suspending eligibility has essentially the same effect of discontinuing capitation payments, the statutory change has required a change in incarceration match processes. These statutory changes require the Department of Corrections (DOC), county, city, and private jails to inform the DSS when an individual receiving MO HealthNet becomes incarcerated. The DSS is working with DOC, county, city, and private jails to develop reports and processes to receive accurate and timely notice of incarcerated individuals requiring suspension and reactivation of MO HealthNet coverage.

Additionally, the DSS has reviewed the provided participant listing and completed the necessary actions to discontinue capitation payments.



Nicole Galloway, CPA

Missouri State Auditor

City of Edgar Springs

Report No. 2020-087

November 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Edgar Springs

Budgets and Financial Reporting	City officials did not prepare complete annual budgets in accordance with state law or monitor budgets appropriately. They also did not prepare and maintain accurate financial statements and accounting records. City officials did not publish complete and accurate financial statements as required by state law, and did not file an accurate and timely financial report with the State Auditor's Office. The city has not obtained annual audits of its sewer system as required by state law.
Sewer System Controls and Procedures	Current sewer rates are not supported by a cost study or other documentation showing how the rates were determined. The city does not maintain a listing of refundable customer deposits held in the Wastewater Treatment bank account. The city's procedures for collecting delinquent sewer charges do not comply with city ordinance, sewer user contracts, or state law. In addition, the city ordinance does not agree with some requirements of the sewer user contract. The City Clerk makes adjustments to customer accounts without obtaining independent approval or maintaining any documentation supporting the adjustments. In addition, the Board does not review and approve all adjustments. The city did not retain sewer user contracts for some customers.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city officials are completed. The city's procedures for receipting and depositing monies are poor.
Disbursements	The Board's review and approval process for disbursements is not adequate. The city does not have a bidding policy and has not established policies for the selection of vendors providing professional services. In addition, written contracts were not always obtained for professional services. City officials could not provide supporting documentation for all disbursements.
Ordinances and Sunshine Law	City ordinances are not organized, complete, or up to date. The Board has not adopted a written policy regarding public access to city records as required by state law. City officials do not maintain adequate documentation of requests for records to show compliance with state law, and did not respond to requests timely. The city did not comply with state law regarding closed meetings. Minutes were not prepared for all meetings and minutes are not signed by the preparer or the Board.
Ticket Accountability	The police department has not developed adequate procedures to account for the numerical sequence of tickets and the ultimate disposition of tickets issued.
Excess Revenues	The city did not prepare and submit the financial report addendum containing excess revenues calculations to the State Auditor's Office as required by state law.

Electronic Communication
Policies

The city has not developed records management and retention policies in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Edgar Springs

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Budgets and Financial Reporting4 2. Sewer System Controls and Procedures7 3. Accounting Controls and Procedures10 4. Disbursements12 5. Ordinances and Sunshine Law14 6. Ticket Accountability17 7. Excess Revenues18 8. Electronic Communication Policies19
---	--

Organization and Statistical Information	21
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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Edgar Springs, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Edgar Springs. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

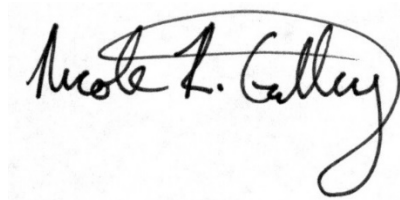
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Edgar Springs.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Shannon Spicer, MBA
Audit Staff:	Terese Summers, MSAS, CPA

City of Edgar Springs

Management Advisory Report

State Auditor's Findings

1. Budgets and Financial Reporting

City officials did not prepare complete annual budgets in accordance with state law or monitor budgets appropriately. They also did not prepare and publish complete and accurate financial statements, maintain accurate accounting records, file adequate financial reports timely, or obtain required audits for the city's sewer system.

1.1 Budgets

City officials do not have adequate procedures to prepare or monitor budgets.

The budgets prepared for the years ended December 31, 2019, and December 31, 2020, did not contain all statutorily-required elements. The budgets did not include the actual or budgeted amounts for the 2 preceding years or the city's indebtedness information. In addition, the budgets did not include the actual beginning and estimated ending cash balance for any funds, the estimated revenues and expenditures for each fund, a budget message, or a budget summary. In addition, the Board does not adequately monitor budget-to-actual receipts and disbursements because year-to-date budget-to-actual reports of financial activity are not presented to the Board. As a result, the Board is not using all available information to assist in effectively managing the city, and the public is not provided a complete overview of the city finances.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. Section 67.080, RSMo, provides that no expenditures of public monies should be made unless it is authorized in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, serves as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in providing information to the public about city operations and current finances and in setting the tax levy and utility rates. Proper monitoring is necessary for the budget to be an effective management tool and to comply with state law.

1.2 Financial statements and accounting records

City officials did not prepare and maintain accurate financial statements and accounting records.

Financial statements

The city's financial statements did not accurately reflect the financial activity of the city. The total beginning balance of \$19,698 for all funds on the January 2019 monthly financial statement did not agree to the total ending balance of \$4,945 for all funds on the financial statement submitted to the State Auditor's Office (SAO) for the year ended December 31, 2018. It also did not agree to the total ending balance of \$12,073 for all funds on the semiannual financial statement published for the six months ended December 31, 2018. In addition, city officials do not agree reconciled bank account balances to the ending fund balances on the monthly financial statements. Reconciled bank account



City of Edgar Springs Management Advisory Report - State Auditor's Findings

balances totaled \$32,921 at December 31, 2019, while the ending fund balances on the December 2019 financial statement totaled \$25,532, resulting in a difference of \$7,389.

Accounting records

The city did not maintain accurate accounting records, resulting in errors on monthly financial statements. We noted untimely transfers, transfers classified as receipts, and unrecorded disbursements. City officials typically make sewer disbursements from the General Operations Fund bank account and later transfer monies from the Sewer (Wastewater Treatment) bank account to reimburse the General Operations Fund bank account; however, these transfers are not made during the month of the related disbursements. As a result, cash balances do not agree to fund balances. For example, sewer disbursements totaling \$6,351 incurred in November and December 2018, were recorded as Sewer Fund disbursements, but were paid from the General Operations Fund bank account. These monies were not transferred from the Wastewater Treatment bank account to the General Operations Fund bank account until February 2019, and were improperly classified as receipts in the General Fund on the February 2019 financial statement. We also noted check number 1005 for \$1,161 issued February 11, 2019, from the Wastewater Treatment bank account was omitted from the listing of monthly disbursements for each fund. As a result, it was not included in the Sewer Fund disbursements on the February 2019 financial statement. Because accounting records are used to prepare and verify the financial statements, it is important transactions are accurately and timely recorded.

To be of maximum assistance to the Board and to adequately inform the public, the city's financial statements and accounting records should accurately report financial activity and account balances. Monthly comparisons of reconciled bank account balances to ending fund balances on the financial statements help ensure transactions have been properly recorded, and increase the likelihood errors will be identified and corrected timely. Inaccurately recorded financial information makes it more difficult to detect loss, theft, or misuse of funds.

1.3 Published financial statements

City officials did not publish complete and accurate financial statements as required by state law. The 2 semiannual financial statements published for the year ended December 31, 2019, did not include beginning or ending fund balances or a detailed accounting of receipts and disbursements for each fund. Instead the city published summary statements of receipts and disbursements. As a result, citizens were not provided an accurate, detailed accounting of the city's financial activity.

Section 79.160, RSMo, requires the Board to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

1.4 Filing of financial reports City officials did not file an accurate and timely financial report with the SAO for the year ended December 31, 2019, as required by state law. This financial report, due by June 30, 2020, was not filed until August 3, 2020. The financial report submitted consisted of the 2019 budget and the published summary statement of revenues and expenditures for the 6 months ended December 31, 2019. The financial report submitted did not include the financial data for the first 6 months of 2019, beginning and ending fund balances, and the city's property tax levy as required by state regulations.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the SAO. Section 105.145.5, RSMo, prohibits elected officials from continuing to receive compensation or processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the SAO. Section 105.145.9, RSMo, allows political subdivisions to be fined \$500 per day for missing filing deadlines. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year.

1.5 Annual audits The city has not obtained annual audits of its sewer system as required by state law.

Section 250.150, RSMo, requires the city to obtain annual audits of the sewer system and the cost be paid from revenues received from the system.

Recommendations

The Board of Aldermen:

- 1.1 Prepare annual budgets that contain all information required by state law and ensure budgets are properly monitored.
- 1.2 Prepare financial statements and accounting records that accurately reflect the financial activity of the city. In addition, the Board should establish monthly procedures to compare reconciled bank account balances to ending fund balances on the financial statements, and ensure accounting transactions are properly recorded.
- 1.3 Ensure the city's published financial statements are complete, accurate, and contain all statutorily-required elements.
- 1.4 Submit annual financial reports to the State Auditor's Office as required by state law.
- 1.5 Obtain annual audits of the sewer system as required by state law.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 1.1 *The annual budget has been revamped and now contains all information required by state law. The Board will monitor budget-to-actual reports of financial activity monthly.*
- 1.2 *Financial statements and accounting records will be monitored so they will show the accurate amounts and reconciliations of bank balances and fund balances will be done monthly to ensure transactions are recorded properly.*
- 1.3 *The Board will make sure that published financial statements are complete, accurate, and comply with state statutes.*
- 1.4 *The annual financial reports will be reported to the State Auditor's Office on time as required by state law.*
- 1.5 *An annual audit of the sewer system will be done to comply with state statutes.*

2. Sewer System Controls and Procedures

2.1 Sewer rates

Sewer system controls and procedures need improvement. According to the city's accounting records, the city collected approximately \$60,500 for sewer services and customer deposits during the year ended December 31, 2019.

Current sewer rates are not supported by a cost study or other documentation showing how the rates were determined. The city's sewer billing structure charges customers on the public water supply a per-gallon rate based on the number of gallons of water used. For sewer customers with private water wells, the city bills a flat rate. The Board increased the per-gallon rates charged to customers on the public water supply in July 2018 and the flat rate charged to customers with private wells in July 2019.

Section 67.042, RSMo, provides that fees may be increased if supported by a cost study that shows the increase is necessary to cover costs of providing the service. To ensure sewer rates are appropriately set, city officials should perform and document a detailed cost study of the city's sewer costs, including depreciation, and establish rates to cover the total cost of operations without generating excessive profits.

2.2 Sewer deposits

The city does not maintain a listing of refundable customer deposits held in the Wastewater Treatment bank account. The city currently requires new customers to pay a \$100 refundable deposit. City officials were not sure when customer deposits started being charged, and indicated customer account records did not indicate if a customer deposit was being held.

Refundable customer sewer deposits are restricted funds held for customers. To ensure all deposits received from customers are accounted for properly,



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

the Board should determine the deposit amounts being held in the Wastewater Treatment account, require an accurate list of deposits held by the city be prepared monthly, and reconcile the list to the deposit amounts held in the Wastewater Treatment bank account monthly. Performing such reconciliations provides the city assurance the Wastewater Treatment bank account balance is sufficient to cover customer liabilities and ensures the deposits are not used for sewer operations.

2.3 Delinquent accounts

The city's procedures for collecting delinquent sewer charges do not comply with city ordinance, sewer user contracts, or state law. In addition, the city ordinance does not agree with some requirements of the sewer user contract.

The city improperly assessed a special tax to be collected with city real estate property taxes for 12 delinquent sewer accounts totaling \$5,190 plus an additional \$900 for lien filing fees. In addition, the city did not properly notify land owners of liens placed on property and did not limit the rental property owner's liability when the sewer account was held by the occupant to the first 90 days of delinquent charges as required by state law. We noted 4 sewer bills for one account in which the landowner's name was added retroactively to the sewer bills in the accounting system immediately prior to filing a lien and assessing a special tax for delinquent sewer fees. The invoices were originally issued to the tenant, who was responsible for the account. While no written notice was given to 4 landowners of special assessments, one of these landowners indicated the city made a courtesy call and allowed her to pay the city directly for delinquent sewer fees, canceling the special assessment.

Additionally, the city ordinance does not agree with some requirements of the sewer user contract. The \$100 reconnect fee in city ordinance does not agree to the \$50 reconnect fee in the sewer user contract. The sewer user contract also requires the customer to pay all charges incurred with blocking the sewer (\$300 to \$400), but this is not authorized by city ordinance.

City ordinance No. 60-A article 5, section 4, requires the city to discontinue service to customers with delinquent accounts and requires customers to pay all delinquent fees and a \$100 reconnect fee before service can be restored. In addition, section 5 of the ordinance states the owner and occupant shall be jointly and severally liable for the delinquent amount, and allows the city to file a lien that may be enforced by suit or foreclosure. Per the sewer user contract, the city will install a sewer plug if delinquent accounts are not paid and the customer must pay all sewer charges, late fees, charges incurred for blocking sewer (\$300 to \$400), and a \$50 reconnect fee before service can be restored. Section 250.234, RSMo, allows the city to file a lien against the property, enforceable by suit or foreclosure. However, Section 250.140.2, RSMo, requires the city to make a good faith effort to notify the owner of the premises receiving such service of the delinquency and the amount thereof.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

In addition, it limits the land owner's liability to no more than 90 days when the account is held by the occupant and not the owner.

2.4 Adjustments

The City Clerk makes adjustments to customer accounts, including writing off charges caused by water leaks, filling swimming pools, billing errors, and waiving late fees, without obtaining independent approval or maintaining any documentation supporting the adjustments. In addition, the Board does not review and approve all adjustments. The same employee receives payments and posts payments and billing adjustments to customer accounts, including her own account, with no independent supervisory review. As a result, there is an increased risk of loss, theft, and misuse of funds occurring without being detected.

To ensure adjustments to sewer accounts are valid and authorized, adjustment transactions should be approved before they are made in the computerized system and the posted adjustments should later be compared to the list of approved adjustments. Review and approval of adjustments by the Board is necessary to ensure adjustments are proper.

2.5 User contract retention

The city did not retain sewer user contracts for some customers. City officials could not locate 5 of the 12 sewer user contracts requested for review.

Retention of written contracts is necessary to ensure contractual duties and responsibilities can be enforced and to prevent misunderstandings. Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. In addition, Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. Record retention schedules can be found on the Secretary of State's website.¹

Recommendations

The Board of Aldermen:

- 2.1 Ensure a statement of costs is prepared to support sewer rate increases and document formal reviews of sewer rates periodically to ensure revenues are sufficient to cover all costs of providing these services.
- 2.2 Determine the amount of customer deposits held in the Wastewater Treatment bank account and develop procedures to track the balance of those funds. Ensure a list of customer deposits is prepared and reconciled to the balance of deposits held monthly and promptly investigate any differences.

¹ <<https://www.sos.mo.gov/archives/localrecs/schedules>>



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 2.3 Ensure procedures for delinquent sewer collection comply with city ordinance, sewer user contracts, and state laws. In addition, ensure the requirements of the city ordinance and the sewer user contract are in agreement.
- 2.4 Review and approve all adjustments made to customer accounts and periodically compare adjustments posted to adjustments approved.
- 2.5 Retain sewer user contracts in accordance with state law.
- 2.1 *A cost analysis will be done for the sewer system to review the rates and costs to ensure that revenues are sufficient to maintain the costs of providing these services.*
- 2.2 *The Board will review records to determine the amount of customer deposits paid and that amount will be moved to the newly created sewer savings account. A list of customer deposits will be maintained and reconciled to the balance of customer deposits held in the sewer savings account monthly. Any differences will be investigated.*
- 2.3 *A new ordinance has been put in place that agrees with the new sewer user contracts to comply with state laws regarding delinquent sewer account collection.*
- 2.4 *The Board has implemented procedures to review and approve all adjustments at monthly Board meetings and to periodically compare adjustments posted to those approved.*
- 2.5 *New sewer contracts have been drawn up and the customers have been asked to fill them out; the contracts will be retained and updated as needed to comply with state law.*

3. Accounting Controls and Procedures

3.1 Segregation of duties

Accounting controls and procedures need improvement. According to the city's monthly receipts registers, the city received approximately \$142,000 for the year ended December 31, 2019.

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work performed by city officials are completed. Prior to February 2020, the City Clerk was responsible for receipting, recording, depositing, and disbursing all monies and preparing bank reconciliations and financial reports. Beginning in February 2020, with the appointment of a City Treasurer, duties were split between the City Clerk and City Treasurer. The City Clerk is responsible for sewer billing, receipting, recording, and preparing deposits. The City Treasurer is responsible for making deposits and preparing disbursements,



City of Edgar Springs Management Advisory Report - State Auditor's Findings

bank reconciliations, and financial statements. Reviews of detailed accounting and deposit records, bank reconciliations, and financial statements are not performed by other city officials or the Board.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

3.2 Receipting and depositing

The city's procedures for receipting and depositing monies are poor. As a result, there is no assurance all monies collected are properly receipted, recorded, and deposited.

- Payments in the drop slot are not adequately safeguarded. The city has a drop slot on the side of the city building for customers to submit payments after hours. Monies collected through the drop slot fall into a basket in the front office that is accessible by the public during business hours and all city officials during business and non-business hours. The drop slot should be secured to ensure access to payments is limited to personnel responsible for processing payments.
- City officials do not issue receipt slips for most monies received. Receipt slips are only issued if a receipt slip is requested. Sewer receipts and bank deposits are recorded in the computerized accounting system, but there is no comprehensive record of individual receipts.
- City officials do not account for the numerical sequence of receipt slips issued, and do not reconcile receipt records to deposit records. Generally, city officials deposit the monies on hand without reconciling to receipt records.
- Checks and money orders received are not restrictively endorsed.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected.

Recommendations

The Board of Aldermen:

- 3.1 Segregate the accounting duties. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.
- 3.2 Ensure the drop slot is secured, require issuance of receipt slips for all monies received, account for the numerical sequence of receipt slips issued, reconcile receipt records to deposit records, and restrictively endorse checks and money orders at the time of receipt.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 3.1 *All financials and bank records will be reviewed and approved by a member of the Board, and these reviews will be documented.*
- 3.2 *The Board will be working to make the drop slot for payments more secure and will develop procedures over receipts as recommended.*

4. Disbursements

City procedures over disbursements need improvement. According to the city's monthly expense registers, the city disbursed \$119,530 for the year ended December 31, 2019.

4.1 Review and approval process

The Board's review and approval process for disbursements is not adequate. The City Treasurer (who was formerly the City Clerk) prepares manual checks for payment of invoices and presents a list of disbursements to the Board at each meeting. Although meeting minutes may document discussion of specific purchases and a vote of the Board to approve the disbursements, the Board generally does not review any invoices or any other documentation supporting the disbursements. In addition, the Board does not sign the disbursement listings to document approval and does not reconcile disbursement listings to payments issued. Disbursement listings presented to the Board in 2019 totaled \$53,467, or 45 percent of the \$119,530 actually disbursed. We reviewed 25 disbursements for the year ended December 31, 2019, and 13 of these disbursements (52 percent) were not on the disbursement listing presented to the Board.

To adequately document the Board's review and approval of disbursements, a complete and detailed listing of disbursements should be signed or initialed by Board members to denote their approval, and retained with the official minutes. In addition, the Board or someone independent of the disbursement process should review supporting documentation before payment is made and reconcile approved disbursements to payments issued. Failure to properly review all invoices and supporting documentation and document authorizations increases the possibility of inappropriate disbursements.

4.2 Procurement procedures and contracts

The city does not have a bidding policy and has not established policies for the selection of vendors providing professional services. In addition, written contracts were not always obtained for professional services. The city did not:

- Solicit bids or document the vendor selection process for street repairs. In addition, the city did not document the vendor selection process for building repairs. Both projects were related to Federal Emergency Management Agency grants totaling \$27,484 and \$10,009,² respectively.

² The city did not complete the building repairs and returned unused grant funds of \$6,479 in May 2019.



City of Edgar Springs Management Advisory Report - State Auditor's Findings

- Solicit proposals for professional services including legal (\$10,721) and banking services.
- Obtain contracts for legal services paid to the former City Prosecutor or for sewer testing services and fuel card services.

The federal grant award requires the city to have a documented procurement policy that complies with applicable federal, state, and local regulations, and publicly solicit competitive bids. To ensure compliance the city should document the solicitation of bids and the evaluation and selection of vendors.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Formal bidding procedures should be sufficiently detailed and include requirements for documenting the process of awarding a bid.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings. Section 432.070, RSMo, requires that contracts for political subdivisions must be in writing.

4.3 Supporting documentation

City officials could not provide supporting documentation for all disbursements. Our review determined supporting documentation was not maintained for 4 of 25 disbursements (16 percent) reviewed for the year ended December 31, 2019.

To ensure obligations were actually incurred and amounts paid are proper, all disbursements should be supported by paid receipt slips, itemized vendor invoices, or other detailed documentation with payment information clearly indicated.

Recommendations

The Board of Aldermen:

- 4.1 Review and document approval of all disbursement listings and retain with Board minutes. In addition, ensure an independent review of supporting documentation is performed before payment is made and reconcile approved disbursements to payments issued.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

- 4.2 Establish formal bidding policies and procedures, periodically solicit proposals for professional services, and ensure the solicitation for bids and proposals and the evaluation and selection of vendors is documented. In addition, enter into written contracts for services received.
- 4.3 Require adequate, detailed supporting documentation be retained for all disbursements.

Auditee's Response

- 4.1 *The Board now reviews invoices and documents approval of all disbursement payments at monthly Board meetings. Records will be periodically reviewed to ensure payments issued were approved.*
- 4.2 *The Board will establish formal bidding policies and procedures, and periodically solicit proposals for professional services. Solicitation and selection evaluations will be documented and written contracts will be entered into for services received.*
- 4.3 *The Board will ensure adequate documentation is kept on file for all disbursements.*

5. Ordinances and Sunshine Law

City ordinances are not organized, complete, or up to date. In addition, the Board did not always comply with the Sunshine Law.

5.1 Ordinances

City ordinances are not organized, complete, or up to date.

- Ordinances are poorly maintained. Many ordinances are old and not updated. In addition, an index of all ordinances passed and rescinded by the city is not maintained, making it difficult to determine which ordinances remain in effect.
- City ordinance No. 60-A has not been updated since 1991 and does not authorize the per-gallon rate structure currently billed to sewer customers. In addition, the city's sewer ordinance does not authorize the \$100 refundable customer deposit charged to new customers.
- The city does not have ordinances establishing the compensation for the City Clerk, City Treasurer, and Chief of Police.
- The city does not have ordinances establishing an employee travel policy and a conflict of interest policy.
- The city does not have ordinances establishing procedures for credit and debit card usage and city hall rental.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important ordinances be complete and organized and in compliance with state laws. In addition, ordinances documenting approved salary amounts help ensure equitable treatment and prevent any misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of all city officials and employees by ordinance.

5.2 Public access policy

The Board has not adopted a written policy regarding public access to city records as required by state law. A written policy regarding public access to city records would establish guidelines for the city to make records available to the public. This policy should identify a person to contact, provide an address to mail such requests, and establish fees that may be assessed for providing copies of public records.

Section 610.023, RSMo, lists requirements for making records available to the public. Section 610.026, RSMo, allows the city to charge fees for providing access to and/or copies of public records and provides requirements related to fees. Section 610.028, RSMo, requires a written policy regarding release of information under the Sunshine Law.

5.3 Record requests

City officials do not maintain adequate documentation of requests for records to show compliance with state law. In addition, the city did not respond to any records requests from March 18 to June 9, 2020.

- The city does not maintain a log of records requests. The city was unable to produce a record of dates requests were made, when records were provided, or communications related to these requests.
- City officials did not respond to record requests timely. On March 18, 2020, the former Mayor closed city hall to the public due to the Coronavirus Disease 2019 (COVID-19) pandemic and directed the City Clerk to only process and bill sewer payments. City hall reopened to the public and the City Clerk resumed responding to records requests when the former Mayor resigned on June 9, 2020.

Section 610.023, RSMo, provides that each request for access to public records shall be acted upon as soon as possible, but in no event later than the end of the third business day following the date the request was received by the custodian of records. To ensure compliance with state law, the city should document adequate information in a log to determine if requests are completed timely and all requests are adequately filled. Necessary information includes, but is not limited to, the date of request, a brief description of the request, the date the request is completed or reason why the request cannot be completed, and any associated costs of fulfilling the request.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

5.4 Closed meetings

The city did not comply with state law regarding closed meetings.

- Open meeting minutes did not document the specific reasons or section of law allowing the meeting to be closed for any of the 6 closed meetings held in 2019. In addition, the vote of each member approving to enter into a closed meeting was not documented.
- Some topics discussed in closed session were not allowable under the Sunshine Law. For example, the Board discussed paid time off for employees, mowing, cleanup and maintenance at sewer department, and the trimming of trees on roadways.
- Roll call votes were not always recorded. The closed meeting minutes for the February 11, 2019, meeting indicate the Board agreed on a personnel matter discussed, but the roll call votes were not documented.

Section 610.022, RSMo, requires the reason and the specific section allowed by law for going into a closed session be entered into the minutes, and prohibits the discussion of any business not directly related to the specific reason announced. Additionally, Section 610.015, RSMo, requires any votes taken during a closed meeting shall be taken by roll call.

5.5 Meeting minutes

Minutes were not prepared for all meetings and minutes are not signed. On December 16, 2019, a meeting was held by the Board to discuss sewer repairs. The city did not give notice or record and maintain minutes for this meeting. City officials indicated this was not a Board meeting because the Board members present were acting in their capacity as volunteer backup sewer operators. In addition, meeting minutes are not signed by the preparer or the Board. Without signatures, there is less assurance the minutes are a true and unaltered record of matters discussed and actions taken during the meeting.

Section 610.010.5, RSMo, defines a public meeting as any meeting of a public governmental body at which any public business is discussed, decided, or public policy formulated. Sections 610.020.1 and 610.020.2, RSMo, provide the requirements for the meeting notice and that the notice must be posted at least 24 hours before the meeting. Section 610.020.7, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. The meeting minutes should be signed by the preparer and subsequently approved by the Board to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meeting.

Recommendations

The Board of Aldermen:

- 5.1 Ensure ordinances are maintained in a complete and well-organized manner, and establish an index of all ordinances passed and



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

rescinded. The Board should establish, by ordinance, the terms and compensation of all city officials and employees, and policies and procedures for employee travel, conflict of interest, credit and debit card use, and city hall rental.

- 5.2 Develop a written public access policy.
- 5.3 Ensure requests for information are responded to timely and maintain a public request log or other documentation to help ensure compliance with state law.
- 5.4 Ensure the specific section of law allowing the meeting to be closed is announced publicly and recorded in the minutes, discussion is limited to business directly related to the specific reason announced, and votes taken in closed session are recorded by roll call.
- 5.5 Ensure minutes are maintained for all meetings, and ensure meeting minutes are signed by the preparer and the Mayor or a Board member after approval.

Auditee's Response

- 5.1 *The Board is in the process of updating ordinances as recommended. Ordinances are now kept in order and there is an updated index. Ordinances are also now kept electronically.*
- 5.2 *The Board will develop a public access policy.*
- 5.3 *Requests for information are now taken care of in a timely manner in compliance with state law. Documentation of such will be maintained.*
- 5.4 *All closed meetings will be announced in a timely manner and recorded in the minutes with the proper state statute showing the reason for the closed meeting. Discussions in closed meetings will be limited to the reason stated and any votes taken will be recorded by roll call.*
- 5.5 *Meeting minutes are now kept by both paper copy and electronically, and are now being signed by both the preparer and the Mayor at the time of approval.*

6. Ticket Accountability

The police department has not developed adequate procedures to account for the numerical sequence of tickets and the ultimate disposition of tickets issued.

Police officers issue manual tickets and the department maintains an electronic record of manual tickets issued. Tickets issued are periodically



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

picked up by the City Prosecutor who determines whether to dismiss a ticket or file it with the municipal court (held at the circuit court) for processing. However, there are no procedures to account for the numerical sequence and ultimate disposition of all tickets issued to ensure tickets have been handled properly. The City Prosecutor indicated city officials declined her offer to provide the city a report of the disposition of tickets issued.

Tickets are not always recorded or recorded timely in the department's electronic record system. Our review of all ticket numbers entered into the electronic record system during the year ended December 31, 2019, identified 56 gaps in sequence. However, 25 of these tickets were issued in 2018, leaving 31 unaccounted for tickets in 2019. We also noted that of the 191 tickets issued during 2019, 170 tickets issued from February through December 2019 were not recorded in the electronic record system until December 29, 2019.

Our review of 60 ticket numbers in the sequence utilized by officers during February and September 2019, included 13 of the 31 unaccounted for tickets. Three of these tickets had been voided, 6 tickets were filed with the municipal court, and 1 ticket was dismissed by the City Prosecutor. Neither the Chief of Police nor the City Prosecutor could account for the disposition of the remaining 3 tickets.

Without properly accounting for the numerical sequence and ultimate disposition of tickets issued, the department cannot be assured all tickets are properly accounted for or submitted for processing to the municipal court.

Recommendation

The Board of Aldermen ensure tickets are entered timely into the electronic record system. In addition, the Board should work with the City Prosecutor to ensure the numerical sequence and ultimate disposition of all tickets (including voided tickets) are accounted for properly.

Auditee's Response

The Board plans to fully implement the recommendation.

7. Excess Revenues

The city did not prepare and submit the financial report addendum containing excess revenues calculations to the SAO as required by state law.

Section 479.359, RSMo, requires cities to submit to the SAO an addendum to the city's annual financial report containing an accounting of annual general operating revenue; total revenues from fines, bond forfeitures, and court costs for municipal ordinance violations and minor traffic violations; and the percent of annual general operating revenue from fines, bond forfeitures, and court costs for municipal ordinance violations and minor traffic violations. Code of State Regulations, 15 CSR 40-3.170, requires the city to submit the addendum to the SAO within 6 months of the city's fiscal year end. The city's addendum for 2019 was due by June 30, 2020.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

To ensure compliance with state law, city officials should implement procedures to promptly prepare and submit the addendum annually to the SAO.

Recommendation

The Board of Aldermen ensure the addendum is prepared annually and submitted to the State Auditor's Office by the statutory due date.

Auditee's Response

The excess revenues addendum will be completed and submitted by the statutory due date.

**8. Electronic
Communication
Policies**

The city has not developed records management and retention policies in compliance with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri Local Records Commission. This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

City officials do not always use city email accounts when conducting city business. Some city business communications were transmitted by personal email accounts or by text messages from personal cell phones. In addition, city personnel indicated they receive and respond to record requests through email but could not provide documentation of requests made and fulfilled during 2019. As a result, electronic communications may not be retained in accordance with state law.

Section 109.210(5), RSMo, defines a public record as "documents, books, papers, photographs, maps, sound recordings or other material, regardless of physical form or characteristics, made or received pursuant to law or in connection with the transaction of official business." Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. The guidelines for managing electronic communications records can be found on the Secretary of State's website.³

To ensure compliance with state law, the Board should develop written policies to address the use of personal email, social media and message accounts, and management and retention of electronic communications.

Recommendation

The Board of Aldermen develop written records management and retention policies to address electronic communications management and retention to

³ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/LocalRecords/CommunicationsGuidelines.pdf>>, accessed August 27, 2020.



City of Edgar Springs
Management Advisory Report - State Auditor's Findings

comply with Missouri Secretary of State Records Services Division
Electronic Communications Guidelines.

Auditee's Response

*The Board will develop written records management and retention policies
for electronic communications to comply with state laws.*

City of Edgar Springs

Organization and Statistical Information

The City of Edgar Springs is located in Phelps County. The city was incorporated in 1974 and is currently a fourth-class city. The city employed 6 part-time employees on December 31, 2019.

City operations include sewer services, street maintenance, parks, and law enforcement services.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2019, are identified below. The Mayor and Board of Aldermen receive no compensation.

Keith Gallion, Mayor (1)
Rick Brewer, Alderman (2)
V. Butch Lucas, Alderman (3)
Terry Austin, Alderman (4)
Jack Newman, Alderman (5)

- (1) Keith Gallion resigned in June 2020, and the Board voted Terry Austin to be the Mayor.
- (2) Replaced by Richard Lewis, who was elected⁴ in June 2020.
- (3) V. Butch Lucas resigned in March 2020, and the Board appointed Ron Clift as Alderman in June 2020.
- (4) Terry Austin resigned after the Board voted him to be the Mayor, and the Board appointed Jack Newman as Alderman in June 2020.
- (5) Replaced by Rick Brewer, who was elected⁴ in June 2020.

Other Principal Officials

The City Clerk, City Treasurer, and Chief of Police are appointed positions. The City Treasurer position was vacant during 2019. The city's principal officials at December 31, 2019, are identified below:

Rachel Lucas, City Clerk
Joe Hohner, Chief of Police
Brandi Baird, City Attorney/City Prosecutor

Financial Activity

A summary of the city's financial activity, prepared using the city's bank statements, for the year ended December 31, 2019, follows:

⁴ Due to the COVID-19 pandemic, the April 2020 municipal election was postponed until June 2020.

City of Edgar Springs
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended December 31, 2019

	General Operations Fund Account	Police Account	Wastewater Treatment Account	Fundraiser/ Government Funds Account (3)	Total
(1) RECEIPTS	\$ 109,598	15,216	57,493	5,142	187,449
(1) DISBURSEMENTS	102,267	11,334	48,298	2,000	163,899
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,331	3,882	9,195	3,142	23,550
(2) CASH BALANCE, JANUARY 1, 2019	5,303	0	4,067	0	9,370
CASH BALANCE, DECEMBER 31, 2019	\$ 12,634	3,882	13,262	3,142	32,920

- (1) Receipts and disbursements presented include transfers between funds.
- (2) The General Operations Fund Account includes activity of the General, Street, and Federal Grant Funds during 2019; and the Police Fund prior to June 2019. Bank accounts opened May 30, 2019, for the Police and Fundraiser/Government Funds include related receipt and disbursement activity from that point forward.
- (3) Includes \$2,642 sewer revenues erroneously deposited into this account in December 2019. These monies were transferred to the Wastewater Treatment Account in January 2020.



Nicole Galloway, CPA

Missouri State Auditor

DeKalb County

Report No. 2020-086

November 2020

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Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of DeKalb County

Sheriff's Controls and Procedures	<p>The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records is performed. The Sheriff's office does not timely disburse fees and other receipts to the County Collector-Treasurer and has not established adequate controls and procedures over seized property. The Office Administrator had not tracked the composition of receipts until the last 2 weeks of 2019, after audit staff discussed this issue with her.</p>
Prosecuting Attorney Controls and Procedures	<p>The Prosecuting Attorney has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records is performed. He also does not ensure a monthly list of liabilities for the office's main bank account is reconciled to the bank balance and has not established procedures to routinely follow up on outstanding checks.</p>
Daviess-DeKalb Regional Jail	<p>The Daviess-DeKalb Regional Jail Commission budget prepared for the year ended December 31, 2019, did not contain all statutorily required elements.</p> <p>The Commissary Manager does not account for the numerical sequence of receipt numbers assigned by the commissary/inmate software system. In addition, credit card payments received are not reconciled to deposits on the bank statement. The Commissary Manager does not prepare adequate bank reconciliations for the inmate/commissary account. In addition, a monthly list of liabilities is not prepared to reconcile to the account balance.</p> <p>The jail does not have adequate procedures to ensure all inmate account balances are refunded upon release. The jail does not have procedures to routinely follow up on reconciling items identified in the bank reconciliations for the operating and payroll bank accounts. Commissary inventory records also are not accurate.</p>
Sunshine Law	<p>The County Commission did not make specific reference to the section of law allowing the closure of Commission meetings when voting to go into a closed session for all 3 closed meetings held during the year ended December 31, 2019.</p>
Capital Assets	<p>The county does not have procedures in place to identify capital asset purchases and dispositions throughout the year. In addition, county officials have not conducted annual physical inventories or provided inventory lists to the County Clerk as required. As a result, the county's capital asset records are not complete and up to date.</p>

Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.
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In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

DeKalb County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Sheriff Controls and Procedures.....	4
2. Prosecuting Attorney Controls and Procedures.....	6
3. Daviess-DeKalb Regional Jail.....	8
4. Sunshine Law	12
5. Capital Assets	12

Organization and Statistical	13
Information	



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of DeKalb County

We have audited certain operations of DeKalb County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

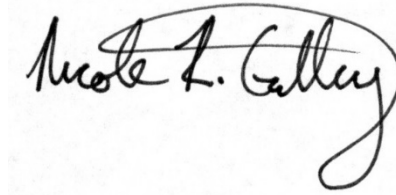
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of DeKalb County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Todd M. Schuler, CPA
	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	John-Henry T. Jarwood, MBA, CFE
	Jacob Thompson

DeKalb County

Management Advisory Report

State Auditor's Findings

1. Sheriff Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The Sheriff's office processed receipts for civil paper service, concealed carry weapon permits, and other miscellaneous receipts totaling approximately \$33,000 through the fee account and bond receipts totaling approximately \$66,000 through the bond account during the year ended December 31, 2019.

1.1 Segregation of duties

The Sheriff has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records is performed. The Office Administrator is responsible for receipting payments, making disbursements and deposits, reconciling the bank account, and performing various duties associated with bonds. The Sheriff does not review accounting records to ensure payments received have been properly recorded, deposited, and disbursed to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing payments; making disbursements; and reconciling bank accounts. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

1.2 Disbursements

The Sheriff's office does not timely disburse fees and other receipts to the County Collector-Treasurer. Office personnel turned over August 2019 fees (\$2,321) on October 8, 2019, September 2019 fees (\$2,005) on November 8, 2019, October 2019 fees (\$3,243) on December 13, 2019, and January 2020 fees (\$3,164) on March 12, 2020.

Section 50.370, RSMo, requires all county officials who receive fees or any other remuneration for official services to pay this money monthly to the County Collector-Treasurer. Section 50.380, RSMo, provides that any county officer that fails to pay fees or other remuneration to the treasurer timely may be subject to penalties for such failure.

1.3 Seized property

The Sheriff's office has not established adequate controls and procedures over seized property. A complete and accurate seized property inventory listing is not maintained and a physical inventory of seized property has not been performed. In addition, the Sheriff does not periodically review cases and dispose of related seized property items. Some seized property has been held for more than 10 years.

Two different logs are used to track seized property, and neither of the logs is accurate or complete. Items obtained since 2017 are maintained in one log and items obtained prior to 2017 are maintained in the other log.



DeKalb County
Management Advisory Report - State Auditor's Findings

We tested 11 seized property items and identified 2 items in the evidence room not included on the seized property logs. One of the items was a handgun. The evidence officer could locate no records regarding why the office held the gun as seized property.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory control records should be maintained, and periodic physical inventories performed with the results compared to inventory records to ensure seized property is accounted for properly. The use of multiple logs to track seized property is cumbersome and reduces the assurance that all information is accurately recorded and accounted for properly. Section 542.301, RSMo, provides the requirements for the disposition of seized property that has not been forfeited or returned to the claimant.

1.4 Receipting

The Office Administrator began recording the composition of receipts on the one-write receipt book during last 2 weeks of 2019, after audit staff discussed this issue with her. Prior to that, the composition of receipts had not been tracked. Without the composition of receipts, the Office Administrator cannot reconcile the composition of receipts to composition of deposits.

Failure to implement adequate receipting and reconciling procedures increases the risk that loss, theft, or misuse of money will go undetected.

Similar conditions previously reported Recommendations

Similar conditions to sections 1.1 and 1.3 were noted in our prior audit report.

The Sheriff:

- 1.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 1.2 Disburse fees and other receipts to the County Collector-Treasurer monthly in accordance with state law.
- 1.3 Maintain a complete and accurate seized property evidence log, and ensure a periodic inventory is conducted and reconciled to the seized property evidence log, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property in accordance with state law.
- 1.4 Maintain adequate records for receipting and reconciling payments received. Such records would include reconciling the composition of



DeKalb County
Management Advisory Report - State Auditor's Findings

Auditee's Response

- receipts to the composition of deposits and ensuring the method of payment is accurately documented on all receipt slips.
- 1.1 *We are in the process of implementing a system to help ensure accountability.*
 - 1.2 *We are trying to expedite the turnover process to avoid issues in the future.*
 - 1.3 *We have appointed an evidence officer and have updated the seized property logs. We plan to conduct an annual inventory of seized property. We are currently working with the Prosecuting Attorney and Judge to determine which property can be disposed.*
 - 1.4 *We have instituted new policies to ensure the method of payment is included on all receipts and then to reconcile those receipts to the composition of deposits.*

2. Prosecuting Attorney Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$34,000 for bad check and restitution fees and restitution during the year ended December 31, 2019.

2.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties and does not ensure adequate supervisory review of detailed accounting and bank records is performed. The Office Manager is responsible for receipting and recording payments received; preparing deposits; preparing disbursements; and performing bank reconciliations. The Prosecuting Attorney does not review accounting records to ensure payments received have been properly recorded, deposited, and disbursed to the appropriate parties.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and depositing payments; making disbursements; and reconciling bank accounts. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and bank records are essential and should include comparing daily receipt activity to deposits and disbursements to supporting documentation.

2.2 Liabilities

The Prosecuting Attorney does not ensure a monthly list of liabilities for the office's main bank account is reconciled to the bank balance. The liabilities for the Prosecuting Attorney's main bank account was \$1,639 at December



DeKalb County Management Advisory Report - State Auditor's Findings

31, 2019. The reconciled bank balance was \$2,199 at that date, leaving an unidentified balance of \$560.

Monthly lists of liabilities should be reconciled to the available cash balance to ensure sufficient cash is available for the payment of amounts due and all money in the bank can be identified. Prompt follow up on discrepancies is necessary to resolve errors. In addition, various statutory provisions provide for the disposition of unidentified money.

2.3 Outstanding checks

The Prosecuting Attorney has not established procedures to routinely follow up on outstanding checks. As of December 31, 2019, 12 checks (\$1,266) had been outstanding for more than a year with 4 (\$899) outstanding more than 3 years.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of money in the account and ensure the checks are appropriately reissued to the payee or the money is disbursed as otherwise provided by state law.

Recommendations

The Prosecuting Attorney:

- 2.1 Segregate accounting duties or ensure adequate independent or supervisory reviews of detailed accounting and bank records are performed and documented.
- 2.2 Reconcile the list of liabilities to the reconciled bank balance monthly. Any differences should be promptly investigated and resolved. Any unidentified money should be disposed of in accordance with state law.
- 2.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the money should be disposed of in accordance with state law.

Auditee's Response

- 2.1 *The Prosecuting Attorney has and will continue to deposit all the money orders and certified checks received and assist in the preparation of the disbursements. The Prosecuting Attorney's office does not accept cash, so these are the only two forms of payment that are received.*

In January of 2019, the Prosecuting Attorney's office switched from an Excel management system to QuickBooks. The Prosecuting Attorney will continue to review each reconciliation and initial these records every month, as was previously done before switching to QuickBooks. In addition, the Prosecuting Attorney will conduct a



DeKalb County
Management Advisory Report - State Auditor's Findings

quarterly review of the payments in relation to their respective case files.

2.2 *In January of 2019, the Prosecuting Attorney's office switched from an Excel management system to QuickBooks. Before this switch, the account zeroed out, however currently the new management system appears to show an unidentified balance of \$560. We believe this was a data entry error that occurred when we switched systems, and the office is diligently working to determine the source of this error and fix it. The Prosecuting Attorney will review the reconciled bank balances monthly and any discrepancies will be immediately investigated and resolved.*

2.3 *The Prosecuting Attorney's Office will review all outstanding checks quarterly. We will either call or send a letter to all victims who have not cashed their checks and urge them to do so promptly. Any outstanding checks will be dispersed as provided by state law after three years.*

The 4 checks that have been outstanding for over three years will be turned over to the state.

3. Daviess-DeKalb Regional Jail

Controls and procedures in the Daviess-DeKalb Regional Jail need improvement.

3.1 Budget

The Daviess-DeKalb Regional Jail Commission budget prepared for the year ended December 31, 2019, did not contain all required elements. The budget document did not include a budget message, actual or budgeted amounts for the 2 preceding years, beginning and ending fund balances, debt amortization, or a budget summary.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for jail operations. It also assists in informing the public about jail operations and current finances. Proper monitoring is necessary for the budget to be an effective management tool and to comply with state law.

3.2 Receipting, recording, and depositing

The Commissary Manager does not account for the numerical sequence of receipt numbers assigned by the commissary/inmate software system. In addition, credit card payments received are not reconciled to deposits on the bank statement. As a result, there is no assurance all money collected is



DeKalb County Management Advisory Report - State Auditor's Findings

properly receipted, recorded, and deposited and all credit card payments have been posted accurately to inmate accounts.

Failure to implement adequate recording and reconciling procedures increases the risk that errors, loss, theft, or misuse of payments received will go undetected.

3.3 Bank reconciliations and liabilities

The Commissary Manager does not prepare adequate bank reconciliations for the inmate/commissary account. In addition, a monthly list of liabilities is not prepared to reconcile to the inmate/commissary account balance. The bank statement balance as of December 31, 2019 was \$40,158. A Statement Reconciliation Report is prepared using the computerized accounting system each month and includes individual checks and deposits that have cleared the bank during the month. However, outstanding checks, deposits in transit, and other reconciling items are not included on the report and the Commissary Manager does not perform other procedures to determine these amounts. At our request, the Jail Director generated a list of inmate balances (liabilities) as of December 31, 2019, totaling \$6,926.

Performing adequate monthly bank reconciliations helps ensure accurate records are kept and increases the likelihood errors will be identified. Monthly lists of liabilities should be prepared and reconciled to the available cash balance to ensure sufficient cash is available for the payments of amounts due and all monies in the bank can be identified. Prompt follow up on discrepancies is necessary to resolve errors. In addition, various statutory provisions provide for the disposition of unidentified money.

3.4 Inactive inmate account balances

The Daviess-DeKalb Regional Jail does not have adequate procedures to ensure all inmate account balances are refunded upon release. Jail administrative staff provide a debit card with the inmate account balance to the inmate upon release unless the inmate is transferred to another agency or the Missouri Department of Corrections (DOC). In those instances, a check is mailed to the other agency or DOC for the inmate. However, if deposits to the inmate account are pending at the time of release these amounts are not included in the account balance and not included in the amount disbursed through a debit card or check and the jail continues to hold this money. As of December 31, 2019, the regional jail held \$1,297 for 248 former inmates in the inmate account.

Follow up on inactive accounts is necessary to ensure remaining balances are appropriately disbursed to former inmates or as otherwise provided by state law. In addition, establishing procedures to refund an inmate all of his/her money upon release will allow the regional jail to more adequately safeguard any money being held and reduce the risk of loss, theft, or misuse of funds.

3.5 Outstanding items

The Daviess-DeKalb Regional Jail does not have procedures to routinely follow up on reconciling items identified in the bank reconciliations for the



DeKalb County Management Advisory Report - State Auditor's Findings

operating and payroll bank accounts. Our review of the December 31, 2019, bank reconciliations for the operating and payroll bank accounts found:

- The operating account had 3 checks (\$107) outstanding more than 4 years, with one issued in 2010.
- The payroll account had 15 checks (\$1,032) outstanding more than a year, with 7 (\$832) outstanding more than 4 years.
- The payroll account had 6 other adjustments (\$387) outstanding for more than 6 months in the accounting system. These adjustments related to adjusting entries made for checks that had been voided and reissued. No one could explain why the adjustments had not cleared in the accounting system.

Procedures to routinely follow up on reconciling items are necessary to prevent the accumulation of money in the account and ensure accounting records are accurate and old outstanding checks are reissued to the payee or the money disbursed as otherwise provided by state law.

3.6 Commissary inventory

Commissary inventory records are not accurate. The manager in charge of commissary items does not maintain accurate records of inventory purchased, sold, and remaining on hand. Also, the Commissary Manager does not document her periodic physical inventory counts and no one reviews her changes to inventory records. In addition, the jail does not maintain an inventory of e-cigarettes. We performed a test of 9 commissary items and determined the quantity on hand did not agree to the inventory records for 7 of the items tested (78 percent). For 5 items the number on hand exceeded the number listed in the inventory records. For 4 of the 7 items the difference was 1 to 3 units.

Loss, theft, or misuse of the commissary inventory may go undetected without adequate inventory records and procedures. Detailed inventory records are necessary to adequately account for commissary inventory. Correcting inventory records is necessary to ensure accuracy; however, review and approval of all changes is necessary to ensure commissary items and related money is properly recorded and handled.

Recommendations

The County Commission work with the Daviess-DeKalb Regional Jail Board to:

- 3.1 Prepare annual budgets that contain all information required by state law.



DeKalb County
Management Advisory Report - State Auditor's Findings

- 3.2 Ensure the numerical sequence of system-assigned receipt numbers is accounted for properly. In addition, ensure credit card transactions are reconciled to the credit card transaction reports and deposits.
- 3.3 Ensure adequate monthly bank reconciliations are prepared using outstanding checks, deposits in transit, and other reconciling items. In addition, the regional jail should prepare a monthly list of liabilities and reconcile the listing to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 3.4 Improve procedures so that inmates receive their entire remaining balance upon release. In addition, the regional jail should attempt to resolve unclaimed balances of inactive inmate accounts. If the payee cannot be located, the money should be disbursed in accordance with state law.
- 3.5 Establish procedures to routinely investigate reconciling items. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the money should be disbursed in accordance with state law.
- 3.6 Maintain accurate commissary transaction records and reconcile these records to inventory purchased and sold. In addition, ensure someone performs an independent review of changes to inventory records.

Auditee's Response

- 3.1 *We have already began changing and conforming with Section 67.010, RSMo. It will be ready for our next budget report for the Board to review on the 2021 budget.*
- 3.2 *We are working with representatives from the commissary software vendor and the Commissary Manager to resolve these issues.*
- 3.3 *In order for the account to be reconciled correctly, multiple reports are required and we are working on this issue.*
- 3.4 *We are working on correcting and closing the inactive accounts. This is being monitored and processed according to state law.*
- 3.5 *In the future we will routinely review and process outstanding checks as per the recommendations of the audit. A payroll software update has resolved the liability adjustment issue.*
- 3.6 *We will maintain accurate commissary records by following the guidelines recommended by the audit.*



DeKalb County
Management Advisory Report - State Auditor's Findings

4. Sunshine Law

The County Commission did not make specific reference to the section of law allowing the closure of Commission meetings when voting to go into a closed session for all 3 closed meetings held during the year ended December 31, 2019.

Section 610.022, RSMo, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the reason into the minutes. Section 610.020.7, RSMo, requires minutes of meetings be maintained as a record of business conducted and to provide an official record of actions and decisions.

Recommendation

The County Commission ensure the specific section of law allowing the meeting to be closed is announced publicly and recorded in the minutes when the county commission holds a vote to close a meeting.

Auditee's Response

As County Clerk and the Official Record Keeper of the minutes, I will work with the County Commission to ensure that the statute pertaining to closed meetings will be noted in the minutes if a closed meeting is needed.

5. Capital Assets

Procedures and records to account for county property are not adequate. The county does not have procedures in place to identify capital asset purchases and dispositions throughout the year. In addition, county officials have not conducted annual physical inventories or provided inventory lists to the County Clerk as required. As a result, the county's capital asset records are not complete and up to date.

Adequate capital asset records and procedures are necessary to ensure effective internal controls, meet statutory requirements, and provide a basis for determining proper insurance coverage. Procedures to track capital asset purchases and dispositions throughout the year and compare to physical inventory results would enhance the county's ability to account for capital assets and potentially identify unrecorded additions and dispositions, identify obsolete assets, and deter and detect theft of assets. Section 49.093, RSMo, provides that the officer or his/her designee of each county department is responsible for performing annual inspections and inventories of county property used by his/her department and for submitting an inventory report to the County Clerk.

Recommendation

The County Commission and County Clerk work with the other county officials to ensure complete and accurate inventory records are maintained, annual physical inventories are conducted, and implement procedures for tracking capital asset purchases and dispositions throughout the year.

Auditee's Response

The Commission and County Clerk will work with other county officials to ensure that complete and accurate records of all inventories are maintained.

DeKalb County

Organization and Statistical Information

DeKalb County is a township-organized, third-class county. The county seat is Maysville.

DeKalb County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county had 27 full-time employees and 6 part-time employees on December 31, 2019. The townships maintain county roads.

In addition, county operations include the Daviess-DeKalb Regional Jail, Senate Bill 40 Board, and Senior Citizens' Services Board. The jail board includes the presiding county commissioners of DeKalb and Daviess Counties as well as the sheriff of each county. The county is a member of the ACCD 911 system, which includes the counties of Andrew, Caldwell, Clinton, and DeKalb and the City of Cameron. The DeKalb County Collector-Treasurer and County Clerk maintain the financial records for the ACCD 911 system.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Kyle Carroll, Presiding Commissioner	\$	31,556
Garry McFee, Eastern District Commissioner		29,396
Kyle White, Western District Commissioner		29,396
JoAnn Marshall, Recorder of Deeds		44,540
Melissa Meek, County Clerk (1)		49,540
Erik C. Tate, Prosecuting Attorney		140,666
Andy Clark, Sheriff		49,360
Heath Turner, County Coroner		14,880
Connie Bray, Public Administrator		20,000
Jessica Lee, County Collector-Treasurer (1)(2), year ended February 29,	57,652	
Tanya Zimmerman, County Assessor, year ended August 31,		44,540

(1) Includes \$5,000 salary paid by the ACCD 911 System.

(2) Includes \$7,905 of commissions earned for collecting city property taxes.



Nicole Galloway, CPA

Missouri State Auditor

Federal Funding for COVID-19 Response August 2020

Report No. 2020-085

October 2020

auditor.mo.gov

Federal Funding for COVID-19 Response

August 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds August 1, 2020, through August 31, 2020	8
B	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through August 31, 2020	9
C	Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to show Missouri's spending of federal assistance in the month of August 2020 for the Coronavirus Disease 2019 (COVID-19) emergency and the cumulative financial activity since the state began receiving funding in April 2020.

In March and April 2020, Congress passed several legislative measures signed into law to provide assistance to citizens, businesses, healthcare facilities, and government entities during the COVID-19 emergency. The funding received by or made available to Missouri state government agencies will help pay for the state's emergency response to COVID-19 and provides (1) additional federal matching funds for the state's Medicaid program (MO HealthNet) and other applicable programs, and (2) funding for various other assistance and benefit programs. The state is passing through some of the funding to local governments. Some funding authorized in the legislation also went directly to local government entities, healthcare facilities, and colleges and universities. The majority of the funding has specific restrictions on its use or state actions and must be spent in defined limited time periods.

In August, the state spent \$96.5 million from federal COVID-19 assistance (Appendix A). Through the end of August, the state has received \$2.69 billion and spent \$1.20 billion from this assistance. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation in Appendix C. The majority of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$340 million) and funding passed through to counties and the City of St. Louis (\$521 million). Other funding has been (1) provided to schools, institutes of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. In addition, the state is currently using \$250 million of COVID-19 relief funding for cash management needs.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Senior Auditor:	Jeffrey Roberts, CISA, CFE
Staff Auditor:	Kristin A. Clink, MBA, CISA, CFE

Federal Funding for COVID-19 Response

August 2020

Executive Summary

Executive Summary

Missouri has been awarded federal funding under the following federal laws enacted in March and April 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123; H.R. 6074)
- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139; H.R. 266)

The Coronavirus Preparedness and Response Supplemental Appropriations Act provides for grants to or cooperative agreements with states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The state has been awarded as of August 31, 2020, approximately \$18.8 million under this act for additional or new funding under various federal grant programs. Part of this funding went directly to community health centers from the federal government. Each grant program has a separate time limit on use of the funding.

The Families First Coronavirus Response Act provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the state's Medicaid program (MO HealthNet) and other applicable programs. The state's FMAP percentage was approximately 66 percent prior to this act.¹ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the COVID-19 public health emergency, including any extensions, ends. To qualify for the temporary FMAP increase, Missouri must:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020, (maintenance of effort requirement).
- Not charge premiums that exceed those that were in place as of January 1, 2020.

¹ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act.

Federal Funding for COVID-19 Response
August 2020
Executive Summary

- Cover, without impositions of any cost sharing, testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19.
- Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state (continuous coverage requirement).

Under the Families First Coronavirus Response Act, the state has also been awarded as of August 31, 2020, approximately \$36.2 million of additional or new funding under various federal grant programs for meal assistance, food subsidies, and administrative costs. Each grant program has a separate time limit on use of the funding.

The CARES Act specifies that payments provided to the state from the Coronavirus Relief Fund² may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the state; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The state has received approximately \$2.38 billion in Coronavirus Relief Fund assistance including nearly \$173.5 million for St. Louis County and \$122.7 million for Jackson County.³ Twenty-five percent of the remaining state share (approximately \$521 million) was distributed to other counties in the state and the City of St. Louis based on population. In early July, the Department of the Treasury Office of Inspector General (OIG) issued interim and quarterly reporting requirements for Coronavirus Relief Fund payments. The OIG is responsible for monitoring and oversight of the receipt, disbursement, and use of these payments.

Eligible expenditures for Coronavirus Relief Fund assistance include, but are not limited to, payment for:⁴

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.

² From the U.S. Department of the Treasury, CFDA number 21.019.

³ The funding for Jackson County and St. Louis County went directly to those local governments from the federal government.

⁴ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, April 22, 2020, <<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>>, accessed May 20, 2020.

Federal Funding for COVID-19 Response
August 2020
Executive Summary

- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
- Costs of providing COVID-19 testing, including serological testing.
- Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
- Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.

2. Public health expenses such as:

- Expenses for communication and enforcement by state, territorial, local, and tribal governments of public health orders related to COVID-19.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
- Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
- Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
- Expenses for public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.

3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:

- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.

Federal Funding for COVID-19 Response
August 2020
Executive Summary

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy CARES Act eligibility criteria.

The state may also use Coronavirus Relief Fund assistance to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures.⁵ If the state has not used the Coronavirus Relief Fund assistance it has received to cover costs that were incurred by December 30, 2020, as required by federal law, those funds must be returned to the federal government.

The General Assembly has authorized the Office of Administration (OA) to transfer up to \$750 million in Coronavirus Relief Fund assistance from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. Any transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund prior to June 30, 2021. In May, the OA transferred \$250 million from the stimulus

⁵ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, p.8, May 28, 2020, < <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>>, accessed May 29, 2020.

Federal Funding for COVID-19 Response
August 2020
Executive Summary

fund to the General Revenue Fund. No cash management transfers occurred in August.

Under the CARES Act, the state has also been awarded as of August 31, 2020, approximately \$2.94 billion of additional or new funding under other various federal grant programs for assistance for public schools, institutions of higher education, and healthcare facilities; child care and family services; health care worker training programs; public health education; expanded telehealth services; and numerous other assistance services or benefits. A significant part of this funding went directly to local governments or the awarded entity. Each grant program has a separate time limit on use of the funding.

The Paycheck Protection Program and Health Care Enhancement Act provides funding to states for expanded COVID-19 testing. Under the act, the state has been awarded approximately \$165 million with some of this funding going directly to rural health departments from the federal government.

In August, the state spent \$96.5 million from federal COVID-19 assistance (Appendix A). Through the end of August, the state has received \$2.69 billion and spent \$1.20 billion from this assistance. The majority of the state's disbursements have been for MO HealthNet and other services receiving federal matching funds (\$340 million) and funding passed through to counties and the City of St. Louis (\$521 million).

Other funding has been (1) provided to schools, institutes of higher education, child care providers, and nursing facilities; and (2) used for food and nutrition programs, mental health services, purchase of personal protective equipment, and other disaster relief purposes. The state will be responsible for monitoring use of the funding it passes through to local governments. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation are presented in Appendix C.

Appendix A

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds August 1, 2020, through August 31, 2020

	Unaudited					
	Beginning Fund Balance	Receipts	Disbursements	Transfers In	Transfers Out	Ending Fund Balance
Coronavirus Emergency Supplemental Fund	\$ 11,635,388	4,870	577	0	315	11,639,366
FMAP (Federal Medical Assistance Percentage) Enhancement Fund ¹	0	15,844,178	15,844,178	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	25,709	3,779,359	3,779,359	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	0	12,335,539	12,335,539	0	0	0
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	0	1,673,120	1,673,120	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	2	1,045,382	1,045,382	0	0	2
Office of Administration Federal Stimulus Fund	30,146	0	303	0	1	29,842
Department of Public Safety Federal Stimulus Fund	1,858,125	0	430	0	166	1,857,529
State Emergency Management Federal Stimulus Fund	1,231,603,264	821,901	46,624,284	0	4,482,970	1,181,317,911
Department of Corrections Federal Stimulus Fund ²	5,917,534	0	(2,038,144)	0	(658,232)	8,613,910
Department of Mental Health Federal Stimulus Fund	13,245,713	78,094	207,729	0	6,280	13,109,798
Department of Health and Senior Services Federal Stimulus Fund	692,255	10,982,814	9,790,735	0	0	1,884,334
Department of Social Services Federal Stimulus Fund	718,500	7,364,564	6,731,337	0	311	1,351,416
Department of Labor & Industrial Relations Federal Stimulus Fund	440,043	831,167	322,593	0	185,640	762,977
Secretary of State Federal Stimulus Fund	3,930,918	45,823	148,559	0	0	3,828,182
Total all Funds	\$ 1,270,097,597	54,806,811	96,465,981	0	4,017,451	1,224,420,976

¹ For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. In August 2020, this fund's \$15,844,178 receipts total was transferred to the General Revenue Fund. The transfer reimburses the General Revenue Fund for some of the state's share of Medicaid and other applicable program expenditures previously paid. To display the net effect of the transfer, which results in use of this funding for applicable expenditures, we reclassified this amount from a transfer out to a disbursement in the appendix schedule.

² This fund's negative \$2,038,144 disbursements total and negative \$658,232 transfers out total in August 2020 reflect movement of pandemic stipend activity from the original appropriation in this fund to a new identical appropriation within the State Emergency Management Federal Stimulus Fund, as intended by the Office of Administration.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix B

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through August 31, 2020

	Unaudited				
	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 3,801,643	3,801,643	0	0	0
Coronavirus Emergency Supplemental Fund	11,640,265	584	0	315	11,639,366
FMAP (Federal Medical Assistance Percentage) Enhancement Fund ²	340,235,348	340,235,348	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	52,131,982	52,106,273	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	98,120,769	98,120,769	0	0	0
Department of Higher Education and Workforce Development Federal Emergency Relief Fund	1,673,120	1,673,120	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	5,159,844	5,159,842	0	0	2
Office of Administration Federal Stimulus Fund	521,241,978	521,151,494	66,711	127,353	29,842
Department of Public Safety Federal Stimulus Fund	2,262,000	262,250	0	142,221	1,857,529
State Emergency Management Federal Stimulus Fund ³	1,543,684,795	104,052,672	0	258,314,212	1,181,317,911
Department of Corrections Federal Stimulus Fund	11,578,485	1,514,398	0	1,450,177	8,613,910
Department of Mental Health Federal Stimulus Fund	21,762,470	6,214,096	725,786	3,164,362	13,109,798
Department of Health and Senior Services Federal Stimulus Fund	50,241,089	48,356,755	0	0	1,884,334
Department of Social Services Federal Stimulus Fund	20,718,277	19,179,178	0	187,683	1,351,416
Department of Labor & Industrial Relations Federal Stimulus Fund	3,050,214	2,011,541	0	275,696	762,977
Secretary of State Federal Stimulus Fund	3,976,741	148,559	0	0	3,828,182
Total all Funds	\$ 2,691,279,020	1,203,988,522	792,497	263,662,019	1,224,420,976

¹ During the fiscal year ending June 30, 2020, the Secretary of State used this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. This fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. Beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund is used to account for all COVID-19 receipts and related disbursements.

² This fund's disbursement total includes \$15,844,178 through August 2020, regarding activity during the fiscal year ending June 30, 2021, that we reclassified from a transfer out. See this fund's footnote in Appendix A for more details.

³ The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of August, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30,			Year Ended June 30,		
	2021 (through August 31, 2020)			2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUND						
Department of Public Safety (DPS) - Office of the Director - Coronavirus Emergency Supplemental Fund grants - personal service	\$ 675,494	577	674,917	675,494	0	675,494
DPS - Office of the Director - Coronavirus Emergency Supplemental Fund grants - expense and equipment	10,758,773	1	10,758,772	10,758,773	7	10,758,766
Total Coronavirus Emergency Supplemental Fund	11,434,267	578	11,433,689	11,434,267	7	11,434,260
FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE) ENHANCEMENT FUND						
Department of Social Services (DSS) - MO HealthNet Division - Medicare Part D Clawback payments ²				100,000,000	74,391,170	25,608,830
DSS - MO HealthNet Division - payment to comprehensive prepaid health care plans as provided by federal or state law or for payments to programs authorized by the Frail Elderly Demonstration Project Waiver as provided by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508, Section 4744) and by Section 208.152 (16), RSMo, provided that the department shall implement programs or measures to achieve cost-savings through emergency room services reform, and further provided that MO HealthNet eligibles described in Section 501(a)(1)(D) of Title V of the Social Security Act may voluntarily enroll in the Managed Care Program ²						
Total FMAP Enhancement Fund				250,000,000	250,000,000	0
				350,000,000	324,391,170	25,608,830
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) FEDERAL						
Free public schools - all expenditures	2,000,000,000	10,212,001	1,989,787,999	1,515,839,292	0	1,515,839,292
School Nutrition Services Program - reimbursements to schools for school food programs				117,552,821	41,894,272	75,658,549
Total DESE Federal Stimulus Fund	2,000,000,000	10,212,001	1,989,787,999	1,633,392,113	41,894,272	1,591,497,841
DESE FEDERAL EMERGENCY RELIEF FUND						
Distributions to free public schools under the Coronavirus Aid, Relief, and Economic Security (CARES) Act	208,443,000	30,651,018	177,791,982	300,000,000	67,469,751	232,530,249
Distributions of the Governor's Emergency Education Relief Funds to the free public schools under the CARES Act	30,000,000	0	30,000,000			
Total DESE Federal Emergency Relief Fund	238,443,000	30,651,018	207,791,982	300,000,000	67,469,751	232,530,249
DEPARTMENT OF HIGHER EDUCATION AND WORKFORCE DEVELOPMENT (DHEWD)						
Crowder College	1,718,186	0	1,718,186	1,718,186	0	1,718,186
Crowder College - maintenance and repair	65,732	0	65,732	65,732	0	65,732
Crowder College - equity	133,645	0	133,645	133,645	0	133,645
East Central College	1,622,326	0	1,622,326	1,622,326	0	1,622,326
East Central College - maintenance and repair	47,965	0	47,965	47,965	0	47,965
East Central College - equity	126,188	0	126,188	126,188	0	126,188

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Jefferson College	2,326,275	0	2,326,275	2,326,275	0	2,326,275
Jefferson College - maintenance and repair	114,448	0	114,448	114,448	0	114,448
Jefferson College - equity	180,943	0	180,943	180,943	0	180,943
Metropolitan Community College	9,402,075	0	9,402,075	9,402,075	0	9,402,075
Metropolitan Community College - maintenance and repair	395,635	0	395,635	395,635	0	395,635
Metropolitan Community College - equity	731,315	0	731,315	731,315	0	731,315
Mineral Area College	1,691,577	0	1,691,577	1,691,577	0	1,691,577
Mineral Area College - maintenance and repair	68,720	0	68,720	68,720	0	68,720
Mineral Area College - equity	131,575	0	131,575	131,575	0	131,575
Moberly Area Community College	1,904,480	0	1,904,480	1,904,480	0	1,904,480
Moberly Area Community College - maintenance and repair	45,518	0	45,518	45,518	0	45,518
Moberly Area Community College - equity	148,135	0	148,135	148,135	0	148,135
North Central Missouri College	811,508	0	811,508	811,508	0	811,508
North Central Missouri College - maintenance and repair	16,606	0	16,606	16,606	0	16,606
North Central Missouri College - equity	63,121	0	63,121	63,121	0	63,121
Ozarks Technical Community College	4,398,254	0	4,398,254	4,398,254	0	4,398,254
Ozarks Technical Community College - maintenance and repair	68,116	0	68,116	68,116	0	68,116
Ozarks Technical Community College - equity	342,106	0	342,106	342,106	0	342,106
St. Charles Community College	2,760,428	0	2,760,428	2,760,428	0	2,760,428
St. Charles Community College - maintenance and repair	63,893	0	63,893	63,893	0	63,893
St. Charles Community College - equity	214,713	0	214,713	214,713	0	214,713
St. Louis Community College	12,960,637	0	12,960,637	12,960,637	0	12,960,637
St. Louis Community College - maintenance and repair	473,822	0	473,822	473,822	0	473,822
St. Louis Community College - equity	1,008,108	0	1,008,108	1,008,108	0	1,008,108
State Fair Community College	1,858,709	0	1,858,709	1,858,709	0	1,858,709
State Fair Community College - maintenance and repair	64,102	0	64,102	64,102	0	64,102
State Fair Community College - equity	144,575	0	144,575	144,575	0	144,575
Three Rivers College	1,588,805	0	1,588,805	1,588,805	0	1,588,805
Three Rivers College - maintenance and repair	41,015	0	41,015	41,015	0	41,015
Three Rivers College - equity	123,581	0	123,581	123,581	0	123,581
State Technical College of Missouri	2,010,124	0	2,010,124	2,010,124	0	2,010,124
University of Central Missouri	18,446,119	0	18,446,119	18,446,119	0	18,446,119
Southeast Missouri State University	15,293,156	0	15,293,156	15,293,156	0	15,293,156
Missouri State University	31,333,687	0	31,333,687	31,333,687	0	31,333,687
Lincoln University	7,156,731	0	7,156,731	5,859,958	0	5,859,958
Lincoln University - land grant match				1,296,773	0	1,296,773

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Truman State University	13,886,774	0	13,886,774	13,886,774	0	13,886,774
Northwest Missouri State University	10,395,373	0	10,395,373	10,395,373	0	10,395,373
Missouri Southern State University	8,010,414	0	8,010,414	8,010,414	0	8,010,414
Missouri Western State University	7,415,585	0	7,415,585	7,415,585	0	7,415,585
Harris-Stowe State University	3,487,087	0	3,487,087	3,487,087	0	3,487,087
University of Missouri	138,745,625	0	138,745,625	138,745,625	0	138,745,625
Total DHEWD Federal Stimulus Fund	304,037,512	0	304,037,512	304,037,512	0	304,037,512
DHEWD FEDERAL EMERGENCY RELIEF FUND						
Distributions of the Governor's Emergency Education Relief Funds to institutions of higher education under the CARES Act	23,643,000	1,673,120	21,969,880	200,000,000	0	200,000,000
Total DHEWD Federal Emergency Relief Fund	23,643,000	1,673,120	21,969,880	200,000,000	0	200,000,000
MISSOURI DEPARTMENT OF TRANSPORTATION (MoDOT) FEDERAL STIMULUS FUND						
Transit Program - grants to non-urbanized areas under Sections 5311 and 5340, Title 49, United States Code	61,770,760	1,815,199	59,955,561	20,000,000	4,114,460	15,885,540
Aviation Program - construction, capital improvements, or planning of publicly owned airfields by cities or other political subdivisions, including land acquisition, pursuant to provisions of the State Block Grant Program administered through the Federal Airport Improvement Program	19,870,044	106,647	19,763,397	1,000,000	0	1,000,000
Total MoDOT Federal Stimulus Fund	81,640,804	1,921,846	79,718,958	21,000,000	4,114,460	16,885,540
OFFICE OF ADMINISTRATION (OA) FEDERAL STIMULUS FUND						
Distribution of federal funds to units of local government as provided in the CARES Act				1,071,000,000	520,925,478	550,074,522
Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ³	316,500	57,750	258,750	316,500	158,016	158,484
Broadband expansion and/or cellular equipment and service to provide fixed or mobile broadband access to emergency services personnel in order to coordinate and dispatch services related to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Broadband expansion to residential and agricultural areas in counties of the state of Missouri with high concentrations of state employees without residential access to broadband internet, for the purpose of enabling state employees to work remotely due to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Reimbursement of broadband services costs, and/or for state purchase of cellular equipment and service to provide fixed or mobile broadband service for state employees required to work from home due to the COVID-19 disease - expense and equipment	2,000,000	0	2,000,000			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				16,000	10,250	5,750
Total OA Federal Stimulus Fund	12,316,500	57,750	12,258,750	1,071,332,500	521,093,744	550,238,756

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF PUBLIC SAFETY (DPS) FEDERAL STIMULUS FUND						
Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ³	2,262,000	73,000	2,189,000	2,262,000	189,250	2,072,750
Total DPS Federal Stimulus Fund	2,262,000	73,000	2,189,000	2,262,000	189,250	2,072,750
STATE EMERGENCY MANAGEMENT FEDERAL STIMULUS FUND						
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - state agency disasters ⁴	456,314,197	27,485,840	428,828,357	1,253,200,000	51,396,569	1,201,803,431
Alternative care treatment facility staffing expenses - personal service	35,000,000	3,388	34,996,612	35,000,000	1,119,066	33,880,934
MO HealthNet Division - Long-term care services - care in nursing facilities under the MO HealthNet fee-for-service program and for contracted services to develop model policies and practices that improve the quality of life for long-term care residents - funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional amount of \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020	90,000,000	223,678	89,776,322	90,000,000	0	90,000,000
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency and for first responder training programs	1,800,000	971,276	828,724	1,800,000	0	1,800,000
Emergency assistance expenses as provided in Section 44.032, RSMo	10,000,000	0	10,000,000	10,000,000	0	10,000,000
State Emergency Management Agency, Boone County Fire Protection District, Missouri Task Force 1 - expenses for response to emergencies and disasters in the State of Missouri and conduct of annual training exercises. Expenses may include, but are not limited to personnel salaries and benefits, supplies, and repair or replacement of damaged equipment	100,000	0	100,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ⁵	750,000,000	0	750,000,000			
DESE - Learning Loss Testing	10,000,000	0	10,000,000			
DESE - Transportation Costs	7,500,000	0	7,500,000			
DESE - Emergency Child Care	800,000	0	800,000			
DESE - State School Bus Routes	1,000,000	0	1,000,000			
DESE - Sheltered Workshops	4,000,000	0	4,000,000			
DESE - Distance Learning	10,000,000	0	10,000,000			
DHEWD - Distance Learning	10,000,000	0	10,000,000			
DHEWD - Computer-Based Training	2,000,000	0	2,000,000			
DHEWD - Workforce Development Boards	800,000	42,270	757,730			
DHEWD - Workforce Training	6,750,000	85,201	6,664,799			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DHEWD - Institutions of Higher Education COVID Expenses	80,000,000	10,676,515	69,323,485			
Department of Revenue (DOR) - Temporary Motor Vehicle and Driver Licensing Division Offices	2,000,000	26,087	1,973,913			
DOR - Technology and infrastructure costs due to the COVID-19 crisis - expense and equipment	329,066	0	329,066			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - personal service	427,109	0	427,109			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - expense and equipment	1,110,000	0	1,110,000			
OA - Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	316,500	97,250	219,250			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	16,000	13,500	2,500			
Missouri Consolidated Health Care Plan - COVID Reimbursement	5,000,000	0	5,000,000			
Department of Agriculture (MDA) - Division of Animal Health - support, workforce assistance, equipment and capital improvements to meat processing facilities located in the state to address supply chain disruptions and mitigate health and environmental impacts as a result of the COVID-19 pandemic	20,000,000	0	20,000,000			
Department of Natural Resources (DNR) - Wastewater Detection System	600,000	0	600,000			
Department of Economic Development (DED) - Broadband Expansion	27,750,000	0	27,750,000			
DED - Program to provide grants to small businesses incorporated in the state of Missouri with 50 or fewer employees, to reimburse the costs of business interruption caused by required closures in connection with the COVID-19 public health emergency, provided that no grants shall be provided to franchise or chain business entities, and further provided that one-quarter of funds under such program shall be allocated to family-owned farms	30,000,000	0	30,000,000			
DED - Innovation Grants	1,000,000	0	1,000,000			
DED - Manufacturer Retooling	20,000,000	205,027	19,794,973			
DED - Nonprofit Stimulus	22,000,000	0	22,000,000			
DED - Destination Marketing Organization Stimulus	15,000,000	0	15,000,000			
DPS - Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	2,262,000	296,250	1,965,750			
Department of Corrections (DOC) - Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	11,578,485	4,200,085	7,378,400			
Department of Mental Health (DMH) - Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	8,175,000	2,448,510	5,726,490			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30,			Year Ended June 30,		
	2021 (through August 31, 2020)			2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DMH - Division of Developmental Disabilities - Developmental Disabilities Waiver (DDW) - compensation of all DDW providers during the period that Missouri or the United States falls within an emergency declaration to compensate any DDW provider with a retention payment, gap payment, or temporary rate increase; and additional payment per day during the period which a DDW provider has at least one confirmed positive COVID-19 case on the premises, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need the services	20,000,000	978,242	19,021,758			
DMH - Division of Behavioral Health COVID Reimbursements	10,000,000	1,963,828	8,036,172			
DMH - Division of Behavioral Health - suicide prevention initiatives - expense and equipment	620,000	0	620,000			
DMH - Developmental Disabilities Telehealth	2,160,000	720,624	1,439,376			
DMH - Telehealth Training	3,500,000	0	3,500,000			
DMH - Behavioral Health Net	100,500	0	100,500			
Department of Health and Senior Services (DHSS) - Division of Community and Public Health - pilot program for rural hospital grants to hospitals in counties with a population less than 60,000 and/or municipalities with a population less than 25,000, provided eligible applicants for grants shall be the owner, community board of directors and/or a contracted management company of the hospital, and further provided that the amount of any single grant shall not be greater than \$3,500,000, and further provided that the following purposes may be eligible for expenditure from any single grant in an amount no greater than the amount stated herein: testing for COVID-19 - \$1,250,000, facilities and equipment - \$1,000,000, environmental disinfection and personal protective equipment - \$750,000, services and patient care innovations - \$500,000	35,000,000	0	35,000,000			
DHSS - Contact Tracing and Testing	127,000,000	3,004,962	123,995,038			
DHSS - Home & Community Based Services COVID Reimbursements	20,000,000	194,149	19,805,851			
Department of Social Services (DSS) - Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	1,294,500	129,250	1,165,250			
DSS - Family Support Division - electronic benefit transfers system - expense and equipment	901,788	705,450	196,338			
Department of Labor & Industrial Relations (DOLIR) Unemployment Insurance System Support	10,000,000	0	10,000,000			
DED Communications Campaign	2,500,000	0	2,500,000			
DPS Missouri National Guard Expenses	2,700,000	0	2,700,000			
DHSS Call Center/Data Entry	170,075	43,551	126,524			
DHSS Testing	89,291,600	0	89,291,600			
DHSS Contact Tracing/Tracking	11,800,000	0	11,800,000			
DHSS Lab Infrastructure	22,360,108	0	22,360,108			
DHSS Technology & Data Infrastructure	229,433	0	229,433			
DHSS Sewershed	166,081	0	166,081			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DHSS Surveillance	199,583	0	199,583			
DHSS Prevention in High Risk Settings	1,222,775	0	1,222,775			
DHSS COVID Support Services	1,455,200	0	1,455,200			
DHSS Epidemiology and Laboratory Capacity (ELC) Grant	5,000,000	0	5,000,000			
DESE Hearing Aid Distribution	100,000	0	100,000			
DHSS Poison Control	500,000	0	500,000			
Total State Emergency Management Federal Stimulus Fund	2,011,900,000	54,514,933	1,957,385,067	1,390,000,000	52,515,635	1,337,484,365
DEPARTMENT OF CORRECTIONS (DOC) FEDERAL STIMULUS FUND						
Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ³	11,578,485	118	11,578,367	11,578,485	1,514,706	10,063,779
Total DOC Federal Stimulus Fund	11,578,485	118	11,578,367	11,578,485	1,514,706	10,063,779
DEPARTMENT OF MENTAL HEALTH (DMH) FEDERAL STIMULUS FUND						
Office of the Director - personal service				75,000	2,298	72,702
Office of the Director - expense and equipment				5,000,000	0	5,000,000
Division of Behavioral Health - suicide prevention initiatives - expense and equipment	900,000	0	900,000	900,000	0	900,000
Division of Developmental Disabilities - community program funding, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need services - expense and equipment				15,364,800	0	15,364,800
Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ^{3,4}	8,175,000	1,792,040	6,382,960	8,175,000	4,104,264	4,070,736
Office of the Director - Emergency COVID-19 Directed Treatment Services Program - expense and equipment	2,000,000	121,319	1,878,681	2,000,000	63,556	1,936,444
Division of Developmental Disabilities - telehealth physician services related to COVID-19 - expense and equipment	720,000	0	720,000			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - personal service	636,796	19,646	617,150			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - expense and equipment	19,363,204	110,974	19,252,230			
Total DMH Federal Stimulus Fund	31,795,000	2,043,979	29,751,021	31,514,800	4,170,118	27,344,682

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF HEALTH AND SENIOR SERVICES (DHSS) FEDERAL STIMULUS FUND						
Division of Community and Public Health - community health programs funding and related expenses	224,981	0	224,981	671,000	0	671,000
Division of Community and Public Health - Office of Emergency Coordination - personal service				445,516	0	445,516
Division of Community and Public Health - Office of Emergency Coordination - to address coronavirus preparedness and response - expense and equipment and program distribution	24,887,493	830,392	24,057,101	32,556,018	438,189	32,117,829
Division of Community and Public Health - Office of Rural Health and Primary Care - other programs and related expenses - expense and equipment	4,050,000	4,611	4,045,389	4,500,000	0	4,500,000
Division of Senior and Disability Services - funds for supportive services and meals to be distributed to each Area Agency on Aging - expense and equipment	18,000,000	4,086,524	13,913,476	25,000,000	6,404,165	18,595,835
Division of Community and Public Health - medications	401,508	0	401,508	1,620,000	0	1,620,000
Division of Community and Public Health - child nutrition and commodity assistance programs	185,000,000	7,000,000	178,000,000	30,062,065	30,062,065	0
Division of Community and Public Health - Office of Emergency Coordination - Poison Control Hotline - expense and equipment	100,000	0	100,000			
Division of Regulation and Licensure - program operations and support - personal service	300,000	0	300,000			
Division of Regulation and Licensure - program operations and support - expense and equipment	300,000	0	300,000			
Total DHSS Federal Stimulus Fund	233,263,982	11,921,527	221,342,455	94,854,599	36,904,419	57,950,180
DEPARTMENT OF SOCIAL SERVICES (DSS) FEDERAL STIMULUS FUND						
Family Support Division - Emergency Solutions Grant Program payments	9,584,276	0	9,584,276	30,000,000	0	30,000,000
Family Support Division - Food Distribution Program and the receipt and disbursement of donated food program payments	6,026,000	683,430	5,342,570	4,326,000	245,203	4,080,797
Family Support Division - grants to not-for-profit organizations for services and programs to assist victims of domestic violence	528,000	0	528,000	528,000	0	528,000
Children's Division - child care services to provide immediate financial assistance to child care providers to prevent them from going out of business and to support child care for families, including healthcare workers, first responders, and other professionals in critical roles during the COVID-19 pandemic, the general administration of the programs, including development and implementation of automated systems to enhance time, attendance reporting, contract compliance and payment accuracy, and to support the Educare Program	66,542,726	8,605,246	57,937,480	20,000,000	9,088,706	10,911,294

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
MO HealthNet Division - Long-term care services - care in nursing facilities under the MO HealthNet fee-for-service program and for contracted services to develop model policies and practices that improve the quality of life for long-term care residents - funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional amount of \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020 ³	90,000,000	92,355	89,907,645			
Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ³	1,294,500	123,750	1,170,750	1,294,500	194,750	1,099,750
Family Support Division - electronic benefit transfers system - expense and equipment ³	901,788	264,008	637,780	0	0	0
Family Support Division - community services programs provided by Community Action Agencies or other not-for-profit organizations under provisions of the Community Services Block Grant	27,847,053	0	27,847,053			
Family Support Division - Low Income Home Energy Assistance Program	17,970,880	4,632	17,966,248			
Children's Division - grants to community-based programs to strengthen the child welfare system locally to prevent child abuse and neglect and divert children from entering into the custody of the Children's Division, provided that the Children's Division shall coordinate the delivery of services with the Parents as Teachers Program within the Department of Elementary and Secondary Education	907,000	0	907,000			
Total DSS Federal Stimulus Fund	221,602,223	9,773,421	211,828,802	56,148,500	9,528,659	46,619,841
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) FEDERAL STIMULUS FUND						
Business and Community Solutions Division - Community Development Block Grant Program - projects awarded on or after July 1, 2019, provided no funds shall be expended at higher education institutions not headquartered in Missouri for purposes of accreditation				20,000,000	0	20,000,000
Business and Community Solutions Division - Community Development Block Grant Program - projects to support local community development activities - expense and equipment	20,000,000	0	20,000,000			
Total DED Federal Stimulus Fund	20,000,000	0	20,000,000	20,000,000	0	20,000,000
DEPARTMENT OF NATURAL RESOURCES (DNR) FEDERAL STIMULUS FUND						
Low-Income Weatherization Assistance Program payments	1,996,764	0	1,996,764			
Total DNR Federal Stimulus Fund	1,996,764	0	1,996,764			
LIEUTENANT GOVERNOR FEDERAL STIMULUS FUND						
Missouri State Council on the Arts - expense and equipment	517,000	0	517,000			
Missouri Humanities Council - program distribution	605,000	0	605,000			
Total Lieutenant Governor Federal Stimulus Fund	1,122,000	0	1,122,000			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30, 2021 (through August 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS (DOLIR) FEDERAL STIMULUS FUND						
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - personal service ⁴				1,000,000	208,806	791,194
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - expense and equipment				700,000	687,146	12,854
Division of Employment Security - personal service	23,948,454	19,362	23,929,092			
Division of Employment Security - expense and equipment	7,600,846	272,563	7,328,283			
Division of Employment Security - administration of programs authorized and funded by the United States Department of Labor, such as Disaster Unemployment Assistance, and provided that all funds shall be expended from discrete accounts and that no monies shall be expended for funding administration of these programs by the Division of Employment Security	17,000,000	0	17,000,000			
OA - Information Technology Services Division - for DOLIR - expense and equipment	1,887,001	0	1,887,001	1,000,000	823,665	176,335
Total DOLIR Federal Stimulus Fund	50,436,301	291,925	50,144,376	2,700,000	1,719,617	980,383
SECRETARY OF STATE (SOS) FEDERAL STIMULUS FUND						
Election reform grants, transaction costs, election administration improvements within Missouri, support of Help America Vote Act activities, and the state's share of election costs as required by Chapter 115, RSMo	16,100,000	0	16,100,000			
All allotments, grants, and contributions from the federal government or from any sources that may be deposited in the State Treasury for the use of the Missouri State Library	750,000	148,559	601,441			
Total SOS Federal Stimulus Fund	16,850,000	148,559	16,701,441			
FEDERAL BUDGET STABILIZATION FUND						
State Technical College of Missouri	549,415	0	549,415			
University of Central Missouri	4,928,740	0	4,928,740			
Southeast Missouri State University	4,094,371	0	4,094,371			
Missouri State University	8,433,094	0	8,433,094			
Lincoln University	1,576,580	0	1,576,580			
Truman State University	3,708,416	0	3,708,416			
Northwest Missouri State University	2,784,388	0	2,784,388			
Missouri Southern State University	2,159,973	0	2,159,973			
Missouri Western State University	1,985,243	0	1,985,243			
Harris-Stowe State University	931,228	0	931,228			
University of Missouri - operation of various campuses and programs	36,939,413	0	36,939,413			
University of Missouri - St. Louis - Biotech	133,378	0	133,378			
University of Missouri - State Historical Society	288,022	0	288,022			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through August 31, 2020

	Year Ended June 30,			Year Ended June 30,		
	2021 (through August 31, 2020)			2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
MODOT - for a transportation cost-share program with local communities, provided these funds shall not supplant, and shall only supplement, the current planned allocation of road and bridge expenditures under the most recently adopted state transportation and improvement plan, including all amendments thereto, as of the date of passage of this bill by the General Assembly, and provided the MODOT and DED work cooperatively to select projects with the greatest economic benefit to the State	25,000,000	0	25,000,000			
University of Missouri - Precision Medicine Initiative	10,000,000	0	10,000,000			
Total Federal Budget Stabilization Fund	103,512,261	0	103,512,261			
Total All Funds	\$ 5,377,834,099	123,283,775	5,254,550,324	5,500,254,776	1,065,505,808	4,434,748,968

¹ The appropriation authority is the maximum amount that may be expended for the purpose as documented and approved through appropriations bills.

² For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. Therefore, the Department of Social Services cannot directly expend any receipted monies from the fund, as it could during the fiscal year ended June 30, 2020.

³ These fiscal year 2021 appropriations, which incurred expenditures through August 31, 2020, represent the original authorizations within individual agencies' Federal Stimulus Funds. However, the OA is replacing these appropriations with new, identical versions within the State Emergency Management Federal Stimulus Fund. Agencies are currently adjusting all incurred expenditures from the original to the new appropriations. Afterwards, the original appropriations will become obsolete; they will show no expenditures, and all new expenditures will be incurred in the new appropriations.

⁴ Statewide Accounting System (SAM II) adjustments between August 1, 2020, and August 31, 2020, have retroactively changed these appropriations' total expenditures for the fiscal year ended June 30, 2020, since the previous report. In the future, it is possible that additional retroactive adjustments impacting that fiscal year could occur for these appropriations and other ones.

⁵ Coronavirus Relief Fund assistance must be returned to the federal government if it is not spent to cover allowable costs incurred by December 30, 2020. State officials did not know whether or to what extent the state may have to repay any funding received at the time the appropriation was established. To acknowledge the existence of the obligation, the state established appropriations authorizing the return of up to \$750 million.

Source: Statewide Accounting System (SAM II). The appendix is presented on the state's legal budgetary basis of accounting that records expenditures when the liabilities are recorded, rather than when cash is disbursed.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Treasurer's Office

Report No. 2020-084

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of St. Louis - Treasurer's Office

Bank Accounts and Investments	The Treasury Division does not perform competitive procurement of services for the deposit of most city funds. Also, division staff do not promptly prepare bank reconciliations or timely resolve reconciling items on various bank reconciliations. In addition, division staff do not timely post investments to accounting records or maintain documentation to support investment decisions. Division officials have not obtained an annual external audit of investment activities and controls.
College Kids Children's Savings Account Program	The College Kids Children's Savings Account Coordinator does not prepare a monthly list of liabilities to reconcile to the incentive bank account balance and annual goals for collecting donations for the incentive funds are not established and analyzed.
Procurement Procedures and Contracts	The Treasurer's Office has not established policies and procedures for the selection of vendors providing goods and services. In addition, office staff did not always solicit bids or proposals for goods and services, have not periodically conducted a competitive selection process for various professional services, and did not always maintain documentation supporting some procurement decisions. The office does not always enter into written contracts when appropriate or monitor contracts effectively.
Accounting Controls and Procedures	Receipting procedures do not provide adequate control over payments received in the Treasury Division. The Treasurer's Office does not submit employee leave records to the Comptroller's Office to maintain and reconcile with the city's centralized leave records.

In the areas audited, the overall performance of this entity was **Good***

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Treasurer's Office

Table of Contents

State Auditor's Report	2
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Management Advisory Report - State Auditor's Findings	1. Bank Accounts and Investments4 2. College Kids Children's Savings Account Program.....8 3. Procurement Procedures and Contracts.....10 4. Accounting Controls and Procedures15
---	--

Organization and Statistical Information	18
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Tishaura O. Jones, Treasurer
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Treasurer's Office in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2019. To minimize duplication of effort, we reviewed the CPA firm's report for the June 30, 2018 audit since the June 30, 2019 audit had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

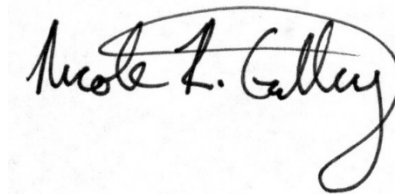
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Treasurer's Office.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Chris Vetter, CPA, CGAP, CFE
In-Charge Auditor:	Tina Disney, M.Acct., CFE, CGAP
Audit Staff:	Rachel Cline, M.S. Acct., CPA
	Dacia Rush, M.Acct., CIA, CFE, CGAP
	Shelby Reams

City of St. Louis - Treasurer's Office

Management Advisory Report

State Auditor's Findings

1. Bank Accounts and Investments

Controls and procedures over bank accounts and investments need improvement. The Treasury Division does not perform competitive procurement of services for the deposit of most city funds. Also, Treasury Division staff do not promptly prepare bank reconciliations or timely resolve reconciling items on various bank reconciliations. In addition, division staff do not timely post investments to accounting records or maintain documentation to support investment decisions. Division officials have not obtained an annual external audit of investment activities and controls.

The Treasurer's Office processes city monies through 49 accounts at 10 banks and maintains various short term investments. At June 30, 2019, city funds held by the Treasurer's Office totaled approximately \$300 million in bank accounts and \$403 million in various investments.

1.1 Banking services

Neither the Treasury Division nor other city departments competitively procure services for the deposit of most city funds. Annually, the Funds Committee approves the financial institutions the city can perform business with. Officials in each city department notify the Treasury Division which bank they want to use. The city's General Fund receipts and disbursements (except for city payroll transactions processed through other accounts) are processed through one account, referred to as the clearing account. Other accounts are maintained for various enterprise and fiduciary funds of the city. The Treasurer earns varying rates of interest on the accounts with the rate earned on the large-balance accounts during June 2019 ranging from 0 to 2.43 percent. Various factors can affect the rate of interest earned on an account such as frequency, type, and amount of transactions, required minimum balances, type of institution, and collateral needs. In addition, the city incurred approximately \$2,300 in bank service charges in June 2019 on the 49 bank accounts held by the city.

The Funds Committee, comprised of the Treasurer, Mayor, and Comptroller, adopted a new investment policy for the city on June 23, 2016. The policy outlines the investment priorities, from highest to lowest, as safety, liquidity, yield, local economic benefit, and social policy. The policy also outlines various other investment standards including the suitable and authorized investments.

The investment policy requires the Treasurer to select financial institutions through a formal, competitive procurement process. However, the Treasury Division has not competitively procured the bank depositaries except for the Parking Division account and the payroll account. For accounts used by other officials and departments, the Treasurer's Office uses the financial institution requested by those officials and departments. By periodically soliciting formal bids or proposals for all accounts, the Treasurer's Office could demonstrate compliance with the investment priorities and procurement



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

process outlined in the investment policy, as well as ensuring the city is obtaining the required level of service at a reasonable cost.

1.2 Bank reconciliations

Treasury Division staff do not prepare timely bank reconciliations. At the beginning of our audit fieldwork in April 2019, reconciliations for 24 of the 40 bank accounts held by the Treasury Division were at least 2 months behind and the city clearing account had not been reconciled since June 2018. The Assistant Treasurer indicated understaffing contributed to the delays. Timely bank reconciliations are necessary to ensure city records agree to the bank statements and allow discrepancies to be promptly resolved.

1.3 Timely posting and monitoring

Treasury Division staff do not always timely monitor or post wire transfers and investment activity to the daily ledger. For example, a \$2.8 million certificate of deposit (CD) matured on January 27, 2019; however no one posted the money to the city's ledger until June 28, 2019, when division staff closed the accounting records for the fiscal year ended June 30, 2019. At that time, they realized the matured CD principal and interest had been put into the wrong city account. In addition, approximately \$30,000 in interest from this CD was not posted to the daily ledger until September 5, 2019.

During our review of daily receipts for the week ending September 21, 2018, we noted no one posted investments made during this time. The investments for this period did not get posted until February 14, 2019. The Assistant Treasurer indicated the division lost its investment accountant in July 2018 and did not have a dedicated staff accountant to work on investments until November 2018.

In addition, during our review of the bank reconciliations we identified several outstanding wire transfers. For example, the city clearing account listed wire transfers dating back to March 2017 that had not been receipted and posted to the daily ledger as of June 30, 2019. The Assistant Treasurer indicated the division has to wait for the other departments to initiate the receipting process.

The Treasury Operations Manual states the investment detail schedule should be reviewed daily for maturing securities and adjustments should be provided to the cashier to post to the daily ledger. Failure to implement adequate recording and monitoring procedures increases the risk that loss, theft, or misuse of funds will go undetected.

1.4 Investments

The Treasury Division does not maintain adequate documentation to support investment decisions and does not have a system in place to track when CDs mature. The Treasury Division holds the city's funds in bank accounts, CDs, and obligations of federal agencies with varying maturities. As of June 30, 2019, the Treasury Division held city funds of approximately \$703 million in accounts and investments. When determining the amounts available for



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

investment and the desired maturities, Treasury Division staff indicated they consult with the applicable city departments about cash flow needs for upcoming expenses and consider the bank balances and maturities of existing investments. However, they do not document these processes, including the information received and the reasons for the decisions made. In addition, division staff do not track when CDs mature; instead they rely on email messages from the bank or the applicable city departments to notify them. Also, while bids are solicited prior to the placement of many investments, the Assistant Treasurer will sometimes reinvest maturing investments into similar instruments at the same bank without obtaining bids if the reinvestment rate offered by the bank seems reasonable. Documentation is not maintained of the reinvestment rate evaluation process. According to the Treasurer's investment policy, "investments shall be made with judgement and care;" however, without maintaining documentation compliance cannot be determined. The Treasury Division should maintain documentation of the factors considered to provide assurance that investment decisions provide for sufficient liquidity of the city's funds and maximize investment returns.

1.5 External investment audit The Treasury Division does not obtain an annual external audit of investment activities and controls. Section 95.530, RSMo, and the city's investment policy require the Treasurer and the city's external auditors to report to the Comptroller on the city's compliance with the internal controls over investments at least once per year.

Similar conditions previously reported Similar conditions to MAR 1.1, 1.2, and 1.4 were noted in our prior audit report. In the *Follow-up Report on Audit Findings City of St. Louis Office of Treasurer*, Report No. 2018-115, released in November 2018, the Treasurer's Office stated MAR 1.1 and 1.2 were in progress and MAR 1.4 had been implemented; however, we found that corrective action taken was not always effective and problems continue to exist.

Recommendations

The Treasurer's Office:

- 1.1 Periodically solicit formal bids or proposals for all banking services.
- 1.2 Perform bank reconciliations timely for all accounts.
- 1.3 Work with other city departments, as necessary, to ensure that receipts are promptly posted to or adjusted on the accounting ledgers.
- 1.4 Maintain documentation to support investment decisions and create a system to track the maturity of CDs.
- 1.5 Obtain annual external audits of investment activity and policies.



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 1.1 *The St. Louis City Treasurer's Office used a competitive procurement process for banking services it directly controls, the Parking Division and city payroll in 2019. Traditionally, the selection of city depositories is a two-step process. The first step requires the St. Louis Funds Committee, comprised of the Treasurer, Mayor, and Comptroller, to certify all financial institutions eligible to serve as city depositories.*

Financial institutions applying to become certified city depositories must submit an application with data related to their lending activities and provide information on their community involvement and business practices. Initially, the only information requested in city depository applications was related to mortgage data. Since 2013, the information requested in the city depository application has grown to include workforce diversity, efforts to reduce the unbanked and underbanked population in St. Louis, foreclosure prevention practices, small business lending, and a Community Reinvestment Plan, which establishes clear goals for lending, investing, and charitable giving for two years. The Funds Committee uses the applications to approve a list of city depositories.

The second step of the process allows various city departments to select a financial institution that qualifies as a city depository. The Treasurer's Office is currently in discussions with other departments about re-evaluating their service agreements with existing financial institutions and anticipates having more RFPs in the future which will help to reduce banking fees and improve services for the city.

- 1.2 *The failure to prepare timely bank reconciliations is the result of understaffing, which has been addressed since this audit. Previous Treasury Operation budgets only provided one staff accountant to reconcile over 40 bank accounts in addition to other duties. The Treasurer's Office has now included additional accounting staff to reconcile all city accounts in a timely fashion. In addition, we have implemented a reconciliation tracker and require that all reconciliations be completed within two weeks of the prior month. Treasury Division staff have monthly meetings to review reconciliations and any issues associated with the accounts. The reconciliations are reviewed by the Assistant Treasurer and Accounting Manager before being submitted to the Treasurer for final approval. Current reconciliations are all within compliance of the Auditor's recommendation.*
- 1.3 *It is the policy of the City Comptroller not to post wires to the city's General Ledger unless the city department submits a Receipt Coding Form (RCF). The Treasurer's Office does not have the authority to*



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

post wires to the general ledger without receiving an RCF. The role of the Treasurer's Office is to receive and document the wire transactions from the bank reports. The Treasury Division Clerk notifies departmental contacts daily of receipt of wires via email. All wires are maintained in a log by the Treasury Division Clerk and updated accordingly.

The Treasurer's Office has increased its efforts/communications with city departments to reduce the number of outstanding wires. Our efforts have improved the timeliness of wire postings and the organization has seen a significant reduction in the number and amount of wires outstanding. The Comptroller's Office is aware of this issue and has proposed some additional measures to help address outstanding wires, including creating an additional category in the general ledger and future discussions with Oracle, the vendor for the pending Enterprise Resource Planning (ERP) system.

1.4 *Additional staffing and new procedures have improved Treasury Division tracking and documentation of investment decisions. The organization performs daily/weekly review of the investments sales, purchases, and maturities. These transactions and proceeds are then reviewed by the Treasury Division's Accounting Manager for accuracy. Also, there is an additional review performed during the monthly reconciliation. The Treasury Division now obtains a minimum of three quotes for any potential investment and documents this information. The documentation for investment decisions are held by the Assistant Treasurer, Accounting Manager, and Staff Accountant. Any investments are tracked via an investment detail schedule. From this schedule, the office is aware of when investments mature and its current value. This document is updated daily.*

1.5 *While there is not one external audit of investment activity for the city, such activity is typically reviewed in the external audits for various city departments. We have requested that the external auditors add this to their scope of work for the annual financial audit for the City of St. Louis.*

2. College Kids Children's Savings Account Program

The College Kids Children's Savings Account Coordinator does not prepare a monthly list of liabilities to reconcile to the incentive bank account balance and annual goals for collecting donations for the incentive funds are not established and analyzed.

The College Kids Children's Savings Account Program was established by the Treasurer in 2015 to provide kindergarten students enrolled in City of St. Louis public schools and charter schools within the city limits with a savings account for postsecondary education. Each participant's account is established



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

with an initial \$50 earmarked within the Treasurer's College Kids Children's Savings bank account. This account is funded from parking revenue collected by the Treasurer's Office. Additional incentives are provided by the Treasurer's Office for student attendance bonuses up to \$30, matching of family contributions up to \$100 per school year through fifth grade, and up to \$50 per year for parent participation in financial education courses provided by the Treasurer's Office. These incentives are funded by donations held by the Treasurer in an interest bearing incentive bank account. As of May 14, 2019, the Treasurer had established 13,564 participant accounts with program balances ranging from the initial \$50 earmark to \$3,260 consisting of program and family contributions. The average program account balance totaled approximately \$70 and 78 percent of the accounts consisted of only the initial \$50 earmark. Also as of May 14, 2019, families had contributed \$104,116 into 937 non-interest bearing accounts and 2,618 students had earned \$170,438 in incentives held by the Treasurer in the incentive bank account.

The incentive bank account balance and CD as of May 14, 2019, totaled \$157,994, which is \$12,444 less than the \$170,438 in documented incentives earned according to the Treasurer Office's records. Office officials indicated that they have not fundraised enough money to meet the amount currently promised in incentives. Treasury Division staff indicated they periodically work with the coordinator to perform a liabilities reconciliation for the account. The coordinator stated since she started in December 2017, the incentive account balance has only been reconciled twice to the incentives earned, in August 2018 and January 2019; however neither reconciliation was documented.

Monthly identification and comparison of incentives earned to the available cash balance is necessary to ensure funds are available to satisfy all incentives. In addition, periodic analysis is needed to ensure fundraising needs are met to keep the incentives offered sustainable.

Recommendation

The Treasurer's Office should prepare a monthly list of liabilities and reconcile it to the available cash balance in the bank account. In addition, periodically analyze the incentives offered by the Treasurer's Office to the amount of donations to ensure the incentives offered are sustainable and develop a plan to cover the shortage in the account.

Auditee's Response

College Savings Account (CSA) programs are an emerging field of research and this finding may partially reflect not fully understanding their structure and management. The College Kids Children's Savings Account Program Coordinator does not incur liabilities for the program. Program liabilities and expenses are covered by the budget for the Office of Financial Empowerment and tracked accordingly. We currently have enough funds to cover all of the incentives pledged. As the program grows, we are also ramping up our fundraising capacity to meet the needs of all of our program



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

participants. Our office will continue to evaluate the incentive structure and revise it based upon available and anticipated funds.

Auditor's Comment

Pledges represent future liabilities and the Treasurer's Office should have procedures in place to meet those liabilities and calculate any shortages that may need to be addressed through fundraising efforts.

3. Procurement Procedures and Contracts

Treasurer's Office procurement and contracting procedures and practices need improvement.

3.1 Procurement procedures

The Treasurer's Office has not established policies and procedures for the selection of vendors providing goods and services. In addition, the Treasurer's Office did not always solicit bids or proposals for goods and services, has not periodically conducted a competitive selection process for various professional services, and did not always maintain documentation supporting some procurement decisions. Our review of 45 expenditures incurred during the fiscal year ended June 30, 2019, noted the following issues:

Bids and proposals

The Treasurer's Office did not solicit bids or proposals for purchases or services for 17 of the 26 expenditures tested, which exceeded \$5,000 a year. These 17 expenditures included purchases of engineering services (\$38,000), legal services (\$147,000), other professional services (\$56,000), and various other goods and services (\$676,000).

Long term contracts

The Treasurer's Office did not periodically solicit proposals for 3 of the 26 expenditures tested. Instead, office staff renegotiated or entered into long-term contracts with multiple and/or indefinite renewal periods. The contracts included purchases of investment and custodian services (\$418,000), and financial advisor services (\$36,000).

Documentation

The Treasurer's Office did not maintain documentation of the evaluation process used to determine the most qualified vendor selected for 4 of 9 bids/proposals reviewed. In addition, 3 of those 4 vendors did not have the lowest bid/proposal. The contracts were for parking enforcement (\$247,000), investment and custodian services (\$418,000), and elevator repairs (\$58,000).

Conclusion

Formal procurement procedures would provide a framework for economical management of resources of the Treasurer's Office and help ensure the office receives fair value in its contracts as well as help ensure all parties are given an equal opportunity to participate in the business of the Treasurer's Office. Bids can be handled by telephone quotation, by written quotation, by sealed bid, or by advertised sealed bid. Various approaches are appropriate, based on dollar amount and type of purchase. In addition, a request for proposal or



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

request for qualification process may be more appropriate for professional services. For engineering services, Sections 8.289 and 8.291, RSMo, provide the requirements for obtaining, evaluating, and negotiating for such services. Regardless of the approach used, complete documentation should be maintained of all bids and proposals received and justification for awarding the bid or proposal.

3.2 Contracts

The Treasurer's Office does not always enter into written contracts when appropriate or monitor contracts effectively. We reviewed transactions for 43 vendors paid more than \$8.1 million for the fiscal year ended June 30, 2019. We identified the following issues regarding those vendors:

- The Treasurer's Office did not always enter into written contracts. The office did not have a written contract or a current written contract in place for 18 of the 43 vendors reviewed. For example, the office paid a security company \$275,000 during fiscal year 2019, but the contract on file had not been updated since June 2015 and the office paid a communications firm \$47,400 during fiscal year 2019 without a contract.
- Two contracts reviewed did not adequately define the fees the vendor was allowed to charge.

Section 432.070, RSMo, requires government contracts to be in writing. Clear, detailed, and timely written contracts are necessary to ensure all parties are aware of the services to be performed and the compensation to be paid for the services.

Similar conditions
previously reported

Similar conditions to MAR 3.1 and 3.2 were noted in our prior audit report. In the *Follow-up Report on Audit Findings City of St. Louis Office of Treasurer*, Report No. 2018-115, released in November 2018, the Treasurer's Office stated these previous recommendations had been implemented; however, we found that corrective action taken was not always effective and problems continue to exist.

Recommendations

The Treasurer's Office:

- 3.1 Establish complete, formal procurement policies and procedures, including documentation requirements regarding the bids or proposals received and document the justification for the vendor selected. Solicit competitive bids or proposals for contracts on a periodic basis.
- 3.2 Enter into written contracts defining services provided and benefits received. In addition, the Treasurer's Office should ensure vendor contracts are updated periodically.



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

Auditee's Response

3.1 *While the Treasurer's Office has utilized a competitive procurement process for the majority of services, we have recently implemented a revised Request for Proposals (RFP) Policy. We have begun the RFP process for one vendor, but it had to be postponed due to COVID-19. We plan to issue an RFP for two other vendors prior to December 2020.*

We have procedures for contractual obligations that are greater than \$5,000. We have a draft of an Intergovernmental Memorandum of Understanding for security services. Unfortunately, we have not implemented this agreement due to the postponement of events requiring security services due to COVID-19.

We submitted detailed responses regarding procurement procedures, contracts and disbursements on March 12, 2020, which addressed the comments in the audit report. In specific to the report:

a. Bids and Proposals:

- i. There are several stand-alone transactions with repeat vendors that were not a feasible option to anticipate that they would exceed \$5,000 within a year due to the unique circumstances of each engagement. Therefore, an RFP process was not required. This relates to \$72,000 of the other goods and services for \$676,000 cited in the report.*
- ii. Our office policy is to select legal representation based on expertise, not through an RFP process. This relates to the legal services cited in the report for \$147,000 and \$11,000 of the other goods and services for \$676,000 cited in the report.*
- iii. Our office has brokerage/consulting firms that engage in the bidding process on our behalf. This relates to the engineering services for \$38,000 and \$201,000 of the other goods and services for \$676,000 cited in the report.*
- iv. Our office will bid out \$70,000 of services prior to December 2020, which relates to the \$56,000 of professional services and \$14,000 of the other goods and services for \$676,000 cited in the report.*
- v. Our office will finalize an intergovernmental Memorandum of Understanding for \$275,000 in fiscal year 2021, which is associated with the \$676,000 cited in the report.*



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

b. Long Term Contracts:

vi. The contracts for investment and custodial services of \$418,000 and financial advisor services of \$36,000 were implemented after a competitive bidding process. Subsequently, they have been renewed due to the excellent performance achieved from the utilization of their services, which includes:

a. Identifying opportunities to restructure debt and optimize financial performance, resulting in a savings of \$11,500,684 in gross savings and \$4,604,103 in net present value.

b. Increasing the city's portfolio book yield from 0.19 to 2.19 percent and consistently outperforming municipal benchmarks. Also, reducing fees by 50 percent while earning over \$25 million in gross interest earnings for the City of St. Louis. Lastly, building relationships with several city departments which have led to a growth of assets under management by over \$100 million since 2013.

c. Documentation:

vii. Several of the companies that may have had lower bids for investment and custodian services of \$418,000 were disqualified based upon failure to comply with the RFP directives. The RFP Selection Committee met several times and unanimously selected the chosen vendors based upon their proposal. Official minutes reflecting the Selection Committee's decision were provided to the auditors, but our new policy will also require submission of all official scoring sheets.

viii. The contract for custodial services was established after a lengthy RFP process, which included a consultant who independently evaluated vendor responses. We provided documentation of the initial scoring before interviewing respondents in-person. This RFP resulted in improved services and \$100,000 in annual savings for the City of St. Louis. The RFP Committee selected Wells Fargo based upon their expertise, customer service, and willingness to reduce their initial fees. While the RFP Committee submitted scoring sheets prior to interviews, the decision-making which occurred after the vendor interviews will be incorporated into future scoring sheets per the new policy.



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

- ix. *The parking enforcement contract for payment by phone for \$247,000 was established after a lengthy process of selection and due diligence. In late 2013 the Treasurer's Office issued an RFP for integrated parking services, including ticket processing, meter maintenance, and meter collections. The RFP required vendors to submit a formal proposal and manage a pilot consisting of sixty parking meters in St. Louis for six months. Based upon references, pilot area performances, public input, and the formal proposals, two vendors were selected as finalists. We subsequently interviewed the finalists and engaged a parking consultant to analyze their proposals. Ultimately, we selected the vendor for \$247,000, based upon a greater depth of municipal parking experience than the other finalist. Going forward, this type of information will be incorporated in a scoring sheet.*
- x. *The elevator repair vendor for \$58,000 was established from an RFP process conducted from January 25, 2019, through February 26, 2019. We received four bids for this RFP. The choice was made by analyzing each of those proposals. This RFP was prompted by several elevator outages in our garages, which entrapped our customers. The elevator repair vendor at the time, who won the contract as the lowest bidder, failed to respond in a timely manner to elevator outages. As a result, we placed a priority on securing a reliable elevator maintenance company in efforts to restore the credibility of our garages. The RFP selection committee reached out to each vendor's references for in-depth discussions of performance and reliability. The chosen vendor's references consistently cited their track record for good and reliable service. Going forward, the RFP process has been revised to ensure that an official scoring sheet is included each time, which will incorporate the feedback we received regarding each vendor's references.*

- 3.2 *As stated in 3.1, we have procedures for contractual obligations that are greater than \$5,000.*

We submitted detailed responses regarding procurement procedures, contracts, and disbursements on March 12, 2020, which addressed the comments in the audit report. In specific to the report:

- i. *The security company for \$275,000 has a contract in place. Per the wording in the contract, it is allowable for the rates to increase based on the following terms:*



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

- a. In the event any federal, state, local tax or license rates based on gross sales or payroll, or rates for insurance coverage are increased, the charges for services provided hereunder shall automatically be increased to the extent such rate increases apply to personnel hereunder.*
- ii. The network services for \$47,400 is offered to the entire City of St. Louis. It started as a franchise agreement in the early 1990s under a previous communication firm and transitioned to the services provided to-date. A formal contract for the City of St. Louis is not in place.*

4. Accounting Controls and Procedures

Internal controls in the Treasury Division are in need of improvement and employee leave records are not submitted to the Comptroller's Office.

4.1 Segregation of duties

As noted in our prior audit, receipting procedures do not provide adequate control over money received in the Treasury Division. Strengthening procedures could provide more assurance that all money received is recorded on the accounting records and deposited.

The various city departments turn over collections of fees, taxes, and other payments received to the Treasury Division for deposit into city accounts. The remitting city departments document each turnover on a Receipt Coding Form (RCF) and a Form 449 and remit these forms along with the collections to the cashier in the Treasury Division. Division staff indicated these forms are not prenumbered because they originate in multiple city departments. The Treasurer's cashier verifies the cash and checks to the form, stamps the RCF paid, records a sequential number on the form, remits one copy of the RCF to the Comptroller's Office and returns one copy of the RCF to the remitting department. The cashier also records the collections and RCF document numbers on the daily ledger, deposits the cash collections, and sends the checks and the 449 forms to a clerk in the Treasury Division who deposits the checks and compares each form's information to the daily ledger.

During our previous audit conducted in 2008, the cashier's supervisor compared the bank deposits to the daily ledgers to ensure payments recorded on the daily ledger are deposited and accounted for the sequential order of the RCFs; however, the Treasury Division Manager indicated this control is no longer in place because the department being understaffed. He stated this review is now completed during the monthly bank reconciliation. However, as noted in MAR 1.2, bank reconciliations are not performed timely. Also, these procedures would only ensure payments recorded on the daily ledger are deposited; however, errors or irregularities could occur that these



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

procedures would not detect. Because the RCFs and 449 forms are not prenumbered, but are instead assigned a sequential number by the cashier receiving them and the cashier also deposits the cash received, there is less assurance that all collections are posted to the daily ledger. During the fiscal year ended June 30, 2019, average monthly receipts of cash and checks remitted to the Treasury Division totaled approximately \$19 million.

Prenumbered receipt slips or supporting documents would provide more assurance that all transactions are accounted for properly and assets are adequately safeguarded. If prenumbered documents or receipts are not feasible, the Treasury Division should consider having someone independent of the cashier periodically confirm recorded RCF and 449 form documents with the various remitting departments.

4.2 Centralized leave records The Treasurer's Office does not submit employee leave records to the Comptroller's Office to maintain and reconcile with the city's centralized leave records. While records of vacation leave, medical/sick leave and compensatory time earned, taken, or accumulated are prepared and maintained by the Treasurer's Office, they are not submitted to the Comptroller's Office to be properly accounted for by the city. Comptroller's Office officials indicated it would be useful to receive this information periodically.

By not submitting complete leave records to the Comptroller's Office, the city cannot ensure total city employees' compensatory time and leave usage and balances are accurate and properly accounted for. Centralized records also aid in ensuring equitable treatment of employees, and help demonstrate compliance with the Fair Labor Standards Act.

Recommendation

The Treasurer's Office:

- 4.1 Strengthen controls over monies received by the Treasury Division.
- 4.2 Ensure records of vacation leave, medical/sick leave, and compensatory time are forwarded to the Comptroller's Office.

Auditee's Response

- 4.1 *Processing and management of Receipt Coding Forms (RCF) extend beyond the control of the Treasurer's Office. However, the Treasury Division's monetary controls are documented in the Treasury Operations Procedure Manual. Monetary controls have been strengthened with a daily review and verification of funds deposited into the various banking accounts by Treasury Division staff. The Treasury Division has added a dedicated staff person who has resumed independently reviewing bank deposits and the ledger daily. Any potential variances are researched within a timely manner, communicated to Treasury Division Management and addressed*



City of St. Louis - Treasurer's Office
Management Advisory Report - State Auditor's Findings

until the outcome is rendered. The Treasury Division documents the explanation and detail regarding any discrepancies in confidential e-mail correspondence between the bank in question, adjustments, and reconciliations as needed.

Additionally, the Cashier reviews checks written on the Airport and Water accounts and compares the bank statements to the information in the current accounting software, AIMS. If there is any discrepancy, the Accountant contacts the bank to resolve or question any items that were not resolved through positive pay.

In order to comply with the recommendation of having someone independent of the Cashier to confirm RCFs with various remitting departments, additional staff would be required, such as another Treasury Division Accountant or Accounting Manager. In the meantime, we have created a log to maintain an additional record of this process.

The RCF process is paper-driven, in which all departments are required to submit RCFs with their cash deposits. The Cashier for the Treasury Division processes all RCFs by stamping the paperwork and creating a new RCF number for booking and tracking purposes. It is not within our authority to create RCF numbers that match department invoices. Any changes or improvements to the RCF numbering system will be addressed by the ERP system, which is scheduled to be installed in August 2021.

- 4.2 *The current payroll system used by the Comptroller's Office does not have the capability of tracking Treasurer's Office employee leave records due to this office having independent leave policies and accrual rates from the City. The Comptroller's Office, and the City of St. Louis, are implementing a new ERP system, which will include time keeping software program with the capability to track all departments' employee leave records. The Treasurer's Office submits leave records to the city's external auditors on an annual basis. The Comptroller's Office has not previously requested that leave records be provided. However, the Treasurer's Office will provide leave records if requested.*

City of St. Louis - Treasurer's Office

Organization and Statistical Information

The Office of Treasurer is an elective office. The Treasurer's duties are defined in Missouri statutes and the city of St. Louis Revised Code. These duties include serving as the custodian of city funds, ensuring the amount of money needed for current city operations is available, and investing money not currently needed in investment vehicles as allowed by the city's investment policy. Additionally, as provided by the City of St. Louis Revised Code Section 3.130.010, the Treasurer was given the authority to establish the Office of Financial Empowerment, to research and conduct educational programs, provide counseling and disseminate information regarding financial education, small business support, and access to banking for residents of the city. In addition, as provided by Section 82.485, RSMo, the Treasurer serves as the supervisor of city parking meters and facilities. In this role, it is the Treasurer's responsibility to collect all parking meter fees, enforce parking laws, supervise the expenditures for repairs and maintenance, and to make all disbursements on any parking contracts.

Tishaura O. Jones currently serves as the Treasurer and Parking Meter Supervisor for the City of St. Louis. She was elected to her position in November 2012 and reelected in November 2016. Her current term expires in December 2020. Office functions are performed and supervised by the Treasurer's appointed staff in the Parking Division, Office of Financial Empowerment, and the Treasury Division. The Treasurer employs approximately 124 employees in the Parking Division, 3 employees in the Office of Financial Empowerment, and 8 employees in the Treasury Division.



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings August 2020

Report No. 2020-083

September 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

August 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended February 29, 2020 Reports Due August 31, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in August 2020	5
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in August 2020	6
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due May 31, 2020 Filed in August 2020	7
E	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in August 2020	8



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 12 political subdivisions required to file a financial report by August 31, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in August 2020, after their filing deadline. The filing status for these 117 entities is presented in summary on page 3 and by individual entity in Appendix B-E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

August 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 12 political subdivisions, other than cities, towns, and villages, with a fiscal year end of February 29, 2020. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 12 political subdivisions, 7 filed an annual financial report timely.

This report also includes the filing status for 117 political subdivisions, other than cities, towns, and villages, that filed their financial report in August 2020, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due August 31, 2020

Fiscal Year Ended February 29, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Mill Creek Dyke Drainage District	No	
	Nishnabotna Drainage District	No	
Audrain	Van-Far Ambulance District	No	
Barton	Golden City Volunteer FPD	Yes	May 22, 2020
Carroll	Dewitt Drainage & Levee District	No	
	Egypt-Prairie Drainage District	Yes	March 3, 2020
	Norborne Land Drainage District	Yes	February 18, 2020
	PWSD 1 Carroll County	Yes	August 20, 2020
	Riverside Levee District	Yes	March 17, 2020
	Drainage District Marion County	Yes	April 27, 2020
Marion	Fabius River Drainage District	No	
	Levee District Ray-Carroll County	Yes	March 10, 2020
Ray			
Total Filed		7	
Total Not Filed		5	

Acronyms:

FPD Fire Protection District
PWSD Public Water Supply District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2019
 Filed in August 2020

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis City	Broadway Carrie TDD	Yes	August 4, 2020
Total Filed		1	

Acronyms:

TDD Transportation Development District

Appendix C
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2020
Filed in August 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	PWSD 3 Clay County	Yes	August 2, 2020
Washington	PWSD 2 Washington County	Yes	August 31, 2020
Total Filed		2	

Acronyms:

PWSD Public Water Supply District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due May 31, 2020
 Filed in August 2020

Fiscal Year Ended November 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Big Tarkio Drainage District	Yes	August 24, 2020
Total Filed		1	

Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in August 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Health Department	Yes	August 28, 2020
Andrew	Bolckow FPD	Yes	August 6, 2020
	Fillmore FPD	Yes	August 11, 2020
Atchison	North Nishnabotna Drainage District	Yes	August 31, 2020
	Phelps City Dyke Drainage District	Yes	August 27, 2020
Audrain	Martinsburg Area FPD	Yes	August 31, 2020
Barry	Ash SRD Barry County	Yes	August 11, 2020
	Butterfield FPD	Yes	August 11, 2020
	Mountain SRD 22 Barry County	Yes	August 19, 2020
	South Barry County Memorial Hospital	Yes	August 26, 2020
	White River SRD 7 Barry County	Yes	August 1, 2020
Barton	Barton County Memorial Hospital	Yes	August 20, 2020
Bates	Cornland SRD Bates County	Yes	August 21, 2020
Benton	Cole Camp & Rural FPD	Yes	August 5, 2020
	Warsaw FPD	Yes	August 24, 2020
Bollinger	North County FPD	Yes	August 5, 2020
Buchanan	San Antonio FPD	Yes	August 19, 2020
Butler	Butler County Health Department	Yes	August 12, 2020
	PWSD 104 Butler County	Yes	August 5, 2020
	PWSD 2 Butler County	Yes	August 19, 2020
	PWSD 3 Butler County	Yes	August 2, 2020
Camden	Horseshoe Bend Pedestrian Corridor TDD	Yes	August 19, 2020
	Northwest FPD Camden County	Yes	August 7, 2020
	Osage Beach SRD Camden County	Yes	August 3, 2020
	Toad Cove Complex CID	Yes	August 14, 2020
	Toad Cove Complex TDD	Yes	August 14, 2020
	Toad Cove Resort CID	Yes	August 14, 2020
	Toad Cove Resort TDD	Yes	August 14, 2020
Carroll	Norborne FPD	Yes	August 14, 2020
Carter	PWSD 2 Carter County	Yes	August 29, 2020
Cass	Cass County Public Library District	Yes	August 5, 2020
	Creighton FPD	Yes	August 20, 2020
Cedar	PWSD 1 Cedar County	Yes	August 26, 2020
Clark	Clark County Ambulance District	Yes	August 11, 2020
Clay	Fishing River FPD	Yes	August 28, 2020
	Liberty Commons TDD	Yes	August 10, 2020
	PWSD 4 Clay County	Yes	August 5, 2020
Clinton	Clinton County Health Department	Yes	August 17, 2020
	Lathrop Fire & Rescue	Yes	August 18, 2020
Cole	PWSD 1 Cole County	Yes	August 12, 2020
	PWSD 5 Cole County	Yes	August 12, 2020
Cooper	Hail Ridge CID	Yes	August 12, 2020
	Pilot Grove Area FPD	Yes	August 24, 2020
DeKalb	Central DeKalb County FPD	Yes	August 21, 2020
	Union Star FPD	Yes	August 17, 2020

Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in August 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Gasconade	Morrison Levee District	Yes	August 27, 2020
	PWSD 1 Gasconade County	Yes	August 19, 2020
Grundy	Laredo FPD	Yes	August 21, 2020
Henry	Windsor Ambulance District	Yes	August 1, 2020
Holt	Bigelow Independent SRD Holt County	Yes	August 24, 2020
	S. Union Township Independent SRD Holt	Yes	August 20, 2020
Howard	Levee District 7 Howard County	Yes	August 29, 2020
	Moniteau Creek WSD	Yes	August 11, 2020
Howell	Willow Springs Ambulance District	Yes	August 18, 2020
	Willow Springs Library District	Yes	August 7, 2020
Iron	Pilot Knob FPD	Yes	August 20, 2020
Jackson	Bi-State Commission	Yes	August 7, 2020
Jefferson	Joachim-Plattin Ambulance District	Yes	August 19, 2020
Lawrence	Pierce City FPD	Yes	August 5, 2020
	Red Oak Benefit SRD Lawrence County	Yes	August 29, 2020
	Stotts City FPD	Yes	August 10, 2020
	Vineyard Benefit SRD Lawrence	Yes	August 4, 2020
Lewis	PWSD 1 Lewis County	Yes	August 19, 2020
	Western Lewis County FPD	Yes	August 3, 2020
Lincoln	Northwest FPD Lincoln County	Yes	August 24, 2020
Macon	La Plata NHD	Yes	August 26, 2020
Maries	Belle SRD 6 Maries-Osage County	Yes	August 19, 2020
Marion	SZC Development District, Inc. CID	Yes	August 3, 2020
Miller	Iberia Rural FPD	Yes	August 2, 2020
Newton	Diamond Area FPD	Yes	August 3, 2020
	Midway SRD Newton County	Yes	August 10, 2020
	Union Township FPD	Yes	August 3, 2020
Nodaway	Ozark County Health Center	Yes	August 17, 2020
Phelps	Duke Rural FPD	Yes	August 24, 2020
	Rolla Rural FPD	Yes	August 24, 2020
	St. James Ambulance District	Yes	August 18, 2020
	Buffalo Township FPD	Yes	August 19, 2020
Pike	Louisiana SRD 3 Pike County	Yes	August 19, 2020
	Blair Heights Sewer District	Yes	August 19, 2020
Platte	Edgerton-Trimble FPD	Yes	August 29, 2020
	PWSD 7 Platte County	Yes	August 14, 2020
	Weatherby Lake FPD	Yes	August 8, 2020
	Pleasant Hope FPD	Yes	August 31, 2020
Polk	Central Ozarks Utility & Service	Yes	August 7, 2020
Pulaski	Crocker Rural FPD	Yes	August 14, 2020
	Dixon Rural FPD	Yes	August 21, 2020
	Ehrhardt Properties TDD	Yes	August 6, 2020
	Waynesville Rural FPD	Yes	August 3, 2020
Putnam	Grant Township FPD	Yes	August 21, 2020
Randolph	Eastern Randolph Rural FPD	Yes	August 25, 2020

Appendix E
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in August 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Randolph	Northeast R-IV Rural FPD	Yes	August 25, 2020
	Southeastern Randolph FPD	Yes	August 25, 2020
	Westran FPD	Yes	August 25, 2020
Ray	Hardin FPD	Yes	August 12, 2020
	Lawson Community Fire & Rescue	Yes	August 13, 2020
	Levee District 5 Ray County	Yes	August 3, 2020
	Richmond FPD	Yes	August 1, 2020
Saline	Saline County Rural FPD	Yes	August 7, 2020
Scotland	Bear Creek Watershed Subdistrict	Yes	August 27, 2020
Shannon	Shannon County Ambulance District	Yes	August 12, 2020
St. Charles	Darst Bottom Levee District	Yes	August 27, 2020
St. Clair	Lowry City SRD St. Clair County	Yes	August 4, 2020
St. Francois	Pilot Knob Rural Water District	Yes	August 3, 2020
St. Louis City	Hampton Berthold CID	Yes	August 31, 2020
	Laclede's Landing CID	Yes	August 19, 2020
	St. Louis Food Hub TDD	Yes	August 26, 2020
Stoddard	PWSD 3 Stoddard County	Yes	August 20, 2020
	PWSD 5 Stoddard County	Yes	August 4, 2020
Sullivan	Flori Drive CID	Yes	August 6, 2020
Taney	Branson Commerce Park CID	Yes	August 14, 2020
	Cedarcreek FPD	Yes	August 25, 2020
Vernon	PWSD 7 Vernon County	Yes	August 20, 2020
Washington	PWSD 1 Washington County	Yes	August 22, 2020
Total Filed		113	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District
WSD	Watershed District



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Municipal Court and Revenue Filings August 2020

Report No. 2020-082

September 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

August 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended February 29, 2020 Reports Due August 31, 2020	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in August 2020	6
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due February 29, 2020 Filed in August 2020	7
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in August 2020	8
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in August 2020	9



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipality required to file a financial report by August 31, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for the 5 cities and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in August 2020, after their filing deadline. The filing status for these 35 cities, 2 towns, and 22 villages is presented in summary on pages 3 and 4 and by individual entity in Appendixes B to E.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

August 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 5 cities and 4 villages with a fiscal year end of February 29, 2020, whose financial report was due by August 31, 2020. Of the 9 municipalities, 4 filed the report timely. Of the 4 municipalities required to file an addendum, 1 filed timely. Of the 3 municipalities required to file a certification, none filed the certification timely.

This report includes the filing status for 35 cities, 2 towns, and 22 villages that filed at least one of the items (financial report, addendum, or certification)



Monthly Report on Municipal Court and Revenue Filings
August 2020
Executive Summary

in August 2020, after their filing deadline. Of these municipalities, 47 filed an annual financial report, 11 filed an addendum, and 10 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2020

Fiscal Year Ended February 29, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Fillmore	No		n/a	n/a
Audrain	City of Vandalia	Yes	July 22, 2020	Yes	No
Clay	Village of Oaks	Yes	May 8, 2020	n/a	n/a
Grundy	City of Tindall	Yes	July 21, 2020	n/a	n/a
Knox	City of Knox City	No		n/a	n/a
Lincoln	Village of Chain of Rocks	Yes	August 2, 2020	n/a	n/a
Osage	Village of Freeburg	No		No	n/a
St. Louis	City of Pasadena Hills	No		No	No
	Village of Uplands Park	No		No	No
Total Filed		4		1	0
Total Not Filed		5		3	3
Total n/a		0		5	6

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in August 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
New Madrid	City of Gideon	***	February 26, 2020	No	Yes
Osage	City of Chamois	Yes	August 18, 2020	n/a	n/a
Scott	Village of Commerce	Yes	August 29, 2020	n/a	n/a
Stoddard	City of Essex	***	April 7, 2020	Yes	n/a
Total Filed		2		1	1

*** Filed after December 31, 2019, but before August 2020.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 29, 2020
Filed in August 2020

Fiscal Year Ended August 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	Village of Pasadena Park	**	February 29, 2020	No	Yes
Total Filed		0		0	1

** Filed by February 29, 2020.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2020
Filed in August 2020

Fiscal Year Ended October 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cedar	City of De Soto	**	November 18, 2019	Yes	n/a
Total Filed		0		1	0

** Filed by April 30, 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in August 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Andrew	City of Bolckow	Yes	August 6, 2020	n/a	n/a
Bates	City of Rockville	Yes	August 7, 2020	n/a	n/a
Bollinger	Village of Sedgewickville	Yes	August 28, 2020	n/a	n/a
Callaway	City of Auxvasse	Yes	August 11, 2020	**	n/a
Cape Girardeau	Town of Allenville	Yes	August 11, 2020	No	n/a
Carroll	City of Bosworth	Yes	August 17, 2020	No	n/a
Cass	City of East Lynne	Yes	August 17, 2020	No	n/a
	City of Harrisonville	Yes	August 20, 2020	**	**
	City of Strasburg	Yes	August 3, 2020	No	n/a
	Village of Gunn City	Yes	August 26, 2020	n/a	n/a
	City of Trimble	**	June 10, 2020	Yes	Yes
Clinton	Village of Oak Grove	Yes	August 20, 2020	No	No
Harrison	Village of Blythedale	Yes	August 3, 2020	n/a	n/a
Hickory	City of Cross Timbers	Yes	August 2, 2020	n/a	n/a
Holt	Village of Fortescue	Yes	August 25, 2020	n/a	n/a
Howell	City of Willow Springs	Yes	August 17, 2020	No	**
Jackson	City of Grain Valley	**	June 8, 2020	**	Yes
Jasper	Village of Reeds	Yes	August 21, 2020	n/a	n/a
Laclede	Village of Phillipsburg	Yes	August 3, 2020	n/a	n/a
Lafayette	City of Bates City	**	June 25, 2020	No	Yes
Lawrence	Village of Hoberg	Yes	August 20, 2020	n/a	n/a
Livingston	Village of Utica	Yes	August 12, 2020	n/a	n/a
McDonald	City of Goodman	***	July 17, 2020	Yes	Yes
	City of Lanagan	Yes	August 5, 2020	Yes	**
	City of Noel	**	February 6, 2020	Yes	Yes
	City of Southwest City	Yes	August 6, 2020	Yes	**
	Town of Jane	Yes	August 26, 2020	n/a	n/a
	Village of Ginger Blue	Yes	August 5, 2020	n/a	n/a
Monroe	Village of Stoutsville	Yes	August 27, 2020	n/a	n/a
Montgomery	City of High Hill	Yes	August 31, 2020	No	n/a
New Madrid	City of Marston	**	June 29, 2020	**	Yes
	City of Matthews	No		No	Yes
	City of New Madrid	Yes	August 4, 2020	No	n/a
Nodaway	City of Conception Junction	Yes	August 12, 2020	Yes	n/a
Pemiscot	City of Bragg City	Yes	August 26, 2020	n/a	n/a
	City of Pascola	Yes	August 25, 2020	n/a	n/a
Phelps	City of Edgar Springs	Yes	August 3, 2020	No	n/a
Platte	City of Parkville	Yes	August 18, 2020	Yes	No
	City of Weston	Yes	August 14, 2020	***	No
Polk	City of Humansville	Yes	August 17, 2020	Yes	**
Randolph	Village of Cairo	Yes	August 6, 2020	n/a	n/a
Schuyler	City of Downing	Yes	August 18, 2020	n/a	n/a
	Village of Glenwood	Yes	August 10, 2020	n/a	n/a
Scott	Village of Kelso	Yes	August 17, 2020	No	n/a
St. Charles	City of Dardenne Prairie	**	June 18, 2020	Yes	Yes

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in August 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Charles	City of St. Paul	Yes	August 5, 2020	n/a	n/a
St. Louis	City of Huntleigh	Yes	August 12, 2020	n/a	n/a
	Village of Glen Echo Park	Yes	August 21, 2020	No	No
	Village of Marlborough	Yes	August 13, 2020	n/a	n/a
	Village of Westwood	Yes	August 7, 2020	No	No
Vernon	Village of Deerfield	Yes	August 18, 2020	n/a	n/a
	Village of Moundville	Yes	August 4, 2020	**	n/a
Worth	Village of Denver	Yes	August 10, 2020	n/a	n/a
Total Filed		45		9	8

** Filed by June 30, 2020.

*** Filed after June 30, 2020, but before August 2020.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in Greene County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audit reports of the fire protection districts in Greene County for audit periods ending December 31, 2019. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

There are 11 fire protection districts in Greene County. Each district has a fiscal year end of December 31. All the districts, except for the Ash Grove Fire Protection District, submitted audit reports for the year or 2 years ended December 31, 2019, when required. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. Some of the districts were not required to submit a report in 2020, because they obtain biennial audits and the most recent audit report submitted was for the 2 years ended December 31, 2018. These districts are expected to submit a biennial audit report for the 2 years ended December 31, 2020. The Ash Grove Fire Protection District did not timely obtain the required independent audit for the 2 years ended December 31, 2019. However, the district has engaged independent auditors to perform an audit for that period. Upon completion of the audit, the district is expected to submit the report to the SAO.

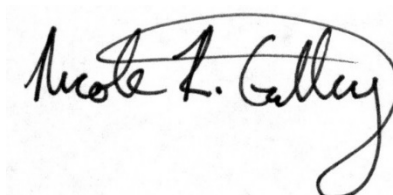
The SAO posts the individual audit reports to the office's website. A searchable link is available at <https://auditor.mo.gov>. A table summarizing our review of the Greene County fire protection districts' audit reports follows.

District	Audit Report Period	Report Complied with Section 321.690.3, RSMo	Findings in Independent Audit Report
Ash Grove		No	Not Applicable
Battlefield	1 Year Ended 12/31/19	Yes	No
Bois D'Arc	2 Years Ended 12/31/19	Yes	No
Brookline ¹			
Ebenezer	2 Years Ended 12/31/19	Yes	No
Fair Grove ¹			
Logan-Rogersville ¹			
Strafford Volunteer ¹			
Walnut Grove	1 Year Ended 12/31/19	Yes	No
West Republic ¹			
Willard	1 Year Ended 12/31/19	Yes ²	No

¹ The fire protection district had an independent audit for the 2 years ended December 31, 2018. The district's next audit is expected to cover the 2 years ended December 31, 2020, and is required to be submitted to the SAO no later than June 30, 2021.

² The audit report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

Except for the Ash Grove Fire Protection District failing to obtain and submit an audit report, we identified no other concerns from our review of the audit reports submitted by the Greene County fire protection districts.



Nicole R. Galloway, CPA
State Auditor

The seal of the Missouri State Auditor is a circular emblem. It features a central shield with a balance scale and a plow. Above the shield is an eagle with spread wings. The text "SEAL OF THE STATE AUDITOR" is written in a circle around the top, and "MISSOURI 1820 1892" is written around the bottom. The phrase "UNDER THE STAND DIVIDED" is written across the middle of the seal.

Nicole Galloway, CPA

Missouri State Auditor

St. Louis County

Report No. 2020-080

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of St. Louis County

Background

The former County Executive, Steve Stenger, was indicted on April 25, 2019, and pleaded guilty on May 3, 2019 to three federal counts of honest services bribery/mail fraud in a pay-to-play scheme involving county procurement operations. On August 9, 2019, he was sentenced to 46 months in prison and fined \$250,000.

On May 10, 2019, Sheila Sweeney, the former Chief Executive Officer (CEO) of the St. Louis Economic Development Partnership (SLEDP) pleaded guilty in U.S. District Court to one count of misprision of a felony. On August 16, 2019, Sweeney was sentenced to probation and fined \$20,000.

On May 7, 2019, the County Council unanimously approved a resolution requesting the State Auditor perform an independent review of county operations. The State Auditor accepted the request on May 15, 2019.

Former County Executive Abused His Position

Several significant weaknesses in the county's charter and ordinances allowed the former County Executive to abuse his position to manipulate the procurement and contract award processes of the county. The former County Executive held contracts indefinitely prior to execution, resulting in the delay of projects, and the loss of federal funding and contractors. The former County Executive manipulated procurement procedures and processes, which gave him more influence over county procurement decisions. Due to a lack of oversight from the SLEDP Board, the former County Executive used his position to set the compensation for the former SLEDP CEO.

Inadequate County Council Oversight

A lack of adequate oversight by the County Council helped allow the former County Executive to take actions not in the best interests of the county. The County Council passed ordinances allowing the county to enter into a significant lease without reviewing the lease agreement, cost analysis, appraisals, and other supporting documentation. The County Council does not review all non-merit employees appointed by the County Executive, allowing the County Executive to shift approximately \$1 million per year in personnel expenses for executive employees to other county departments. The County Council has not fully utilized the office of the County Auditor and requested audits of concerns brought to the attention of the Council, and has not ensured the County Auditor has the appropriate qualifications.

Unauthorized Payments of SLEDP Funds

The former SLEDP CEO abused her position by overseeing large bonuses for herself and other administrators that were not authorized or approved by the Board. In addition, the former Chief Financial Officer (CFO) abused her position to provide herself with paid time off (PTO) hours without proper authorization or documented approval. The former SLEDP CEO and former CFO oversaw bonus payments totaling \$348,000 to SLEDP employees in 2016 and 2017. The former CFO instructed staff to add an additional 320 hours to her PTO balance without proper authorization or documented approval, and rolled over 100 percent of PTO hours in 2016 and 2017 to future periods, contrary to SLEDP policy, without approval.

SLEDP Board Oversight	The SLEDP Board provided limited oversight and monitoring of the former CEO and SLEDP organizational activities, and did not fulfill the function of the board to "fix the terms and conditions of such employment or contract for services," of the SLEDP CEO. The SLEDP paid bonuses to employees without sufficient Board oversight or approval. In addition, the SLEDP did not have procedures to evaluate and determine which employees earned bonuses and the amount of the bonus.
County Personnel Policies and Records	Policies and procedures regarding appointed employees need improvement. The county has poor controls in place for ensuring timesheets are signed and approved before appointed employees are paid. The county had not prepared job descriptions for 46 of the 60 appointed positions tested (77 percent) as of February 2020.
Best and Final Offers	The Procurement Division has not established a formal policy for the use of best and final offers.
SLEDP Procurement	SLEDP procurement procedures need improvement. Procurement documentation was not always retained and contracts may not have been adequately reviewed or evaluated prior to execution.

In the areas audited, the overall performance of this entity was **Poor**. *

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

St. Louis County

Table of Contents

State Auditor's Report	2
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Introduction	
Background	3
Scope and Methodology	5

Management Advisory Report - State Auditor's Findings	
1. Former County Executive Abused His Position	6
2. Inadequate County Council Oversight	15
3. Unauthorized Payments of SLEDP Funds	22
4. SLEDP Board Oversight	24
5. County Personnel Policies and Records	28
6. Best and Final Offers	31
7. SLEDP Procurement	32

Appendixes	
A Appointed Employee Annual Salaries for 2019	35
B Appointed Employee Annual Salaries for 2018	36
C Appointed Employee Annual Salaries for 2017	37
D Raises Without Change in Job Title	38
E Contracts Held	39
F St. Louis County Response	40
G SLEDP Response	47



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Dr. Sam Page, County Executive
and
St. Louis County Council
and
St. Louis Economic Development Partnership Board
St. Louis County, Missouri

We have audited certain operations of the St. Louis County in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated an audit of the St. Louis County in response to a formal request from the County Council. Our audit also included certain operations of the St. Louis Economic Development Partnership. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2019. The objectives of our audit were to:

1. Evaluate internal control over significant management and financial functions.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions and procurement policies and procedures.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of St. Louis County.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Rachel Cline, M.S. Acct., CPA, CFE
	Joseph T. Magoffin, CFE
	Ryan P. Tierney, MAcc, CPA
	Bridget Tierney

St. Louis County

Introduction

Background

The former County Executive, Steve Stenger, was elected to the County Council in November of 2008 and served on the County Council from 2009 through 2014. In November 2014, Steve Stenger was elected for a 4-year term as the St. Louis County Executive, took office in January 2015, and was reelected for a second term in November 2018. He was indicted on April 25, 2019 and pleaded guilty on May 3, 2019, to three federal counts of honest services bribery/mail fraud in a pay-to-play scheme involving county procurement operations. On August 9, 2019, he was sentenced to 46 months in prison and fined \$250,000.

As discussed throughout the report, the former County Executive abused his position and manipulated and circumvented procurement and contract policies and procedures as part of the pay-to-play scheme.

On May 10, 2019, Sheila Sweeney, the former Chief Executive Officer (CEO) of the St. Louis Economic Development Partnership (SLEDP) pleaded guilty in U.S. District Court to one count of misprision of a felony. Sheila Sweeney was appointed as interim CEO of the SLEDP on June 24, 2015 and became the CEO on or about August 2015. On January 3, 2019, prior to the federal indictment of Steve Stenger, the SLEDP Board of Directors replaced Sweeney with a new CEO. The federal indictment¹ of Steve Stenger states Sheila Sweeney worked at the direction of Steve Stenger to award contracts as directed by Stenger for the SLEDP, which is further discussed in MAR finding number 1.3. On August 16, 2019, Sweeney was sentenced to probation and fined \$20,000.

John Rallo, a local business owner, pleaded guilty to three felony counts of honest services bribery/mail fraud on July 16, 2019. According to his indictment,² John Rallo made:

political donations to Stenger throughout 2015, 2016, 2017, and in April, 2018, all with the understanding from Stenger that in exchange he would help Rallo and Cardinal Insurance get insurance contracts with St. Louis County and, ultimately, help Rallo get a consulting contract from the St. Louis County Port Authority. Stenger also helped Rallo and a group known as Wellston Holdings, LLC obtain land in Wellston, Missouri for development purposes. Rallo also held several fundraisers for Stenger where Rallo invited friends and associates who also made political donations to Stenger. During 2015, Stenger requested that Rallo become a member of Stenger's "Trustee" program, a group of

¹ Indictment, paragraphs 11, 18, 21-24, 26, 33-35, 38, *U.S. v Stenger*, 4:19-CR-312 CDP, (E.D. Mo.) (Stenger Indictment).

² Indictment, paragraph 14, *U.S. v Rallo*, 4:19-CR-367 ERW, (E.D. Mo.) (Rallo Indictment).



St. Louis County Introduction

individuals who agreed to donate \$2,500 to Stenger each quarter, for a total of \$10,000 per year. Rallo agreed to become a Trustee, and also recruited one other member of Wellston Holdings, LLC to become a Trustee. Together, Rallo and the other member of Wellston Holdings, LLC personally donated approximately \$50,000 to Stenger, and obtained additional political donations for Stenger through several fund raisers.

Rallo's activities are discussed in MAR finding number 1.3. On March 5, 2020, John Rallo was sentenced in federal court to 17 months in prison and 2 years of probation.

As part of their guilty pleas, Stenger, Sweeney, and Rallo were ordered to pay \$130,000 in restitution to the St. Louis County Port Authority.

On May 31, 2019, William Miller, Steve Stenger's Chief of Staff, pleaded guilty to a felony count of aiding and abetting honest services bribery/wire fraud. According to William Miller's indictment,³ Stenger directed Miller to contact Sheila Sweeney to ensure a lobbying firm, who was also a political contributor to Steve Stenger, was awarded a state lobbying services contract as discussed in MAR finding number 1.3. On September 6, 2019, William Miller was sentenced to 15 months in federal prison followed by 3 years of probation.

The County Executive is the chief executive officer of the county and is elected, in partisan elections, to 4-year terms. The County Council is the legislative body of the county. Its seven members are elected to 4-year staggered terms, by district, in partisan elections. The presiding officer of the County Council is the Chairman, who is selected from among the County Council members every calendar year. The county provides the full range of services contemplated by statute or charter. These include public safety, transportation services, community health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The SLEDP, formerly known as the St. Louis County Economic Council, was established November 19, 1984 with the purpose to engage in all such lawful activities as necessary to advance the social welfare, health, and economic interest of St. Louis County. On August 1, 2013, the Economic Council entered into an intergovernmental agreement with the County and the City of St. Louis to expand its operations to include both St. Louis County and St. Louis City, Missouri, and thereafter changed its name to SLEDP. The SLEDP

³ Indictment, paragraphs 15, 16, and 17, *U.S. v Miller*, 4:19-CR-416 RWS, (E.D. Mo.) (Miller Indictment).



St. Louis County Introduction

consists of up to 15 board members, 11 of which are appointed by the St. Louis County Executive.

Scope and Methodology

On May 7, 2019, the County Council unanimously approved resolution number 6448 requesting the State Auditor perform an independent review of county operations. The State Auditor accepted the request on May 15, 2019. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2019.

To gain an understanding of the personnel, procurement, contract, and lease controls and procedures, we held discussions with personnel from the St. Louis County and SLEDP, elected officials, and reviewed written policies and procedures. We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. In addition, we reviewed County Council meeting minutes and met with the County Auditor to obtain an understanding of actions taken.

In addition, to gain an understanding of legal provisions that are significant within the context of the audit objectives, we reviewed relevant sections of the county charter, ordinances, and statutes. We assessed the risk that fraud and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instance of noncompliance significant to those provisions.

To evaluate whether personnel, procurement, contract, and lease procedures are compliant in accordance with county, SLEDP, and statutory requirements, we judgmentally selected and tested 104 personnel records for appointed employees from the county, and 30 and 23 procurement solicitations from the county and SLEDP respectively. In addition, we reviewed bonus payments and paid time off records for the SLEDP.

To evaluate the economy and efficiency of certain management practices and procedures, we gained an understanding of procurement processes including competitive bidding, vendor selection, and contract execution for the county and SLEDP. In addition, we reviewed payroll and human resources procedures including payroll for appointed positions for the county, budgeting of appointed positions for the county, hiring practices for appointed positions for the county, paid time off procedures for the SLEDP, bonus procedures for the SLEDP, performance appraisals procedures for the SLEDP, and hiring practices for the SLEDP. Also, we reviewed the procedures for handling the purchase, sale, or transfer of real estate for the SLEDP. We also reviewed the leasing procedures, the County Council's approval of leasing procedures for the county, and the County Council's use of the County Auditor. We based our evaluation on state law, the St. Louis County Charter and ordinance, Governmental Auditing Standards, accepted Institute of Internal Auditor standards, and The National Association of State Procurement Officials best practices.

St. Louis County Management Advisory Report State Auditor's Findings

1. Former County Executive Abused His Position

Several significant weaknesses in the county's charter and ordinances allowed the former County Executive to abuse his position to manipulate the procurement and contract award processes of the county. The County Charter allows the County Executive to delay contracts indefinitely and ordinances regarding procurement procedures provided the former County Executive the ability to manipulate those procedures. The former County Executive also abused his position to influence the former SLEDP CEO to manipulate various contracts and land development deals. In addition, the County Council did not provide adequate oversight of the former County Executive, which allowed these abuses to continue.

1.1 Contracts held

The former County Executive held contracts indefinitely prior to execution, resulting in the delay of projects, and the loss of federal funding and contractors. In addition, the former County Executive held contracts prior to the County Council's review and delayed renewals. The county has not established a procedure to prevent the County Executive from holding contracts indefinitely.

We identified the following concerns:

- The former County Executive held 13 of 21 contracts tested (62 percent) for more than 14 days prior to signing. He held 4 contracts for more than 100 days, with the longest held for 260 days. He held these 13 contracts for an average of 81 days. A list of the contracts and the length of time the former County Executive held them is included at Appendix E.
- The county lost federal funding due to the former County Executive holding a contract. On March 24, 2015, the County Council approved a federally funded sidewalk project and later received a bid of \$164,000 for construction. According to a Missouri Department of Transportation (MoDOT) official, this project would provide a pedestrian route to Larimore Elementary School. The project was subsequently canceled by the Department of Public Works on January 22, 2016, because the former County Executive refused to sign the contract for more than 9 months. Email messages between the that department, the County Counselor's Office and the former County Executive's office show department officials attempted to save the project. The messages also showed MoDOT had approved the contractor and the county did not provide adequate justification to the MoDOT to cancel and rebid the project. In addition, the contractor had to hold a bond for the project during the time the former County Executive refused to sign the contract, despite it being approved by the County Council. The contract was not rebid and the county did not start the project.
- The former County Executive held a road construction contract approved by the County Council on May 10, 2016, for more than 5 months before



St. Louis County
Management Advisory Report - State Auditor's Findings

the project was canceled. According to a letter from Department of Public Works personnel to the former County Executive, this contract was for the milling and resurfacing of Hildesheim Avenue and South Broadway Street. On November 1, 2016, the attorney for the contractor contacted the former County Executive's office to inquire why the project had not been authorized to proceed and stated, "the unnecessary delays on this Project have increased its costs and have made it difficult for the Project to be completed within the time designated in the contract." On December 20, 2016, the attorney for the contractor brought the delay to the County Council's attention at the County Council meeting during the public forum. Based on the meeting minutes, the attorney stated, his "client was notified it was the low bidder, was issued a contract it signed and returned, attended a pre-construction conference, and mobilized and was prepared to do the work upon receipt of a notice to proceed." In addition, the attorney informed the County Council of the contractor's efforts to communicate with the former County Executive and the Department of Public Works. The attorney told us 2 weeks after that meeting, the contractor received an envelope from St. Louis County returning the bond and the unsigned contract, indicating the contract was canceled without any stated explanation.

- The former County Executive held requests to approve a selected contractor from the County Council. Projects solicited using the county's request for proposal (RFP) process and some transportation projects solicited using the invitation for bid (IFB) process, must pass through the County Executive's office prior to going to the County Council to enact legislation to award the contract. This process provides the County Executive another opportunity to hold contracts. For example, for 2 of 9 RFPs tested, the Department of Public Works sent the request to the former County Executive, however, he did not send the request to the County Council. One of these contracts was held for approximately 9 months and the other never officially canceled.

For the contract held 9 months, Department of Public Works personnel indicated a request for the department's selected contractor was sent to the former County Executive's office on April 13, 2018. Department personnel could not locate any documentation of the cancellation and indicated the request must have been canceled verbally. This project was eventually rebid as an IFB.

For the contract never officially canceled, Department of Public Works personnel indicated the request for the department's selected contractor was sent to the former County Executive's office on November 16, 2017, however, this project was never executed.



St. Louis County
Management Advisory Report - State Auditor's Findings

Department personnel did not know why these projects were held up, and we identified no reasons explaining the cancellations.

Conclusion

The ability of the County Executive to unilaterally hold and fail to execute contracts that had been properly procured resulted in a loss of funding from outside sources, delayed completion of approved projects, and the loss of the contractors selected by bid or proposal. Allowing the County Executive to unilaterally cancel a contract by inaction also results in a loss in transparency of the procurement and contracting process because it is not always clear why contracts are being held, and there is no requirement the County Executive disclose which contracts are being held or why. Allowing the County Executive to unilaterally undo the county procurement process serves no legitimate purpose.

Requiring the County Executive to make his objections to contracts known to the Council, or allowing the Council to execute contracts without the executive's signature would help prevent unnecessary delays, help ensure outside funding for projects is not lost, and would improve transparency of the procurement and contracting process.

1.2 Procedures manipulated

The former County Executive manipulated procurement procedures and processes, which gave him more influence over county procurement decisions.

Selection committee
ordinances were abused

County personnel from the Procurement Division and the Department of Public Works indicated the former County Executive manipulated the contractor selection process by adding employees from the former County Executive's staff to selection committees for RFPs. The ordinances for the RFP process did not specify who should be on the selection committees, which allowed the former County Executive to add people from his office to the selection committees so that he could control who was awarded contracts. For example, for 2 of the 9 RFPs tested, 50 percent or more of the selection committee was comprised of employees in positions appointed by the County Executive.

Four of the six members of one selection committee for one project were in appointed positions, with three members being from the former County Executive's office. Department of Public Works officials indicated when the selection committee met to discuss proposal scores, the three members of the selection committee from the former County Executive's office did not score the proposals prior to the meeting, but instead waited until the other three members presented their scores before scoring the proposals. Procurement meeting minutes provided by the Department of Public Works show these three employees left the room twice to discuss the selection and submitted scoring sheets, which resulted in the selection of the contractor preferred by the former County Executive's office, according to county personnel. In



St. Louis County
Management Advisory Report - State Auditor's Findings

addition, the other appointed employ (the former Director of the Children's Service Fund) scored the contractors similarly to these employees. None of these 4 employees had prior public works experience.

In addition, five of eight members of another selection committee were in appointed positions, with three of the members being from the former County Executive's office.

The County Council has taken action to address the weakness in the county ordinance that allowed the former County Executive to take advantage of the selection committee process. In November 2018, Chapter 107.132 of the county's ordinances was updated to require the selection committee be made up of three or more subject experts and to require the Procurement Director to certify the RFP process was followed. Additionally, on May 15, 2018, the county updated 110.040 section of the county's ordinances to require the County Counselor's office receive approval for any contract over \$10,000 relating to the County Counselor or for services to be provided to the office of the County Counselor.

Lease procurement
procedures circumvented

County personnel indicated the normal procedures for leasing were circumvented by the former County Executive for the Northwest Crossing lease. This lease involved relocating several county offices. See Management Advisory Report (MAR) finding number 2.1 for more detail on this lease. The former Department of Public Works Director refused to sign the Northwest Crossing leases but they were instead signed by the Chief of Operations, who reports to the County Executive. Section 4.310 of the County Charter states the Director of Public Works is responsible for any "acquisition, by purchase or otherwise, of any interest in real property, except as otherwise provided by this charter or by ordinance." County standard operating procedure for new leases states, "the Director of Public Works initials a decision memo requesting the lease agreement be signed and signs a minimum of four copies of the Lease document, with a copy of the authorizing ordinance attached."

County personnel indicated instead of having the county's Department of Public Works facilitate the leases for Northwest Crossing, the former County Executive assigned his former campaign manager to facilitate the leases. In addition, the former Director of the Department of Public Works noted his department was not as involved with the Northwest Crossings leases as the department typically is and he could not recall being included in any conversations considering the leases.

The former Director of the Department of Public Works indicated the department would typically be involved in all of the lease analyses, because it has more experience with leases and handles them more frequently. He indicated the County Counselor's office was aware that his department was



St. Louis County
Management Advisory Report - State Auditor's Findings

Contributions from
developers

being circumvented and the County Counselor's office reviewed the lease prior to his department receiving it.

The former County Executive received \$237,500 in campaign contributions from the developers of Northwest Crossings project in the timeframe prior to and after the signing of the Northwest Crossings lease. Contributions of this nature give the appearance of a significant conflict of interest.

In response to public concerns over the appearance of these conflicts, the county's charter was updated by a general election to include Section 12.020 which states, "No candidate committee for a person who is a candidate for an elective office authorized by this Charter shall accept a campaign contribution from any person who, or entity that is competing or submitting an application for any St. Louis County contract beginning ninety (90) days before any solicitation or request for proposals issued and ending ninety (90) days after the corresponding contract has been awarded."

Request for proposals
process abused

Ordinances guiding the IFB and RFP procurement processes did not clearly define when each process should be used. Under the IFB process, the lowest responsive bidder is selected, while the RFP process allows for more subjectivity so that the winning bidder is not necessarily the lowest. According to county personnel in the Procurement Division and the Department of Public Works, the former County Executive took advantage of these ordinances not clearly defining which projects should go through which process and required several projects previously bid using the IFB process to be solicited using the RFP process. This allowed the former County Executive to avoid the requirement to select the lowest bidder and may have led to higher procurement costs.

In October 2018, Section 107.132 of the St. Louis County Ordinances was updated to specifically outline when a RFP can be used for procurement. In addition, since the changes in October 2018, RFPs over \$100,000 are required to be approved by the County Council prior to solicitation. A policy was also added by the Procurement Division after the October 2018 revision, requiring departments to submit a form for approval prior to solicitation by RFP. Also, the Director of Procurement must certify that the RFP process was followed. After these changes went into effect, we noted several instances where a contract was procured as an RFP during the Stenger administration, but was subsequently procured using the IFB process.

Insufficient oversight from
the County Council

The County Council did not provide sufficient oversight of the former County Executive's operations. The Council allowed procedures to be circumvented and did not use the County Auditor to investigate issues brought to its attention. See MAR finding number 2 for additional information.



St. Louis County
Management Advisory Report - State Auditor's Findings

Conclusion

Effective procurement processes help ensure the county is getting the best product or service for the best price. The county has made improvements to the selection committee and procurement ordinances to help ensure the integrity of the county's procurement processes going forward.

1.3 Manipulation of the
SLEDP Chief Executive
Officer

Due to a lack of oversight from the SLEDP Board (discussed in detail at MAR finding number 4), the former County Executive used his position to set the compensation for the former SLEDP CEO. Based on information publicly obtained,⁴ her annual compensation package was approximately \$131,000, or 45 percent, greater than the compensation package of the CEO prior to her (see table 4 in MAR finding number 4 for additional information). The federal indictment⁵ of Steve Stenger states Sheila Sweeney worked at the direction of Steve Stenger to award contracts as directed by Stenger for the SLEDP.

SLEDP procurement process
manipulated

The former CEO of the SLEDP colluded with the former County Executive to assist certain contractors in winning SLEDP contracts, improperly increased a contract amount, and executed contracts on real estate without obtaining appraisals.

A test of 23 judgmentally selected contracts, identified 5 contracts with the following concerns:

Cardinal Creative

In April 2016, the former County Executive directed the former CEO to improperly coordinate with John Rallo,⁶ principal of Cardinal Creative Consulting, to ensure his proposal to provide professional services as a media consultant was selected by the St. Louis County Port Authority. While Cardinal Creative Consulting's initial proposal was submitted for \$100,000, and was the most expensive of the 2 firms considered responsive, it was approved by the Board. The Port Authority contracted with the firm for \$130,000.

The federal indictment⁷ states Sweeney had several discussions with Rallo concerning the proper wording of the Port Authority's RFP, and Sweeney also reviewed and recommended revisions to Cardinal Creative's responsive bid to the RFP. Sweeney recommended and urged the Port Authority Board to approve Cardinal Creative's bid as the winning bid, and the Board followed

⁴ ProPublica, St. Louis Economic Development Partnership Tax Filings and Audits by Year, is available at < <https://projects.propublica.org/nonprofits/organizations/431361364>>, accessed on October 19, 2019.

⁵ Indictment, paragraphs 11, 18, 21-24, 26, 33-35, 38, *U.S. v Stenger*, 4:19-CR-312 CDP, (E.D. Mo.) (Stenger Indictment).

⁶ Indictment, paragraph 21, *U.S. v Stenger*, 4:19-CR-312 CDP, (E.D. Mo.) (Stenger Indictment).

⁷ Stenger Indictment paragraph 21.



St. Louis County
Management Advisory Report - State Auditor's Findings

Sweeney's recommendation and approved Cardinal Creative's consulting contract. According to the federal indictment, the former County Executive directed the former CEO to increase the award amount by \$30,000, without Board approval, and instructed Rallo to pay the additional amount to a "close associate of a public official who had helped Stenger get out the vote in the November 2014 County Executive election."⁸ In addition, the indictment⁹ states Rallo understood from Sweeney the other individual "would not do any actual work under the consulting contract, but needed to be paid the \$30,000."

As a result of the former CEO's abuse of her position, the Port Authority entered into a contract not in the best interest of the organization or the county, but as indicated in the indictment,¹⁰ was for a political payoff. As a result of her actions, the former CEO pleaded guilty to one count of misprision of a felony for covering up and participating in the former County Executive's criminal activity.

Wellston Holdings

At the direction of the former County Executive, the former CEO assisted Wellston Holdings, LLC in submitting a winning proposal for two parcels of vacant real estate located in Wellston, Missouri in 2016. The land sale was made by the Land Clearance Redevelopment Authority (LCRA). As documented in the felony indictment¹¹ against the former County Executive, Wellston Holdings, LLC was formed by John Rallo and his partners for the sole purpose of purchasing and developing the properties. Wellston Holdings, LLC paid \$272,213 and \$288,395 for 2 parcels of land, located at 1335 Ogden Avenue (parcel 1) and 6440 Page Avenue (parcel 2), respectively.

The county spent approximately \$10 million, according to a SLEDP official, clearing, grading, and preparing the properties. However, the former CEO set the minimum bid prices in the RFPs at "must exceed" \$255,499 and \$250,000, for the properties at parcel 1 and parcel 2 respectively. Appraisals were not performed or obtained for either parcels prior to the sales, although the SLEDP had an individual on staff who was a licensed real estate appraiser and obtaining an appraisal for LCRA properties is required by state law.¹² To date, no appraisal of these properties has been finalized or made public, however, according to a SLEDP official, preliminary appraisals have estimated the value of these properties at significantly more than the sales price paid by Wellston Holdings, LLC.

⁸ Stenger Indictment paragraph 21.

⁹ Stenger Indictment paragraph 22.

¹⁰ Rallo Indictment paragraph 22.

¹¹ Stenger Indictment paragraph 26.

¹² Section 99.450.1, RSMo.



St. Louis County
Management Advisory Report - State Auditor's Findings

The former CEO anticipated Wellston Holdings, LLC would be the sole bidder. However, when another bid was received on parcel 1 the former CEO advised Rallo to increase his bid on the property from \$256,000 to \$275,000 in order to ensure Wellston Holdings, LLC was the highest bidder.¹³

For the property at parcel 2, the federal indictment¹⁴ states, "Sweeney reviewed Rallo's group's bid response to the RFP, and directed Rallo to make certain revisions and edits before submitting their final bid." Wellston Holdings, LLC's formal bid for the property at parcel 2 was submitted after the deadline for responses to the RFP, however, the former CEO directed SLEDP staff to accept the late proposal.

As a result of the intervention by the former County Executive and the former CEO, the SLEDP has no assurance the sale of the parcels in question resulted in the highest purchase price, or was in the best interests of taxpayers.

The LCRA Board of Commissioners eventually rejected the two proposals for redevelopment from Wellston Holdings LLC because the proposals did not meet the terms of the redevelopment covenants (a condition of the purchase). The 2-year window for Wellston Holdings LLC to substantially complete redevelopment expired in 2019, after which the LCRA exercised its rights to repurchase the properties. The properties are currently owned by the LCRA and are awaiting redevelopment.

Less than arm's length
transaction

On July 27, 2017, the County Port Authority executed a purchase and sale agreement for two properties located at 7100 and 7120 N. Market Street in a less than arm's length transaction. The original RFP closed September 26, 2016 with Developer 1 paying \$325,000 for both properties.

In an email dated July 8, 2016, two months prior to the RFP process, an email from the former SLEDP CEO to Developer 1 states:

I went over the project with the County Exec yesterday and he is excited as well. I know you will deliver a great building that Wellston can be proud of and also will be the catalyst to a real change that community deserves.

In addition, SLEDP staff prepared and submitted a federal Economic Development Agency (EDA) grant application on August 31, 2016, and SLEDP staff provided a letter of support for the development dated August 27, 2016. This action seems to indicate the SLEDP was considering and actively facilitating the project of Developer 1 before a formal bid or proposal

¹³ Stenger Indictment paragraph 26.

¹⁴ Stenger Indictment paragraph 26.



St. Louis County
Management Advisory Report - State Auditor's Findings

had been submitted. In addition, appraisals were not performed or obtained for the properties prior to the sales, even though the SLEDP had an individual on staff who was a licensed real estate appraiser.

Based on this information, this land sale was not an arm's length transaction. Due to abuse of the procurement process, the SLEDP has no assurance this transaction resulted in the highest purchase price, or was in the best interests of taxpayers.

Lobbying services contract

The former County Executive, and his Chief of Staff, who was also appointed to the SLEDP Board by the former County Executive, directed the former SLEDP CEO to award a state lobbying services contract to a particular lobbying firm for \$149,000 in December 2018.¹⁵ The former County Executive's federal indictment¹⁶ states, "When Stenger learned that the SLEDP lobbying contract was going out for bids, he directed his top staff members to contact Sheila Sweeney to insure that Company One was awarded the contract." Our review of the RFP documentation noted another vendor had submitted a proposal for a \$60,000 retainer. In addition, our review of Missouri Ethics Commission reports identified this lobbying firm contributed \$17,750 between June 2015 and December 2016 to Citizens for Stenger, a political committee for the former County Executive's campaign.

Although supporting documentation indicates the selection was based on current qualifications and past experience of delivering quality work on prior contracts, due to the former County Executive's involvement in the procurement, and with his appearance of conflicts of interest, the SLEDP has no assurance this contract was in the best interest of the organization or taxpayers. This state lobbying services contract was rebid by the SLEDP and a new lobbying firm selected on December 11, 2019.

Insufficient oversight from
the SLEDP Board

The SLEDP Board did not provide sufficient oversight of the former CEO's activities. The board did not adequately oversee the selection of the CEO or the compensation paid to the CEO. See MAR finding number 4 for additional information.

The CEO has a fiduciary responsibility to the taxpayers of St. Louis County and to ensure complete transparency for all business transactions of the SLEDP. The Articles of Incorporation for the SLEDP state a purpose for which the SLEDP was organized is, "to advance the social welfare, health, and economic interest of St. Louis County and St. Louis City, Missouri, and their residents." Ensuring RFP policies are followed and obtaining real estate

¹⁵ Stenger Indictment paragraphs 33, 34, and 35, and Miller Indictment paragraphs 15 and 16

¹⁶ Stenger Indictment paragraph 33.



St. Louis County
Management Advisory Report - State Auditor's Findings

appraisals prior to the sale of SLEDP properties would provide additional assurance a reasonable price is received.

Recommendations

- 1.1 The County Council consider enacting legislation requiring the County Executive to timely make any objections to contract awards known to the Council and allowing the Council to execute contracts after a certain period of inaction by the County Executive.
- 1.2 The County Council continue to ensure future evaluation committees are independent and free of potential conflicts of interest before awarding contracts.
- 1.3 The SLEDP Board ensure the contracting process is competitive and transparent, and appraisals are obtained for all real estate transactions.

Auditee's Response

The county's written response to MAR finding numbers 1.1 and 1.2 is included at Appendix F, and the SLEDP's written response to MAR finding number 1.3 is at Appendix G.

2. Inadequate County Council Oversight

A lack of adequate oversight by the County Council helped allow the former County Executive to take actions not in the best interests of the county. The County Council did not perform sufficient due diligence over lease agreements, did not provide oversight of employees appointed by the County Executive, and did not ensure the county's internal audit capabilities were operating effectively. As a result, (1) the county has committed to a 20 year lease that is expected to cost approximately \$67 million¹⁷ over the lease term, (2) the county exchanged ownership of undeveloped real estate appraised for \$1,370,000 for undeveloped real estate appraised for \$560,000, (3) the County Executive's Office has shifted approximately \$3.78 million in personnel costs from that office to other departments from 2017 through 2019, and (4) the County Auditor position has not been effective in providing oversight of county operations.

2.1 Lease oversight

The County Council passed ordinances allowing the county to enter into a significant lease without reviewing the lease agreement, cost analysis, appraisals, and other supporting documentation. The County Council allowed established procedures to be circumvented without being questioned, and did not request appropriate analysis prior to passing the ordinance. Also, the County Council approved a lease agreement allowing the former County Executive to exchange property of unequal value.

¹⁷ Dollar amount provided by county personnel.



St. Louis County
Management Advisory Report - State Auditor's Findings

Northwest Crossings

On July 12, 2016, the County Council passed an ordinance allowing the county to enter into the Northwest Crossings office space leases at a cost of approximately \$67 million over a 20-year period without sufficient review and oversight. The Council did not review lease documents or a cost analysis prepared by the Department of Public Works prior to passing the ordinance. In addition, some County Council members expressed public reservations about the lease, and citizens expressed in open forum concern regarding (1) developer contributions to then County Executive Steve Stenger, (2) the seemingly high cost of the new lease proposal, and (3) the departure from the standard process.

The former Director of the Department of Public Works told us the County Council did not ask him or his department any questions about the Northwest Crossings lease. He stated he did not sign the leases with the Northwest Crossings landlords because they were bad leases which exposed the county to significant risk. The leases did not allow the county an option to terminate and were "triple net," which made the county responsible for insurance, maintenance, and taxes on the property. The former director stated he had never seen another lease which favored the owner's side so heavily. In addition, he noted the county may have been better off purchasing property rather than entering into a lease agreement for Northwest Crossings. These comments are substantiated by the department cost analysis done prior to the Northwest Crossings lease being approved.

County Council comments from the meeting minutes from the July 12, 2016 meeting reflect the Council's awareness of the issues surrounding the procurement of the lease. However, the County Council approved the leases based on the potential cost savings the lease would generate. However, the Council was never provided with a market survey or analysis to support the costs savings, but rather, was relying on the existence of a market survey the former County Counselor had told them existed.

During Ethics Committee Hearings in 2018, the committee concluded "the (former) County Executive falsely claimed that there was competitive bidding for the (Northwest Crossings) leases and that the County obtained an opinion from an outside financial advisor concerning the leases," and, "the (former) County Executive and his staff falsely claimed that the (Northwest Crossings) leases would save the County money and misled the County Council concerning how much the County's leases would cost."

A County Council member told us the Northwest Crossings leases were not reviewed and a cost analysis was not provided to the council at the time the leases were approved. The member stated in general, leases are not reviewed by the County Council because that would make the leases public information. However, Section 610.021(2), RSMo, allows the county to close meetings, records, and votes relating to the "leasing, purchase or sale of real



St. Louis County
Management Advisory Report - State Auditor's Findings

estate by a public governmental body where public knowledge of the transaction might adversely affect the legal consideration therefor."

Land exchange

On January 26, 2016, the County Council passed an ordinance allowing the former County Executive to execute a lease agreement with Developer 2. The agreement included an article authorizing the former County Executive to trade ownership of 60.94 acres owned by the county for 15 acres owned by Developer 2, without further review from the County Council.

On November 2, 2018, the former County Executive executed the land exchange. The County Parks Department did not obtain an appraisal of either property prior to the execution of the exchange. Based on concerns regarding conflicts of interest the properties were appraised on June 21, 2019. The appraisals valued the 60.94 acres formerly owned by the county at \$1,370,000, and the 15 acres currently owned by the county at \$560,000. Parks Department personnel indicated the department did not have plans for the property received in the exchange at the time of the lease and still has no plans for it. The property the county traded has not been developed. The necessity of including the exchange of these properties clearly of unequal value in the lease agreement is unclear.

On June 12, 2018, the Ethics Committee recommended the County Council amend the purchasing code to require a detailed cost analysis and a final draft lease. County personnel indicated as of May 22, 2020, no changes have been made to the County Charter or ordinances that specify what is required to be provided to the County Council for lease approvals. Additional recommendations made by the committee that have been implemented included ballot measures to adopt campaign finance restrictions and amend the County Charter to prohibit the County Executive from presenting spending proposals within a false budget plan. In November 2018, voters approved amendments to the County Charter Sections 8.050, 12.010 and 12.020 to restrict campaign contributions and prevent the County Executive from deceptive budget practices.

Citizens have placed a fiduciary trust in their elected officials to spend county money in a transparent, prudent, and necessary manner. Under Section 2.180 of the County Charter, the County Council is given the power by ordinance to "...rent or lease other property for county use." In the case of the land swap described above, the Council delegated its authority to the County Executive without adequate oversight.

2.2 Appointed employees

The County Council does not review all non-merit employees appointed by the County Executive, allowing the County Executive to shift approximately \$1 million per year in personnel expenses for executive employees to other County departments. This activity was not exclusive to the Stenger administration, however, we did not perform any analysis of this issue for



St. Louis County
Management Advisory Report - State Auditor's Findings

years prior to 2017. County personnel indicated this practice has been in place for at least the last 20 years. In addition, the County Executive sets the rate of pay for each of these positions. The County Council does not review these positions and does not take advantage of its power to set the rate of pay for these positions. The salary for some of the appointed employees are charged to other departments even though these employees work for the County Executive. As a result, the County Executive is able to hire staff, in addition to his budgeted staff, at a salary of his choice, and charge the appointed staffs' salaries to other departments.

Table 1 summarizes the employees appointed by the County Executive excluding director positions approved by the County Council.

Table 1: Appointed employees with salary by calendar year

	2017	2018	2019	Total
Appointed Employees	21	25	21	
Total Annualized Salaries ¹	\$ 1,845,792	2,239,534	1,710,614	5,795,940
Appointed Employees Paid by Other Departments While Working within the County Executive's Office	11	13	12	
Total Annualized Salaries ¹ for Employees Paid by Other Departments Working within the County Executive's Office	\$ 995,031	1,368,912	1,012,502	3,776,445

¹ Annualized salaries may not reflect the actual amounts paid to employees.

Source: Number of employees and salaries were obtained from the Division of Performance Management and Budget.

Examples of appointed positions working in the County Executive's Office whose salaries were paid by other department's budgets include:

- Special Assistant to the County Executive (Planning Department)
- Chief of Staff (Department of Revenue)
- Policy Advisor (Public Health Department)

A complete listing of these employees is documented at Appendixes A, B, and C.

Section 2.180.1 of the county's charter gives the County Council the power to "set the compensation of members of boards and commissions and of all county officers and employees not under the merit system, whether or not the this charter fixes any such compensation." In addition, the county's budget does not present the public with a transparent representation of the County Executive's staffing when positions reporting to the County Executive are paid from a different department's budget.



St. Louis County
Management Advisory Report - State Auditor's Findings

2.3 County Auditor

County Auditor not being utilized to provide oversight

The County Council has not fully used the office of the County Auditor and requested audits of concerns brought to the attention of the Council. The county's charter requirements for the County Auditor's qualifications do not ensure the County Auditor will possess the knowledge, skills, and other competencies to ensure the position is adequately staffed and allowed the County Auditor to hire personnel without any auditing experience. In addition, the County Auditor is not in compliance with government and internal auditing standards.

The County Council is not using the County Auditor to investigate concerns that are brought to the attention of the Council. In addition, the County Auditor has been unable to complete audits planned.

The County Auditor and a County Council member indicated the County Council has not requested specific audits and did not request any investigations or audits concerning the former County Executive.

The County Auditor also has been unable to perform the audits documented in his annual audit plan. In the 2018 audit plan, nine areas were listed as new areas to audit in 2018. During calendar year 2018, only three of the nine areas were audited. In addition, during calendar year 2019, the County Auditor issued at most 2 audits.¹⁸ The County Auditor stated staffing limitations resulted in the low number of audits being released. The office hired an Auditor Advisor in the first quarter of 2018 and an Audit Manager in the first quarter of 2019. For comparison purposes, during calendar year 2019, the St. Charles County Auditor issued 8 audits while the personnel budget for the St. Charles County Auditor was approximately \$125,000 less than the personnel budget for the St. Louis County Auditor.

Section 2.210.4 of the county's charter states the county auditor shall have the power to, "make such other investigations and reports in relation to fiscal matters as shall be directed by the council." In addition, best practices from the Institute of Internal Auditors (IIA) indicate Internal Auditors can help an audit committee, such as the County Council, evaluate various policies and practices by observing accounting decisions, policies, and any complex or unusual events, transactions, and operations.

Section 2030 of the IIA Code of Ethics and Standards (IIA Standards) states, "The chief audit executive must ensure that internal audit resources are

¹⁸ We accessed the St. Louis County Auditor's website on March 2, 2020, which indicated two reports were issued during 2019. However, we accessed the website again on July 31, 2020, and the website did not list any reports were issued during 2019. We requested the County Auditor to confirm how many reports were issued during 2019 and to provide supporting documentation. The County Auditor could not confirm how many reports were issued during that year.



St. Louis County
Management Advisory Report - State Auditor's Findings

appropriate, sufficient, and effectively deployed to achieve the approved plan." Internal Auditors can be invaluable resource to the County Council in its oversight role for financial completeness, accuracy, and disclosure. A properly functioning internal audit department could have helped in discovering and resolving several of the areas commented on in this report including procurement and personnel areas.

Inadequate qualifications

None of the 3 employees working in the County Auditor's office had auditing experience prior to being appointed or hired. St. Louis County's charter Section 2.200 states, "The council shall appoint a county auditor. The auditor shall have had at least five years' experience in accounting and shall possess such further qualifications as may be provided by ordinance." However, the "five years' experience in accounting" requirement is vague and does not ensure adequate experience in public accounting or auditing. In contrast, the St. Charles County Auditor is required to "have the equivalent of a bachelor degree in accounting or have experience as a County Auditor." In addition, based on public comments made by a Council member in 2017,¹⁹ the Council is aware the current qualifications are vague. However, the County Council has not passed any ordinances to strengthen the required qualifications for the County Auditor as allowed by the County Charter.²⁰

The County Auditor's qualifications include experience as a legislative liaison, lobbyist related to legislative issues, account manager, account representative, and district sales manager as well as a Bachelor's in Business Administration. The County Auditor appointed an attorney as an advisor rather than hiring an employee with auditing experience. In addition, the County Auditor recently hired an Audit Manager with an Associate's Degree in Accounting and a Masters of Business Administration, who worked in the county's Fiscal Management department since November 2014. The County Auditor indicated the Audit Manager's expertise is working with the county's accounting system. The County Auditor has no other staff.

Section 1210 of the IIA standards state, "Internal auditors must possess the knowledge, skills, and other competencies needed to perform their individual responsibilities. The internal audit activity collectively must possess or obtain the knowledge, skills, and other competency's needed to perform its responsibilities." In addition, best practices from the IIA also indicate the County Council should ensure the internal audit activity is sufficiently resourced with competent, objective internal audit professionals to carry out the internal audit plan.

¹⁹ This comment appeared in the Call Newspapers article titled *County auditor's credentials being investigated by Krane*, published March 15, 2017.

²⁰ Section 2.200 of the St. Louis County Charter allows additional qualifications to be imposed by ordinance.



St. Louis County Management Advisory Report - State Auditor's Findings

Auditing standards

Despite the County Auditor indicating on his office website, in audit reports, and in discussions with us that his office conducted audits in accordance with IIA standards, and with Government Auditing Standards issued by the Comptroller General of the United States (Yellow Book), the office has not complied with these standards.²¹ Areas not complied with include lack of an office peer review on a periodic basis and staff not meeting the continuing professional education requirements of the Yellow Book. Also, the office is not in compliance with the risk assessment, audit planning, and quality assurance or the external assessment requirements of the IIA standards.

Indicating adherence with applicable auditing standards suggests a certain level of competence, quality, integrity, objectivity, and independence in the audit work presented. Ensuring compliance with some level of audit standards would provide some assurance to policy makers and the public of the accuracy and reliability of the audit work produced.

Conclusion

Improved oversight from the County Council and the County Auditor would have helped identify some portion of the inappropriate and criminal actions of the former County Executive. The Council has a duty to the taxpayers of St. Louis to ensure oversight of the County Executive and the administration.

Recommendations

The County Council:

- 2.1 Ensure lease agreements are sufficiently reviewed and the County Charter requirements are followed.
- 2.2 Provide adequate oversight for all appointed positions and the compensation of non-merit employees. In addition, ensure all appointed positions working for the County Executive are included in the County Executive's budget to ensure transparency to the public.
- 2.3 Review and update the requirements for the County Auditor position and staffing. Ensure the County Council is fully utilizing the County Auditor to identify and review ineffective or inefficient operations and ensure established policies are followed. In addition, clarify which standards, if any, the County Auditor is to follow.

Auditee's Response

The county's written response is included at Appendix F.

²¹ Our audit was not designed to identify instances of non-compliance with auditing standards. These violations were identified during interviews that were designed to obtain an understanding of the St. Louis County Auditor duties and practices.



St. Louis County
Management Advisory Report - State Auditor's Findings

Auditor's Comment

The County Council's response letter states the audit is based on the "inaccurate premise" the county is Council-managed, and states the County Charter gives the Council "limited oversight power." However, Article II of the County Charter gives the County Council broad authority to oversee the county. *E.g.*, Section 2.180 (conferring the powers vested in the Council). In addition, the remainder of the County Council's response details actions the Council has already taken, or will take, to improve county operations and oversight.

The response to MAR finding number 2.1 makes mention of false information provided to the Council regarding the land swap deal discussed in the report. However, no information regarding this allegation has been presented. The existence of such false information was not mentioned to auditors during fieldwork, or during the report exit process despite requests for any information relevant to this transaction. Therefore, the information referenced has not been assessed or verified.

3. Unauthorized Payments of SLEDP Funds

The former SLEDP CEO (Sheila Sweeney) abused her position by overseeing large bonuses for herself and other administrators that were not authorized or approved by the Board. In addition, the former Chief Financial Officer (CFO) abused her position to provide herself with paid time off (PTO) hours without proper authorization or documented approval.

3.1 Bonuses paid without Board authorization or approval, policies, or procedures

The former SLEDP CEO and former CFO oversaw bonus payments totaling \$348,000 to SLEDP administrators in 2016 and 2017. These bonuses were paid without an official policy, board authorization or approval, supporting documentation, or an established process to determine eligible employees.

In 2016 and 2017, the SLEDP paid bonuses to 15 employees totaling \$160,500, and 16 employees totaling \$187,500, respectively. The bonus totals included \$80,000 paid to the former CEO each year in 2016 and 2017. Since no employment contracts or compensation packages were formally documented, it is unclear who decided what bonus amounts were to be paid. It is also unclear what, if any, performance criteria were used to determine who was eligible for such bonuses. SLEDP staff could not locate approval or supporting documentation for the bonuses paid. Also, no record of formal Board approval could be located. The then Board Chairman stated he only vaguely recalled hearing about the CEO receiving a bonus, but did not consider it a formal SLEDP Board discussion or approval.

Table 2 lists the bonuses paid in 2016 and 2017 to SLEDP employees which were greater than \$10,000.



St. Louis County
Management Advisory Report - State Auditor's Findings

Table 2: 2016 and 2017 bonuses paid greater than \$10,000

Title	Annual Salary	2016 Bonus Paid	2016 Bonus	2017 Bonus Paid	2017 Bonus
			Percent of Annual Salary		Percent of Annual Salary
CEO	\$ 260,000	\$ 80,000	31	\$ 80,000	31
CFO	187,460	30,000	16	35,000	19
Vice President of Administration	NA	NA	NA	15,000	13
		\$ 120,000		\$ 130,000	

Source: St. Louis Economic Development Partnership Human Resources Section.

The former CEO and former CFO abused their positions to provide these bonuses. The payments were not budgeted, and were not authorized or approved by the Board. The bonuses primarily benefited these two individuals with no justified public purpose. Pursuing repayment of these unauthorized payments would be in the best interest of county taxpayers.

3.2 Chief Financial Officer Unauthorized Paid Time Off

The former CFO instructed staff to add an additional 320 hours to her PTO balance without proper authorization or documented approval, and rolled over 100 percent of PTO hours in 2016 and 2017 to future periods, contrary to SLEDP policy, without approval. In total, the former CFO received additional compensation of \$38,020 for these unauthorized hours upon leaving employment with the SLEDP.

Unauthorized PTO hours

Based on our review of PTO records, Accounting Department and Human Resources (HR) staff added an additional 40 hours annually to the former CFO's PTO balance from 2011 to 2019 (with the exception of 2016), for a total of 320 hours. The 40 hours were in addition to the standard accrual of PTO as described in Section VI, Subsection B, of the SLEDP Employee Handbook. Current SLEDP staff could not locate any supporting documentation approving the additional 40 hours per year. In addition, neither the CEO prior to Sweeney nor the former Executive Vice President and Chief Operating Officer, who were both direct supervisors over the former CFO, had knowledge of the additional 40 hours added to the PTO balance annually, and did not recall ever approving any additional PTO. The former CFO received payouts for her unused PTO upon terminating employment from SLEDP. Based on our analysis of PTO records, the former CFO received additional compensation of approximately \$28,840 in her final paycheck as a result of the 320 unauthorized hours of PTO improperly added to their balance.

Unauthorized PTO rollover

In 2016 and 2017, the former CFO improperly rolled forward PTO in excess of the amount allowed by policy without proper authorization.



St. Louis County
Management Advisory Report - State Auditor's Findings

SLEDP policy²² allows staff to accumulate a PTO balance of one and a half times a team member's annual PTO allocation, with any unused PTO above that limit at the end of the year being forfeited. However, the former CFO instructed staff to roll over her entire PTO balance, a total of 102 hours more than allowed by policy, in 2016 and 2017. SLEDP policy states roll overs in excess of allowable balances must be approved by the CEO in writing. Current SLEDP staff could not locate any documentation or authorization for these rollovers.

Based on our analysis of PTO balances, the former CFO received additional compensation on her final paycheck of \$9,180 as a result of these unauthorized rollovers. In addition, current staff indicated the former CFO was the only individual to receive the 100 percent PTO rollover in excess of the limit in 2017.

Controls over PTO balances
need improvement

Controls over PTO balances need improvement. While the former CFO abused her position by instructing staff to perform these unauthorized actions, improved controls requiring documented approval from the CEO would have helped ensure the actions taken were appropriate and in compliance with established policy. Strict compliance with personnel policies is necessary to ensure employees are properly and equitably compensated.

The former CFO received a total of \$38,020 in compensation from unauthorized and unused PTO. Pursuing repayment of this unauthorized compensation is in the best interest of county taxpayers.

Recommendations

The SLEDP Board:

- 3.1 Pursue reimbursement for the unauthorized bonus payments paid.
- 3.2 Ensure personnel policies are applied equitably and any departure from policy is documented and approved by the appropriate level of authority. Also, the SLEDP should pursue reimbursement for improperly paid out compensation to the former CFO.

Auditee's Response

The SLEDP's written response is included at Appendix G.

4. SLEDP Board Oversight

The SLEDP Board did not provide adequate oversight or monitoring of SLEDP organizational activities. As a result, Sheila Sweeney, the former CEO was hired as the full-time CEO without a formal job offer, employment contract, or compensation package. This lack of oversight played a part in the former County Executive's ability to influence the former SLEDP CEO to manipulate various contracts and land development deals the agency oversaw

²² Section VI, Subsection B, of the SLEDP Employee Handbook



St. Louis County
Management Advisory Report - State Auditor's Findings

as discussed in MAR finding number 1.3. In addition, employee bonuses were disbursed improperly in violation of SLEDP policy without oversight.

4.1 Chief Executive Officer Search and Compensation

The SLEDP Board provided limited oversight and monitoring of the former CEO and SLEDP organizational activities, and did not fulfill the function of the board to "fix the terms and conditions of such employment or contract for services," of the SLEDP CEO. The SLEDP Board consists of 15 members with 11 appointed by the County Executive and the remaining 4 appointed by the Mayor of the City of St. Louis. Former County Executive Stenger appointed 6 members to the Board during his time in office.

CEO search

The SLEDP Board approved a contract on May 27, 2015, for an executive search firm. SLEDP paid the firm \$61,600 to help identify candidates to fill the SLEDP CEO vacancy. However, the SLEDP Board received no official report or recommendation from the Search Advisory Committee, and did not formally vote to make Sheila Sweeney the CEO of the organization after appointing her as the interim CEO.

On March 25, 2015, the SLEDP Board finalized the membership of the newly formed SLEDP Search Advisory Committee comprised of SLEDP Board members and community members. The Search Advisory Committee was formed for the express purpose of developing and issuing an RFP for executive search firm services with the ultimate goal of locating a suitable candidate for presentation to the full board as the next SLEDP CEO. The full SLEDP Board was to have the final approval of the CEO candidate.

On June 24, 2015, the SLEDP Board appointed Sheila Sweeney the interim²³ CEO of the SLEDP in anticipation of the current SLEDP CEO's retirement, because the CEO search and selection process was still underway. The closed session meeting minutes from September 30, 2015, documented discussion of "...personnel matters as related to the Executive Search Committee and the recommendation on a CEO." The meeting minutes included no additional information regarding the individual recommended as the SLEDP CEO candidate or a documented Board vote or Board Resolution authorizing the CEO's appointment.

The previous Board Chairman, who has been on the board since August 1, 2013, did not recall any discussions or reports from the Search Advisory Committee to the full board concerning the appointment process of the former CEO, or the Search Advisory Committee presenting a list of potential candidates to be interviewed or considered for the permanent CEO position. In addition, the Board Chairman did not recall any discussions concerning the

²³ Prior to being named Interim CEO Sweeney was a member of the SLEDP and Port Authority Boards.



St. Louis County
Management Advisory Report - State Auditor's Findings

appointment of the former interim CEO as the permanent CEO. SLEDP staff could not locate a report from the Search Advisory Committee to the full board detailing the selection criteria used in evaluating potential CEO candidates, or the committee's recommendation for the CEO position. SLEDP staff could not provide the date Sheila Sweeney was officially named CEO of the SLEDP.

Overseeing the process of selecting an executive officer to run the SLEDP is a significant responsibility of the Board. The SLEDP Board's failure to properly provide oversight and documentation of this process resulted in a CEO being named potentially without proper vetting and with a lack of transparency.

Compensation terms not
approved by Board or
formally documented

Sheila Sweeney served as the CEO of the Board for more than 3 years with an annual salary of \$260,000, plus bonuses and additional compensation, without her compensation terms being approved by the Board as required by SLEDP bylaws, and without a contract documenting her compensation package. The current Chairman could not recall Board discussions concerning the former CEO's salary and staff could not locate a formal job offer.

Rather than the Board setting Sweeney's compensation terms, the terms were established by the former County Executive's office. On October 9, 2015, the former CFO contacted the former County Executive's Director of Policy to request external confirmation of Sweeney's salary and benefits, which had been provided to the former CFO by Sweeney. In addition to being the Director of Policy for the former County Executive, this individual was also appointed to the SLEDP Board by Stenger as of January 1, 2015. On October 19, 2015, the Director of Policy confirmed Sweeney's salary and benefits, which included \$260,000 annually, 8 weeks of paid time off, a car allowance, and all other benefits for full-time SLEDP employees. The current Board Chairman at that time and current SLEDP staff were unaware of under what authority this individual approved Sweeney's salary and benefits.

Table 3: Former CEO compensation

Year	Salary	Automobile Allowance	Unused Paid		Bonus	Retirement	Total
			Time Off Payout				
2015*	\$ 107,862	3,000	N/A		0	13,889	124,751
2016	260,000	6,000	N/A		80,000	92,567	438,567
2017	260,000	6,000	N/A		80,000	102,965	448,965
2018	260,000	6,000	N/A		0	78,934	344,934
2019*	14,000	500	64,103		0	23,304	101,907
Total	\$ 901,862	21,500	64,103		160,000	311,659	1,459,124

* The former CEO was not in that position during all of 2015 or 2019

Source: St. Louis Economic Development Partnership Human Resources Section.



St. Louis County
Management Advisory Report - State Auditor's Findings

Allowing the former County Executive's office to set and approve the former CEO's compensation and benefits provided the former County Executive influence over the former CEO. As discussed in MAR finding number 1.3, this influence allowed the former County Executive to manipulate various contracts and land development deals the agency oversaw.

Formal written employment contracts that clearly define all contractual terms, are necessary with the CEO to ensure all parties are aware of their duties and responsibilities, and to prevent misunderstandings. Also, as the highest level of authority within the organization, the SLEDP Board is required to provide oversight of the SLEDP CEO. The SLEDP By-Laws state:

The Board of Directors may employ an individual to perform the function of the Chief Executive Officer or contract with other entities for the furnishing of any services of Chief Executive Officer. The Chief Executive Officer shall be responsible for the administration and operating functions of the corporation. The Board of Directors shall fix the terms and conditions of such employment or contract for services.

4.2 Oversight of employee bonuses

The SLEDP paid bonuses to employees without sufficient Board oversight or approval. In addition, the SLEDP did not have procedures to evaluate and determine which employees earned bonuses and the amount of the bonus.

Excess bonuses paid

SLEDP administrators paid \$52,000 in bonuses in 2015, \$24,510 of which exceeded board approved policies. These bonuses were paid without justification, and without Board approval. In 2015, SLEDP policies allowed for up to a 4 percent bonus based on performance and on financial results. Table 4 summarizes the 3 bonuses paid in excess of the 4 percent, and totaling \$5,000 or more.

Table 4: 2015 Bonuses paid in excess of Board policy, and totaling \$5,000 or more

Title - Former Employee	Annual Salary	Amount of Bonus	Bonus Percent	4 Percent	Excess Bonus
			of Annual Salary	of Annual Salary Limit	
Chief Financial Officer	\$ 187,460	\$ 25,000	13%	\$ 7,498	\$ 17,502
Vice President of HR	138,000	10,000	7%	5,520	4,480
VP of Real Estate and Community Investment	70,170	5,000	7%	2,807	2,193
Totals	\$ 395,630	\$ 40,000		\$ 15,825	\$ 24,175

Source: St. Louis Economic Development Partnership Human Resources.

As indicated in Table 4, the bonuses for these 3 employees ranged from 7 to 13 percent of their annual salary. The previous SLEDP Board Chairman did not recall the Board approving bonuses in 2015 and there was no indication in the Board meeting minutes regarding approval of them.



St. Louis County
Management Advisory Report - State Auditor's Findings

In addition to being more than the 4 percent limit, it is unclear how any bonuses were justified in 2015. The SLEDP employee handbook at that time stated:

.... a bonus system whereby bonuses of up to 4 percent of an employee's regular earning may be given in recognition of outstanding performance as measured by increased revenues and reduced expenses, as approved by the (SLEDP) Board of Directors.

According to the Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund from 2014 to 2015, excess revenues over expenditures decreased by \$380,000 (36 percent), and the net fund balance decreased by \$251,000 (22 percent), so it is unclear how the bonuses were justified based on SLEDP policy.

In addition, current SLEDP staff indicated a formal appraisal system was not used to determine bonus eligibility and amounts paid from 2015 through 2017. In 2015, 2016, and 2017, the SLEDP paid 8 bonuses totaling \$52,000, 15 bonuses totaling \$160,500, and 16 bonuses totaling \$187,500, respectively. Bonuses were removed from SLEDP policy following 2015. See MAR finding number 3.1 for additional discussion of the 2016 and 2017 bonuses.

The SLEDP has not paid any bonuses after January 1, 2018.

Recommendations

The SLEDP Board:

- 4.1 Continue to ensure employment contracts are executed with the CEO and are in the best interest of the SLEDP. All terms and conditions should be formally approved by the Board and publicly documented in the Board minutes.
- 4.2 Continue to follow current SLEDP policy regarding bonuses.

Auditee's Response

The SLEDP's written response is included at Appendix G.

5. County Personnel Policies and Records

Significant improvement regarding personnel policies and employee records for appointed employees is needed. The county has not established adequate personnel policies for appointed employees. In addition, the county's Personnel Division does not maintain personnel files, and the County Executive's office could not provide a personnel file for all appointed employees. Also, appointed employees received raises during a county-wide wage freeze, the personnel department does not verify certifications and qualifications required by the county's charter, and all appointed positions did not have documented job descriptions.



St. Louis County
Management Advisory Report - State Auditor's Findings

5.1 Personnel issues regarding appointed employees

Policies and procedures regarding appointed employees need improvement. Per the county's charter and ordinances, the County Executive appoints his/her own staff, the director for each department, and 2 non-merit employees for each department. Our review of various employment records for 104 appointed employees identified the following concerns:

- Several appointed employees received a wage increase in their current position during a County Council approved county-wide wage freeze. Our work determined 17 of the 22 appointed employees tested received a wage increase even though their job title did not change. The Director of the Personnel Division indicated when the division received direction from the former County Executive to give raises to certain people, as long as the increase was within the range of salary for the position, the division staff would process the raise. In addition, the Director indicated appointed employee positions routinely change job classes and pay ranges when requested. The table in Appendix D, shows the wage increases received by these 17 appointed employees.
- The Personnel Division does not verify certifications and qualifications required by charter for appointed employees, which could result in unqualified personnel in appointed positions. The Division Director indicated she did not see this weakness as an issue, because the county government process is public. In addition, she indicated she had never been asked to document a verification. Of the 22 appointed employees selected for testing, 8 were required by charter or ordinance to have a certification. We determined 6 of these 8 appointed employees tested (75 percent) did not have supporting documentation showing the employee met the certifications required by charter or ordinance.
- Appointed employee personnel files were not centrally maintained in the Personnel Division. As a result, personnel files could be misplaced or lost when a new County Executive is elected. For example, 29 of the 104 (28 percent) appointed employees tested did not have a personnel file in either the County Executive's office or the Personnel Division.

For appointed employees with personnel files, we selected 65 files for additional testing. Personnel files provided were not always complete. Federal W-4 forms were missing for 19 of the 65 employees tested (29 percent). The I-9 form was missing for 11 employees and was incomplete for another 2 employees (20 percent).

Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated. In addition, the county's charter and ordinances require certain appointed



St. Louis County Management Advisory Report - State Auditor's Findings

positions have specified qualifications.²⁴ By not verifying the applicants/employees have those qualifications, the county cannot ensure the charter and ordinance requirements are met. Without sufficient employee personnel records, the Personnel Division has less assurance payments made to employees are appropriate.

5.2 Timesheet controls

The county has poor controls in place for ensuring timesheets are signed and approved before employees are paid. We tested 6 months of timesheets for 87 appointed employees to review for timesheet approvals. We identified 43 of 87 (49 percent) appointed employees tested had some unsigned or unapproved timesheets.

Without adequate timesheets the county cannot ensure hours worked by appointed employees are properly documented. Ensuring all timesheets are signed by the submitting employee and reviewed and timely approved by a supervisor helps ensure the accuracy of hours worked.

5.3 Job descriptions

The county had not prepared job descriptions for 46 of the 60 appointed positions tested (77 percent) as of February 2020. As a result, the responsibilities of these appointed employees are not clearly defined and communicated to the public. The Director of the Personnel Division indicated no appointed positions had job description documentation in the division under the former County Executive. The current County Executive has started to create job descriptions for appointed positions.

Job descriptions are needed to clarify duties, responsibilities, required qualifications, and reporting relationships of each position to prevent misunderstandings among employees and supervisors about performance expectations.

Recommendations

The County Council:

- 5.1 Develop and ensure compliance with formal written personnel policies for appointed employees including policies concerning increases in salary or pay rate. In addition, ensure personnel meet minimum qualifications for the position and adequately document a review of qualifications. Also, establish what the required contents of

²⁴ The County Charter list the requirements for the following positions:

- Director of Parks and Recreation at section 4.210.
- Director of Planning at section 4.240.
- Director of Public Works at section 4.300.

The County Ordinances list the requirements for the following positions:

- Director of Revenue at section 505.020.
- Executive Director of Fire Standards at section 702.020.



St. Louis County
Management Advisory Report - State Auditor's Findings

a personnel file are for appointed positions and ensure employment records are maintained and complete for all employees.

5.2 Ensure timesheets are adequately prepared, and properly signed and approved.

5.3 Prepare job descriptions for all positions.

Auditee's Response Auditor's Comment

The county's written response is included at Appendix F.

The County Council's response to MAR finding number 5.1 states no county-wide wage freeze ever existed. While this issue does not directly impact any of the report recommendations, for clarification, the November 2, 2018 budget letter submitted to the Council states that county wages were frozen 7 times in the previous 10 years. Audit staff confirmed this information with Human Resources personnel. The suggestion that no such wage freezes were ever in place was not discussed with auditors during fieldwork or during the report exit process. Based on the information obtained during the audit, the information presented in the report is accurate.

The response to MAR finding number 5.2 regarding timesheet controls states timesheets are not traditionally used for salaried appointed positions. However, our review of timesheets for appointed personnel showed that timesheets were used for all appointed employees involved in our test, with only one exception for 87 employees tested. The indication that timesheets were not used for such employees was not discussed with auditors during fieldwork or during the report exit process. As discussed in the report, adequate timesheets help ensure hours worked by appointed employees are properly documented.

6. Best and Final Offers

The Procurement Division has not established a formal policy for the use of Best and Final Offers (BAFOs). In addition, the Director of the Procurement Division does not review BAFOs to ensure the process for RFPs is followed. As a result, the county cannot ensure the process for BAFOs is fair for all companies submitting proposals and results in offers that cannot be easily and accurately evaluated.

For example, in a recent RFP, companies submitting proposals were mistakenly asked for inconsistent best offers. The Procurement Division asked the three finalists with the highest scores from the scoring committee for BAFOs on their lowest dollar amount proposal. However, some companies provided more than one proposal, some with setup fees and some without. The lowest cost proposal did not allow a comparison to be made between similar proposal types, which prevented the scoring committee from fairly evaluating the proposals. The RFP was canceled when a proposer brought this discrepancy to the county's attention and has not been reissued.



St. Louis County
Management Advisory Report - State Auditor's Findings

The Acting Procurement Division Director indicated these problems resulted from the division's lack of experience with the BAFO process. In addition, written formal procedures for the BAFO have not been documented.

Formal procedures for BAFOs help ensure all parties are given an equal opportunity to participate in city business. The National Association of State Procurement Officials (NASPO) best practices state:

The principles that apply to the evaluation of initial proposals also apply to the revisions that offerors submit in their best and final offers. The evaluation must stay within the criteria outlined in the solicitation and the plan that the procurement officer and the evaluators put into place at the outset of the evaluation process.

Recommendation

The County Council establish formal policies and procedures for BAFOs.

Auditee's Response

The county's written response is included at Appendix F.

7. SLEDP Procurement

SLEDP procurement procedures need improvement. Procurement documentation was not always retained and the contracts may not have been adequately reviewed or evaluated prior to execution.

Noncompliance with policies The SLEDP procurement process and procedures need improvement. We noted several contracts were missing supporting documentation, a contract may not have been advertised, and several contracts circumvented the normal routing process.

A test of 20²⁵ judgmentally selected procurement contracts from 2015 to 2018 identified the following issues:

- Procurement files were incomplete for 4 of 12 applicable contracts. The files were missing the originating RFP documentation and/or responsive bids or proposals from vendors required by the SLEDP procurement policy.

For example, on June 23, 2016, the Port Authority executed a contract of \$422,000 for a public infrastructure study. During the procurement process, two firms submitted proposals. The Port Authority determined one firm "failed to comply with a material term of request" and concluded the proposal was non-responsive. No documentation could be provided defining "material term of request" and how the proposal failed to

²⁵ A total of 23 contract solicitations were reviewed, however, 3 solicitations related to land sales were not considered as part of this test work.



St. Louis County
Management Advisory Report - State Auditor's Findings

comply. In addition, current SLEDP staff could not provide supporting documentation showing the request for proposal was advertised in a newspaper of general circulation in St. Louis County as required by state law for contracts executed by Port Authorities.

- The SLEDP does not have a formalized process to ensure procurement selections comply with SLEDP policy. Documentation for 2 of 7 applicable procurement contracts did not include sufficient supporting documentation showing why the vendor selected was chosen.
- In reviewing procurement contracts, we noted 3 of 19 applicable contracts appeared to have deviated from the approved SLEDP contract routing process. SLEDP personnel document their review of contracts on an internal routing sheet. We noted the dates of various levels of review occurred after the contract was executed for two contracts and the former SLEDP CEO approved the third contract without having a routing sheet. As a result, these contracts did not receive the levels of internal review required by SLEDP policy prior to the contracts being executed.

SLEDP Procurement Policy Section 9.2 Retention of Records states,

The Procuring Party shall retain all procurement records for a period of five (5) years following the date of final payment or the date that the grant with which such procurement is funded is closed, whichever is later; except that if any litigation, claim, or audit is started before the expiration of the five (5)-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

Formal procurement procedures for evaluations of bids would provide a framework for the economic management of resources of the SLEDP and help ensure the SLEDP receives fair value in its contracts as well as help ensure all parties are given an equal opportunity to participate in partnership business. In addition, the SLEDP Procurement Policy Section 3.5(B)(5) for competitive proposals states, "the contract files shall contain the basis on which the award is made." Also, Chapter 68.055(1) RSMo., which governs the activities of port authorities in state, requires them to advertise the RFP in a newspaper of general circulation in the city or county at least 20 days before letting the contract.

Also, Section 8.1(D) of the current SLEDP Procurement Policy states,

All written contracts shall be distributed for approval and execution by the originating division ... to the originating



St. Louis County
Management Advisory Report - State Auditor's Findings

department's Vice President, General Counsel, Chief
Financial Officer, and Chief Executive Officer.

Recommendation

The SLEDP should retain procurement documents in accordance with SLEDP policy and document a formal selection process to ensure all contracts are formally reviewed and evaluated in accordance with the established procurement policy. In addition, the SLEDP should ensure port authority contracts are advertised in compliance with state law.

Auditee's Response

The SLEDP's written response is included at Appendix G.



Appendix A
St. Louis County
Appointed Employee Annual Salaries for 2019

Title	Department Paying for Position	Annual Salary	Worked within	
			County Executive's Office?	Formal Job Description?
Director of Diversity, Equity and Inclusion	Revenue	\$ 121,014	Yes	No
Chief Diversity Officer	Administration	120,016	Yes	Yes
Director of Community Engagement	Municipal Court	119,995	Yes	No
Director of Communications	Public Works	110,885	Yes	No
Regional Relations Manager	Transportation	100,880	Yes	No
Deputy Director of Diversity, Equity and Inclusion	Parks & Recreation	83,013	Yes	No
Education Liaison to County Executive	Planning	65,000	Yes	No
Legislative Liaison	Revenue	65,000	Yes	No
Communications Coordinator	Transportation	65,000	Yes	Yes
Executive Assistant	Human Services	60,008	Yes	No
Community Engagement Coordinator	Administration	55,016	Yes	No
Policy Analyst	Human Services	46,675	Yes	No
Director of Met Center	Public Works	90,002	No	Yes
Special Projects Coordinator	Justice Services	90,002	No	Yes
Policy Advisor	Public Health	88,858	No	Yes
Special Projects Coordinator	Parks & Recreation	87,506	No	Yes
Special Projects Coordinator	Justice Services	82,493	No	Yes
Deputy County Municipal Court Administrator	Municipal Court	76,003	No	No
Communications Coordinator	Children's Service Fund	73,008	No	Yes
Children's Service Fund Coordinator	Children's Service Fund	65,000	No	Yes
Administrative Assistant	Fire Standards Commission	45,240	No	Yes
	Total	<u>\$ 1,710,614</u>		



Appendix B
St. Louis County
Appointed Employee Annual Salaries for 2018

Title	Department Paying for Position	Annual Salary	Worked within		Formal Job Description?
			County Executive's Office?		
Chief of Staff	Revenue	\$ 135,013	Yes		No
Senior Policy Advisor	County Counselor	130,000	Yes		No
Policy Analyst	Public Health	130,000	Yes		No
Policy Analyst	Human Services	130,000	Yes		No
Chief Diversity Officer	Administration	120,016	Yes		Yes
Director of Community Empowerment	Municipal Court	119,995	Yes		No
Director of Executive Support and Administration	Revenue	119,995	Yes		No
Policy Advisor	Public Health	88,858	Yes		Yes
Director of Communications	Public Works	87,506	Yes		No
Policy Advisor	Transportation	87,506	Yes		Yes
Special Assistant to the County Executive	Planning	85,010	Yes		No
Empowerment Specialist	Transportation	70,013	Yes		No
Education Liaison to County Executive	Human Services	65,000	Yes		No
County Municipal Court Administrator	Municipal Court	119,974	No		No
Deputy Director of Diversity, Equity and Inclusion	Parks & Recreation	107,806	No		No
Director of Met Center	Public Works	90,002	No		Yes
Special Projects Coordinator	Justice Services	90,002	No		Yes
Deputy County Municipal Court Administrator	Municipal Court	79,643	No		No
Special Projects Coordinator	Justice Services	75,005	No		Yes
Quality Control Officer	Administration	74,942	No		Yes
Communications Coordinator	Children's Service Fund	73,008	No		Yes
Children's Service Fund Coordinator	Children's Service Fund	65,000	No		Yes
Administrative Assistant	Planning	50,000	No		Yes
Administrative Assistant	Fire Standards Commission	45,240	No		Yes
	Total	\$ <u>2,239,534</u>			



Appendix C
St. Louis County
Appointed Employee Annual Salaries for 2017

Title	Department Paying for Position	Annual Salary	Worked within	
			County Executive's Office?	Formal Job Description?
Chief of Staff	Revenue	\$ 135,013	Yes	No
Chief of Governmental Relations	Administration	130,000	Yes	No
Policy Analyst	Public Health	130,000	Yes	No
Director of Executive Support and Administration	Parks & Recreation	119,995	Yes	No
Director of Community Empowerment	Municipal Courts	100,006	Yes	No
Director of Communications	Public Works	87,506	Yes	No
Special Assistant to the County Executive	Public Health	85,010	Yes	No
Policy Advisor	Transportation	77,501	Yes	Yes
Empowerment Specialist	Transportation	65,000	Yes	No
Education Liaison to County Executive	Human Services	65,000	Yes	No
Policy Advisor	Planning	58,427	Yes	Yes
County Municipal Court Administrator	Municipal Courts	119,974	No	No
Deputy Director of Diversity, Equity and Inclusion	Parks & Recreation	98,010	No	No
Director of Met Center	Public Works	90,002	No	Yes
Deputy County Municipal Court Administrator	Municipal Courts	79,643	No	No
Special Projects Coordinator	Justice Services	75,005	No	Yes
Quality Control Officer	Administration	74,942	No	Yes
Communications Coordinator	Children's Service Fund	73,008	No	Yes
Special Projects Coordinator	Justice Services	71,510	No	Yes
Children's Service Fund Coordinator	Children's Service Fund	65,000	No	Yes
Administrative Assistant	Fire Standards Commission	45,240	No	Yes
	Total	\$ <u>1,845,792</u>		



Appendix D
St. Louis County
Raises Without a Change in Job Title

Title at Time of Raise	Salary ¹	Raise Without Change in Title	Raise Percent	Final Salary After Increases
Director of Communication	\$ 75,005	\$ 35,880	48	\$ 110,885
Director of Met Center	60,566	29,436	49	90,002
Program Analyst	65,000	25,002	38	90,002
Legislative Affairs Coordinator	109,990	20,010	18	130,000
Administrative Secretary III	53,560	14,456	27	68,016
County Municipal Court Administrator	106,434	13,540	13	119,974
Director of Human Services	112,005	13,003	12	125,008
Empowerment Specialist	54,995	10,005	18	65,000
Director of Children's Service Fund	120,016	9,984	8	130,000
Deputy Director of Diversity, Equity, and Inclusion	98,010	9,796	10	107,806
Executive Assistant	65,000	8,258	13	73,258
Policy Advisor ²	49,875	6,573	13	88,858
Empowerment Specialist	65,000	5,013	8	70,013
Administrative Secretary	45,635	2,288	5	47,923
Administrative Secretary	37,128	2,080	6	39,208
Director of Planning	128,801	1,241	1	130,042
Administrative Secretary III	49,682	966	2	50,648
Total	\$	<u>207,531</u>		

¹ Salary as of January 1, 2015 or initial salary if hired after January 1, 2015. All employees were given a 3 percent raise on 2/1/15. If these employees received this raise it was included in the salary.

² The Policy Advisor received two pay increases due to changes in duties or title totaling \$32,410.



Appendix E
St. Louis County
Contracts Held

Contract Number	Number of Days Held
20160069	260
20160148	174
20180232	121
20150185	115
20180256	90
20170073	60
20160065	54
20150227	44
84162	35
84558	28
20160213	28
20180056	26
91310	22



Appendix F
St. Louis County
St. Louis County Response

St. Louis County Council



1st District
RITA HEARD DAYS
2nd District
KELLI DUNAWAY
3rd District
TIMOTHY E. FITCH
4th District
ROCHELLE WALTON GRAY
5th District
LISA D. CLANCY
6th District
ERNIE G. TRAKAS
7th District
MARK A. HARDER

LISA D. CLANCY
Chairwoman
ROCHELLE WALTON GRAY
Vice-Chairwoman
DIANN L. VALENTI
Acting Administrative Director
314 / 615-5440
FAX: 314 / 615-7890

September 11, 2020

The Honorable Nicole R. Galloway, CPA
Missouri State Auditor
P.O. Box 809
Jefferson City, MO 65201

Dear Auditor Galloway,

This letter is in response to the findings contained in the report of the audit of St. Louis County government and the former County Executive conducted by your office and presented to the County Council on August 18, 2020.

As a threshold matter, we would be remiss if we did not point out that the report seems to operate upon an inaccurate premise, namely that St. Louis County government is Council-managed. This is not the case. Beyond appropriation authority, the County Charter gives the Council limited oversight power over the executive branch.

The St. Louis County Council confronted unprecedented challenges over the past few years dealing with the criminal administration of Steve Stenger. Beginning in 2017, the council, as the elected representatives of the people, spent the majority of the last 4 years in hearings, investigating, and pursuing legal actions to reveal and rein in the corruption of the past administration. We have also created measures, through ordinances and charter amendments that will provide proper oversight and transparency over the operation of government in the future. But there is still more work to be done. We welcome this opportunity to discuss our plan to finally put the past malfeasance behind us and work towards a better government for all the residents of St. Louis County. (These responses will become Appendix F. of the audit report)



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The County Government Center and the Council Chamber are accessible for persons with disabilities. If you need an accommodation or need this material in an alternative format, please call Diann L. Valenti, Acting Administrative Director, at (314) 615-5440 (voice) or call RelayMO 711 or 1-800-735-2966 (TTY). Fax Number: 314-615-7890





Appendix F
St. Louis County
St. Louis County Response

1.1 Contracts

Auditor Finding:

The former County Executive held contracts indefinitely prior to execution, resulting in the delay of projects, and the loss of federal funding and contractors. In addition, the former County Executive held contracts prior to the County Council's review and delayed renewals resulting in a loss of funding from outside sources, delayed completion of approved projects, and the loss of the contractor selected by bid or proposal. This ability to hold contracts also results in a loss in transparency of the procurement and contracting process.

Council Response:

We agree. To the extent permitted by the Charter, the Council will consider legislation to address this issue. For example, the Council could consider enacting and/or amending ordinances providing that Council authorization for the County Executive to execute a contract, lease, or any other legal agreement is rescinded as to any such agreement that remains unexecuted by the County Executive after fifteen (15) days. In addition, the Council could consider formalizing its existing custom by changing its rules to state that any council member who receives a communication from the County Executive on matters affecting the County must share such communication with all council members.

1.2 Procedural Manipulation

Auditor Findings:

The former County Executive manipulated procurement procedures and processes, which gave himself more influence over county procurement including:

- *Selection committee ordinances were abused. The former County Executive added his own staff to RFP selection committees.*

Council Response:

We agree. However, the Council, like all governmental entities, expects and relies upon the honest exercise of authority. Nonetheless, the County Council has taken action to address this weakness by amending Section 107.132 of the County's ordinances in October 2018 to require the selection of individuals with professional experience for RFP review committees. The Council could also consider prohibiting certain appointees from voting on proposals and/or contracts submitted in response to an RFP.



Appendix F
St. Louis County
St. Louis County Response

- *Lease procurement procedures were circumvented.*

Council Response:

We agree that customary procedures were circumvented. To the extent permitted by the Charter, the Council should consider action to address this issue. For example, the Council could consider enacting an ordinance to require that the negotiation and approval for execution of all real estate related contracts for the County shall be the joint and collaborative responsibility of the Transportation & Public Works Department and the County Counselor's office.

- *Contributions from developers gave the appearance of a significant conflict of interest.*

Council Response:

We agree and have taken action. On October 6, 2018 Article 12.020 the County's Charter was amended by vote of County residents to prohibit contributions related to transactions being negotiated with the County ninety (90) days before a contract is approved and ninety (90) days after.

- *Request for proposals process was abused. Ordinances guiding the IFB and RFP procurement processes did not clearly define when each process should be used.*

Council Response:

We agree and have taken action. In October 2018, Section 107.132 of the St. Louis County Ordinances was updated to better distinguish these processes.

- *Insufficient oversight from the Council – See Section 2*

2. Inadequate County Council Oversight

The County Council did not perform sufficient due diligence over lease agreements, did not provide oversight of employees appointed by the County Executive, and did not ensure the county's internal audit capabilities were operating effectively

Lease oversight

Auditor Findings:

- *The County Council passed ordinances allowing the county to enter into a significant lease without reviewing the lease agreement, cost analysis, appraisals, and other supporting documentation*



Appendix F
St. Louis County
St. Louis County Response

Council Response:

We agree in part and to limited extent. As referenced above, the County Charter in section 2.180.7-10 lists Council powers related to real estate purchases, leases, condemnation, and disposal. Prior to 2017 the Council failed to proactively and assertively exercise these powers. Nonetheless, the Council should consider taking action(s) to address this issue. For example, enacting an ordinance requiring the Transportation and Public Works Department, in coordination with the County Counselor's office, to supervise initial consideration, review, preliminary negotiation and recommendation for execution(s) all real estate related contracts for the County.

Land exchange.

Auditor Findings:

- *The council delegated its authority to the County Executive for a land swap deal without adequate oversight.*

Council Response:

The Council was intentionally misled and lied to by Gary Bess, Director of the Parks Department about the valuation of the property in question. In addition, then County Executive, Steve Stenger, requested legislation authorizing him to lease and/or exchange the subject properties. The Council passed authorization to do so was based on false information supplied by Mr. Stenger and Mr. Bess. Moreover, in 2018 County voters approved a Charter amendment, now in effect, that requires all sale and/or exchange of County Park property to be subject to approval by County residents via ballot initiative.

Appointed non-merit employees

Auditor Findings:

- *The County Executive is able to hire staff, in addition to his budgeted staff, at a salary of his choice, and charge the appointed staffs' salaries to other departments.*

Council Response:

As a threshold matter, Charter Section 3.040 governs the County Executive's ability to hire an executive staff. Section 201.070 SLCRO addresses the structure of non-merit employees. In the future, the Council will examine compliance with the ordinance. In addition, the council could consider, to the extent permitted by the Charter, amending Section 201.070 to require that all employees that report directly to the County Executive as his executive staff must be covered directly and exclusively by the County Executive's budget. Section 2.180.1 of the County



Appendix F
St. Louis County
St. Louis County Response

Charter already gives the Council authority to set the compensation levels for non-merit employees. The Council currently has the authority to review all non-merit employee compensation annually as part of the budget process.

2.3 County Auditor Position

The County Council has not fully utilized the office of the County Auditor and requested audits of concerns brought to the attention of the council. The county's charter requirements for the County Auditor's qualifications do not ensure the County Auditor will possess the knowledge, skills, and other competencies to ensure the position is adequately staffed and allowed the County Auditor to hire personnel without any auditing experience.

Auditor's Findings:

- *Current County Auditor is not being utilized to provide oversight*
- *Current County Auditor does not possess adequate qualifications to fulfill the job requirements.*
- *Current County Auditor has not met auditing standards or followed best practices*

Council Response:

We agree. The County Council created an audit review committee. The auditor was poorly supervised by this committee and council Chairs. No list of annual audit targets was produced by the committee or the auditor. The committee has since been abolished. The Council should consider taking action to address this issue. For example, the Council could consider passing an ordinance adding qualifications and more clearly defining the Auditor's job description.

5.1 Personnel issues regarding appointed non-merit employees

Auditor Findings:

- *Several appointed employees received a wage increase in their current position during a County Council approved county-wide wage freeze*
- *The Personnel Division does not verify certifications and qualifications required by charter for appointed employees, which could result in unqualified personnel in appointed positions*
- *Appointed employee personnel files were not centrally maintained in the Personnel Division.*



Appendix F
St. Louis County
St. Louis County Response

Council Response:

To begin with, the Director of Personnel does not oversee or have any responsibilities concerning non-merit employees. In addition, no "county-wide wage freeze" ever existed or was in place. The report is in error on this point. As already discussed under Section 2, oversight and supervision of non-merit employees is the province of the entity/individual that hired said employee(s). Regarding non-merit employee wages, the Council could consider taking action(s) to address this issue. For example, developing a procedure to do an annual review of Council non-merit employee compensation.

Appointed employees serve at the pleasure of the hiring authority/individual and it is that entity's responsibility to verify their qualifications. These employees should be managed by the hiring authority/individual.

5.2 Timesheet controls

Auditor Findings:

- *The county has poor controls in place for ensuring timesheets are signed and approved before employees are paid.*

Council Response:

These are salaried positions for which timesheets are traditionally not used. No further action needed.

5.3 Job descriptions

Auditor Findings:

- *The county had not prepared job descriptions for many appointed positions.*

Council Response:

Job duties and responsibilities contract, expand and are often subject to change on short notice. To the extent permitted by the Charter, the Council should consider the necessity, appropriateness and efficacy of enacting an ordinance requiring job descriptions for all non-merit employee positions.



Appendix F
St. Louis County
St. Louis County Response

6. Best and Final Offers

Auditor Findings:

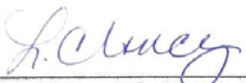
- *The Procurement Division has not established a formal policy for the use of Best and Final Offers (BAFOs).*
- *In addition, the Director of Procurement does not review BAFOs to ensure the process for RFPs is followed.*

Council Response:

We agree. To the extent permitted by the Charter, the County Council should consider legislation addressing this issue. For example, an ordinance establishing formal policies and procedures for BAFOs to ensure that the process is fair for all companies submitting proposals and offer results that can be easily and accurately evaluated. Any such ordinance shall be written in alignment with the National Association of State Procurement Officials (NASPO) best practices.

Sincerely,

St. Louis County Council



Lisa Clancy, Chairwoman



Appendix G
St. Louis County
SLEDP Response

STLPARTNERSHIP

September 11, 2020

Via Email

Nicole Galloway, CPA
Missouri State Auditor
301 W. High Street, Room 880
Jefferson City, Missouri 65102

RE: St. Louis Economic Development Partnership's Written Response to the St. Louis County Management Advisory Report State Auditor's Findings

Dear State Auditor Galloway:

On May 7, 2019, the St. Louis County Council formally requested the Missouri State Auditor to perform an independent review of county operations to certify to taxpayers that the assets of St. Louis County are safeguarded through proper internal controls, which comply fully with State and local law. In conjunction with that request, the Missouri State Auditor also reviewed the operations of the St. Louis Economic Development Partnership (the "Partnership" or "SLEDP").

The Board of Directors of the Partnership (the "Board") greatly appreciates the time and effort staff within the Missouri State Auditor's office devoted to conduct this audit and prepare the associated Management Advisory Report ("Report" or "MAR"). The Board recognizes its fiduciary responsibilities, particularly noting the importance of ensuring that the Partnership spends public funds wisely and remains a steward of the public trust as it fulfills its mission to attract, retain, and grow businesses in St. Louis County and St. Louis City.

General Background to Partnership Response

On January 3, 2019, based on its own inquiries, and prior to the federal indictments of the former St. Louis County Executive and the Partnership's former Chief Executive Officer ("CEO"), the Board took decisive action that resulted in the termination of employment of the former CEO. Concurrently, the Board appointed an Interim CEO who subsequently was made permanent CEO. With the Board's full support, the new CEO immediately began a rigorous review of the Partnership that identified critical issues and put new procedures in place that strengthened compliance with the Partnership's policies, increased transparency, and stabilized and improved day-to-day operations.

The Board agrees with the recommendations of the Report. The Partnership's enhanced and new procedures are outlined below in response to the applicable Auditor findings and recommendations.

7733 Forsyth Blvd. Suite 2200 Clayton, Missouri 63105



Appendix G
St. Louis County
SLEDP Response

STL PARTNERSHIP

In light of the above and on behalf of the Board, we provide the responses below to each Report recommendation that pertains to the Partnership.

Partnership Response to MAR Recommendation 1.3

MAR Recommendation 1.3: The SLEDP Board ensure the contracting process is competitive and transparent, and appraisals are obtained for all real estate transactions.

Competitive and Transparent Contracting Process

The Board agrees that competitive and transparent procurement processes are of the utmost importance to fulfill its fiduciary oversight role. To strengthen compliance and oversight of the Partnership's procurement policies, beginning in January 2019, the Partnership has made the following changes in its procurement and contracting processes:

1. Implementing a formal selection process for all consulting or service contracts, and other contracts in excess of \$30,000. This process includes the following:
 - a. Oversight of the entire procurement process by the Partnership's Legal Department.
 - b. Establishment of selection committees comprised of a cross-section of Partnership staff who meet to review proposals based on pre-identified evaluation criteria, conduct interviews if required, and determine a selection recommendation. Selection committees also include individual members of the Board where appropriate, in an advisory capacity.
 - c. CEO review and approval of the selection committee recommendation prior to any communication with an outside party.
 - d. Preparation of a written memorandum to document the selection committee's recommendation, the reasons therefore, and the review process.
 - e. Maintenance of RFP bid documents, proposals, and selection materials by the procuring division and the Legal Department.
 - f. Inclusion of a description of the procurement and selection process in Board Resolutions approving contracts. Board approval is required prior to execution of all contracts in excess of \$30,000.
 - g. Inclusion of a procurement and selection memorandum in the contract routing forms circulated for review and approval by the applicable division, General Counsel, Chief Financial Officer, and CEO. Review and approval of contract and procurement documents is required at each level prior to execution of a contract and prior to payment of any funds. Contract routing documents are ultimately stored with executed contracts in the Partnership's contract data base.
2. Conducting Partnership-wide mandatory procurement training for all Partnership staff. Trainings were completed in the Summer 2019, with 100% staff attendance. Additional mandatory procurement training is planned annually.



Appendix G
St. Louis County
SLEDP Response

STL PARTNERSHIP

3. Requiring strict compliance with the Partnership's Policies regarding Board review of Contracts. The Partnership's Procurement Policy provides that the Board receive information regarding every contract to which the Partnership is a party. This is accomplished in two ways: (1) contracts not exceeding \$30,000 must be reported to the Board at each meeting in a written contract report, containing the name of the vendor, the price, a short description of the contract, and the responsible staff person; and (2) contracts exceeding \$30,000 must be approved by written resolution presented to the Board prior to execution. This system allows the Board the opportunity to inquire of staff as to the contracting process for each and every contract.
4. Creating and re-establishing active Board committees to provide ongoing oversight and expertise directly to Partnership staff in major Partnership decisions. These committees include: (1) Real Estate Advisory, (2) Employee Experience (Human Resources), (3) Budget and Audit, (4) Strategic Planning, and (5) Board Nominating.
5. Inclusion of training and reminders to Partnership staff of the Partnership's formal whistleblower protections included in the Partnership's Employee Handbook. These protections encourage employees to report to the Board any suspected instances of malfeasance of the CEO. In January 2020, with 100% staff participation, the Partnership conducted ethics training, which included training on the Partnership's whistleblower policy.

Additionally, please note that the Partnership was not the contracting entity in four (4) of the five (5) contracts identified in this Report section. For example, historically, the Partnership provided all staff, administration and management services to the Port Authority, pursuant to a management agreement. In November 2018, the County Council passed legislation to allow the Council to appoint an entirely new Board of Commissioners of the Port Authority in an effort to take control of the Port Authority from the former County Executive and former CEO of the Partnership. After the former County Executive's resignation, in April 2019, the new Board of Commissioners assumed control of the Port Authority. For the Port Authority, and for the other economic development entities it manages, the Board retains responsibility for the actions of the Partnership's employees and requires that the same rigor and consideration applied to the approach described above for the Partnership shall be provided for each managed entity, regardless of whether the particular managing board has requested that same level of service.

The portion of MAR 1.3 pertaining to CEO compensation is addressed in our response to MAR 4.1 and 4.2 below.

Appraisals for all real estate transactions

The Real Estate Advisory Committee of the Board is working with Partnership staff to create policies for the Partnership and for entities that the Partnership manages, for the disposition of real estate. These real estate policies will incorporate both statutory requirements and best practices relating to the sale of real estate for the ownership entity. The Board agrees that appraisals of real estate are essential to establish the anticipated market value for real estate before disposition or



Appendix G
St. Louis County
SLEDP Response

STL PARTNERSHIP

purchase. Real estate policies will require appraisals and further require that any variance from market value be documented and be within the applicable statutory and commercial standards that apply to the ownership entity. The Partnership's Real Estate Advisory Committee would be involved in all deliberations concerning the purchase or sale of real estate by the Partnership or any of the entities managed by the Partnership.

Partnership Response to MAR Recommendation 3.1

MAR Recommendation 3.1: Pursue reimbursement for the unauthorized bonus payments paid.

The Board acknowledges the importance of this recommendation and is consulting with legal counsel to determine the best course of action.

Partnership Response to MAR Recommendation 3.2

MAR Recommendation 3.2: Ensure personnel policies are applied equitably and any departure from policy is documented and approved by the appropriate level of authority. Also, the SLEDP should pursue reimbursement for improperly paid out PTO compensation to the former CFO.

Equitable Application of Personnel Policy

The Board agrees that personnel policies must be applied equitably to all employees and that any deviation from standard policy should be properly authorized and documented. The Partnership has adopted a process by which any departure from the Partnership's employee Handbook, including for PTO carry over, will be documented in writing, approved with the CEO's signature, and retained in permanent personnel records. Additionally, the Employee Experience Committee will advise staff on any such departure from policy, and it will be applied equally to all relevant employees. This process will ensure that the actions taken are appropriately authorized, documented for historical record, and compliant with applicable policies.

Reimbursement for Unauthorized PTO Payments

The Board acknowledges the importance of this recommendation and is consulting with legal counsel to determine the best course of action.

Partnership Response to MAR Recommendation 4.1

MAR Recommendation 4.1: Continue to ensure employment contracts are executed with the CEO and are in the best interest of the SLEDP. All terms and conditions should be formally approved by the Board and publicly documented in the Board minutes.

The Board agrees that formal written contracts, which clearly identify the duties and responsibilities of each party and are approved by the entire Board, are the best way to fulfill its



Appendix G
St. Louis County
SLEDP Response

STL PARTNERSHIP

responsibility to “fix the terms and conditions” of employment of a CEO. The Board utilized this process when employment of the current CEO was approved. A formal written contract ensures that all parties are aware of and accept the basic terms of employment, including job duties and compensation. Board oversight of terms and conditions of the CEO’s employment will continue as prescribed in the Partnership’s bylaws.

Partnership Response to MAR Recommendation 4.2

MAR Recommendation 4.2: Continue to follow current SLEDP policy regarding bonuses.

Continue to follow current SLEDP policy regarding bonuses.

As noted in the Report, bonuses have not been awarded beginning in 2018 onward. Bonuses should be awarded to employees only in accordance with a properly reviewed and approved policy, which includes a formal and objective appraisal system to document award determinations. Until and unless such a policy is in place, the Board will not direct the CEO to award bonuses to employees and will not approve a budget that includes an allocation for bonuses based upon MAR Recommendation 4.2. The Board’s Employee Experience Committee will assist in development and implementation of any future bonus policy, with Board approval.

With regard to Board oversight of unauthorized bonuses paid to employees, the Board notes that the budgets, audits, and financial statements the Board received during the audit period did not identify individual compensation or bonuses paid. In the absence of requests for approval of bonuses, the Board believed that no bonuses had been paid during the time in question. Additionally, the 2016 IRS Form 990, which is the first to list significantly higher than normal total compensation and bonuses paid to the former CEO was not filed with the IRS and made available to the public until October of 2018. By this time, the bonuses had long since been paid without Board knowledge or approval.

Partnership Response to MAR Recommendation 7

MAR Recommendation 7: The SLEDP should retain procurement documents in accordance with SLEDP policy and document a formal selection process to ensure all contracts are formally reviewed and evaluated in accordance with the established procurement policy. In addition, the SLEDP should ensure port authority contracts are advertised in compliance with state law.

Retention of procurement documents

The Board agrees that each step in the procurement process should be supported by adequate documentation, which should be retained in accordance with the mandates of the Partnership’s Procurement Policy. The Board had a retention of procurement documents policy that was not followed. In early 2019, the Board instituted new selection and documentation procedures to strengthen compliance with the Partnership’s procurement policy (see response to MAR 1.3 above). Additionally, to ensure proper compliance on each contract, the legal department provides training sessions to educate staff regarding the



Appendix G
St. Louis County
SLEDP Response

STL PARTNERSHIP

requirements of the Partnership's Procurement Policy. In the summer of 2019, prompted by many of the events detailed in the Report, legal staff presented a series of comprehensive training sessions to review the Partnership's entire Procurement Policy. One hundred percent (100%) of Partnership staff participated in those training sessions. Additional mandatory training is planned annually.

Formal Selection Process and Port Authority Contracts

Partnership staff have implemented the formal selection process as outlined in the Partnership's response to MAR 1.3.

Effective July 1, 2018, Partnership staff updated the Partnership's Procurement Policy to ensure Port Authority contracts comply with Chapter 68, RSMo. Please note the instance in which a Port Authority contract did not comply with state law regarding advertisement occurred in June 2016, prior to these updates to the Procurement Policy.

Summary

The Board of Directors and current management have progressed diligently to ensure the Partnership meets its obligations to spend public funds wisely and remain a steward of the public trust. Starting in 2019, current management, in conjunction with the Board, enhanced procurement and human resources procedures to strengthen compliance with Partnership policies.

The Board looks forward to completing the implementation of Report recommendations, as discussed herein, and to fully restoring public trust, and continuing the mission of the Partnership to attract, retain and grow businesses in St. Louis County and St. Louis City.

Sincerely,
Board of Directors, St. Louis Economic
Development Partnership

Tracy E. Hart, Chair



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Department of Public Safety

Report No. 2020-079

September 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of the City of St. Louis Department of Public Safety

SLMPD Secondary Employment Controls and Procedures	The St. Louis Department of Public Safety (SLMPD) does not have procedures to periodically review secondary employment hours reported and, as a result, did not detect some employees claiming to be working at the SLMPD at the same time as they were working at their secondary employer or incorrectly recorded secondary employment hours. The SLMPD does not ensure employees are approved for secondary employment annually as required. The SLMPD does not have adequate controls and procedures in place to ensure employers submit required documentation.
SLMPD Overtime Management Controls	The SLMPD does not have adequate procedures in place to periodically review overtime data to identify potentially unusual, unexplained, excessive, or disproportionate overtime usage and, as a result, cannot identify potential improper overtime.
SLMPD Accounting Controls and Procedures	Weaknesses exist in receipting payments received by the Budget and Finance division. Transmitting and depositing procedures for the Fitness Center, Records division, and Prisoner Processing section need improvement. The department's handling of bank accounts needs improvement. In addition, the SLMPD has not established procedures to routinely follow up on outstanding checks.
Vehicle Maintenance and Use Allowance	The 3 DPS sections (Building division, St. Louis Fire Department (STLFD), and Neighborhood Stabilization team) that provide monthly vehicle allowances interpret when allowance amounts should be reduced by ordinance differently. STLFD procedures for monitoring employee eligibility for the monthly vehicle allowance need improvement.
Expenditures	Some DPS departments did not prepare disbursement vouchers timely, and as a result, one department paid unnecessary late fees.
SLMPD Assets	Capital assets were not always recorded accurately, items were not always tagged or identified as SLMPD property, and items that could not be located. Armory personnel do not update the firearms database timely and, as a result, the database is not complete and accurate. Approximately \$439,000 of computer equipment purchased between 2005 and 2019 was stored at the SLMPD's Supply division warehouse at June 30, 2019.
Time Records	The Building and Corrections divisions do not require timesheets or other documentation for hours worked for some division employees, in violation of city personnel regulations.
Sunshine Law	The Civilian Oversight Board discussed some topics in closed session that are not allowable under the Sunshine Law.
SLMPD Written Agreements	The SLMPD does not have a formal written agreement with the St. Louis Cardinals for performing bomb and explosive detection services for events held at Busch Stadium.

Fire Department Merchandise
Account

The STLFD maintains money in a bank account outside the city treasury, in violation of the city charter.

In the areas audited, the overall performance of this entity was Fair *
--

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Department of Public Safety

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. SLMPD Secondary Employment Controls and Procedures4 2. SLMPD Overtime Management Controls10 3. SLMPD Accounting Controls and Procedures12 4. Vehicle Maintenance and Use Allowance16 5. Expenditures18 6. SLMPD Assets20 7. Time Records23 8. Sunshine Law24 9. SLMPD Written Agreements25 10. Fire Department Merchandise Account25
---	--

Organization and Statistical Information	27
---	----

Appendixes

A	Additional Department Comments30
B	SLMPD Duplicated Secondary Employment and Duty Hours31
C	SLMPD Secondary Employment Hours Not Recorded32



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Director of Department of Public Safety
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Department of Public Safety in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2019. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

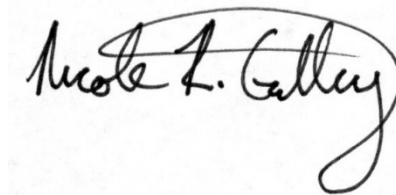
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions and inspection of capital assets. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Department of Public Safety.

Additional audits of various official and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Matthew Schulenberg, CFE, CGAP
Audit Staff:	Rachel Cline, M.S. Acct., CPA
	Stephanie M. Kroner
	Sherrye Lesmes
	Hunter O'Donnell, M.Acct.
	Ryan P. Tierney, MAcc, CPA

City of St. Louis - Department of Public Safety

Management Advisory Report

State Auditor's Findings

1. SLMPD Secondary Employment Controls and Procedures

Significant weaknesses exist in St. Louis Metropolitan Police Department (SLMPD) controls and procedures over secondary employment.

Special Order 3-07 (SO 3-07), issued in July 2013 and February 2012, governs off-duty or secondary employment for SLMPD employees. Secondary employment is defined as employment in which an employee is compensated, not limited to the direct receipt of cash, in exchange for services rendered or an expectation of services from a party or employer, other than the SLMPD. The city had 1,041 SLMPD employees registered and approved to work for 164 secondary employers¹ as of June 30, 2019.

In March 2018, the SLMPD established a team to analyze the weaknesses in existing procedures and propose solutions to strengthen controls over secondary employment. The team completed a revised Special Order 3-07 in July 2020 that was approved for implementation in August 2020. In addition, SLMPD officials indicated the team referred a criminal case involving one employee for prosecution in August 2018. The case remains under review as of August 2020.

We selected 65 employees registered and approved to work secondary employment during fiscal year 2019. Many of these employees were authorized to work for more than one secondary employer. We requested the SLMPD obtain employee time records from each secondary employer for the period reviewed. In addition, we requested all employee and secondary employer documents on file with the SLMPD for the employers selected. We initially selected 30 employees and reviewed documentation from one of their secondary employers for one month. Based on our initial review and concerns received, we selected an additional 30 employees and reviewed documentation from all of their secondary employers for one month. Finally, based on additional concerns received, we expanded our review and selected an additional 5 employees employed by the same secondary employer and reviewed secondary employer documentation for the entire fiscal year. We reviewed documentation for 64² employees and 42 unique secondary employers.

¹ The SLMPD also had an additional 48 grant programs that are considered secondary employers because employees working on those grant programs are subject to many of the same requirements for authorization as described in MAR Section 1.2. However, grants are not subject to employer requirements as described in MAR Section 1.3; therefore, we did not review for those requirements during our testing.

² One employee in the first selection of 30 was not tested. Certain elements in the data provided from the department's timekeeping system were incorrect for this employee, resulting in the selection of an employee that did not have applicable secondary employment during the test period.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

1.1 Monitoring of secondary employment hours

The SLMPD does not have procedures to periodically review secondary employment hours reported. As a result, the SLMPD did not detect some employees claiming to be working at the SLMPD at the same time as their secondary employer or incorrectly recorded secondary employment hours. In addition, existing monitoring procedures did not detect employees working more than the allowed 16 hours per day.

The SLMPD does not periodically request timesheets or other time records from secondary employers and compare those records to secondary employment hours in the department's timekeeping system. Per SO 3-07, all commissioned employees are required to enter all time worked on secondary employment into the department's timekeeping system. Also, SO 3-07 requires all secondary employers to prepare and maintain a ledger of the date and number of hours worked by each SLMPD officer employed in a secondary capacity and for this ledger to be available to the SLMPD's Bureau of Professional Standards upon request.

We compared time records from secondary employers to SLMPD records and noted the following concerns.

Duplicated time

We identified 5 of the 42 (12 percent) applicable³ employees reported working at the SLMPD and their secondary employer at the same time. The duplicated time totaled approximately 16 hours and ranged from 30 minutes to more than 4 hours per day. Because the SLMPD does not have processes in place to detect errors, the duplicated time may represent errors in time records or time inappropriately reported as worked. Additional information is presented in Appendix B.

Secondary employment time not recorded

Department records for 31 of the 38 (82 percent) applicable⁴ employees indicated the employee did not enter any of his/her secondary employment time in the department timekeeping system or he/she entered the time inaccurately. Additional information is presented in Appendix C.

Daily and weekly hour maximums

SLMPD procedures for identifying employees working in excess of 16 hours per day did not detect some errors. Per SO 3-07, SLMPD employees may not work in excess of 16 hours in any one day; this daily limit includes regular duty, overtime, and secondary employment. SO 3-07 states that the requirements established are intended to promote officer safety and performance.

³ Only 42 of the employees worked secondary employment hours during the period reviewed.

⁴ Our test included 4 civilian employees who are not required to enter secondary employment hours in the department's timekeeping system.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

Monthly, the department's internal auditor reviews a report from the timekeeping system that shows all employees who worked more than 16 hours per day, including any secondary employment hours entered. He notes if non-mandatory⁵ overtime and/or secondary employment resulted in the officer exceeding 16 hours worked in a day. Suspected violations are sent to commanders; however, they are not required to report back on any actions taken.

City employee and secondary employer records for 4⁶ of 64 (6 percent) employees reviewed showed the employee worked more than 16 hours total at the SLMPD and their secondary employer in one day. However, because none of these employees entered secondary employment hours into the department's timekeeping system the excess hours were not included on the list reviewed by the internal auditor and the errors were not detected. Issues noted included the following:

- One employee worked almost 13 duty hours (including overtime) for the SLMPD and also worked 4 hours of secondary employment, for a total of approximately 17 hours on a day in January 2019.
- One employee worked 14.75 duty hours (including overtime) for the SLMPD and also worked 7 hours of secondary employment, for a total of 21.75 hours on a day in July 2018.
- One employee worked 16 duty hours (including overtime) for the SLMPD and also worked 5 hours of secondary employment, for a total of 21 hours on a day in August 2018. On another day in the same month, this employee worked more than 12 duty hours (including overtime) for the SLMPD and also worked 5 hours of secondary employment, for a total of more than 17 hours.
- One employee worked 12 duty hours (including overtime) for the SLMPD and also worked 6.5 hours of secondary employment, for a total of 18.5 hours on a day in July 2018.

Conclusion

Periodic reviews of secondary employment time that includes comparing time records from secondary employers to the department's timekeeping system are necessary to ensure compliance with department rules, accurate time reporting, and to detect errors and any inappropriately claimed time. Also, existing procedures to identify employees working in excess of 16 hours per

⁵ An officer required to work mandatory overtime is exempt from the 16 hour per day rule.

⁶ These 4 employees are included in the 31 employees who did not record their secondary employment time and are included in Appendix C.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

day are ineffective if improvements are not made to ensure secondary employment hours are reported.

1.2 Employee authorization for secondary employment

The SLMPD does not ensure employees are approved for secondary employment annually as required.

The authorization for secondary employment forms for 2 of 64 (3 percent) employees reviewed had not been updated annually as required. As of July 2019, the most recent secondary employment permit update forms on file for these 2 employees were from 2017; however, they were still actively working for their secondary employers. Officials indicated employees are expected to voluntarily comply with the requirements. Also, when an employee is first approved for secondary employment, personnel enter the approval in the department's timekeeping system. This approval remains active indefinitely in the timekeeping system and the SLMPD only makes changes if the department receives notice that the employee no longer works for the secondary employer.

SO 3-07 requires all SLMPD employees requesting to work secondary employment to submit a separate application and permit form for each employer for which they are requesting authorization. This form must be approved through the chain of command. If the employee continues to work for the same secondary employer(s) longer than a year, the permit information must be updated annually by submitting an update form for approval. Improvements in controls and procedures are necessary to ensure SLMPD employees update their authorization for secondary employment on an annual basis as required. Without updated information, the SLMPD may not be aware of all personnel working secondary employment.

1.3 Secondary employer documentation requirements

The SLMPD does not have adequate controls and procedures in place to ensure employers submit required documentation.

SO 3-07 requires all businesses and organizations employing SLMPD personnel in a secondary employment capacity submit a completed and signed "Secondary Employer Indemnification/Disclaimer and Workers' Compensation/General Liability" form, a current certificate of liability insurance that reflects both general liability and workers' compensation coverage, and a completed and signed "Secondary Employer's Responsibility" form. In order to remain eligible, secondary employers must submit proof of continuing coverage for general liability and workers' compensation insurance annually at the policy renewal date. These requirements are designed, in part, to ensure secondary employers have acknowledged their understanding of all legal requirements and have necessary insurance coverage.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

We reviewed 42 secondary employers to determine if they were in compliance with the requirements of SO 3-07 and identified the following issues:

- A "Secondary Employer Indemnification/Disclaimer and Workers' Compensation/General Liability" form was not on file for 6 of the 42 employers (14 percent).
- A current certificate of general liability insurance coverage form was not on file for 7 of the 42 employers (17 percent).
- A current certificate of workers' compensation insurance coverage was not on file for 7 of the 42 employers (17 percent).
- A "Secondary Employer's Responsibility" form was not on file for 14 of the 42 employers (33 percent).

The SLMPD is responsible for ensuring secondary employers comply with the various requirements and improved controls and procedures are necessary to ensure secondary employers submit and update necessary documentation.

Recommendations

The SLMPD:

- 1.1 Monitor employee compliance with secondary employment regulations including periodically comparing secondary employer records to SLMPD records.
- 1.2 Establish controls and procedures to ensure employees working secondary employment submit documentation as required.
- 1.3 Establish controls and procedures to ensure the department obtains required documentation from secondary employers and retains the documentation.

Auditee's Response

- 1.1 *This recommendation has been implemented.*

Lt. Col. Michael Sack was assigned to the Bureau of Professional Standards on January 1, 2018. By the end of January, he discovered irregularities involving potential violations of timekeeping for secondary employment. In March 2018, he created a special audit team to look at possible criminal and internal violations related to time reporting and secondary employment. The audit team completed its work for this area in October 2019. Their investigation revealed a lack of oversight for secondary employment, the need for a rewrite of Special Order 3-07, and an assertive effort to gain compliance. A case involving an SLMPD employee was presented to the Federal



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

Bureau of Investigation and the United States Attorney's Office which is under review at this time.

Lt. Kirk Deeken was assigned to the Bureau of Professional Standards on April 15, 2019 to monitor compliance. He requests hours worked by SLMPD officers from their secondary employers. He compares the hours worked for the secondary employer against hours worked for the SLMPD and the hours the officer entered into PeopleSoft. He also uses the records to verify the officer has a current secondary employment form on file. Any violations are noted and acted upon.

With regard to the SLMPD's "16-hour rule," the recommendations have been implemented. The SLMPD Auditor II, assigned to the Budget and Finance Division, produces a bi-weekly report listing all "16-hour rule" violations and forwards the report to the Bureau of Professional Standards. Lt. Deeken reviews the report and investigates to ascertain if there are violations. If Lt. Deeken cannot determine if any exceptions in the report are violations, he contacts the Unit Commander to investigate further.

1.2 This recommendation has been implemented.

SLMPD Special Order 3-07 requires officers to submit a secondary employment form to work for an approved secondary employer. Officers are also required to submit a secondary employment update as part of their annual performance review. Failure to submit this form will prevent an officer from entering secondary employment hours into PeopleSoft. Similarly, failure to renew secondary employment annually will automatically cancel the officer's secondary employment privileges, preventing the officer from entering secondary employment hours into PeopleSoft.

1.3 This recommendation has been implemented.

SLMPD Special Order 3-07 requires employers to submit current documentation, including an "indemnification" form, to remain on file with the Bureau of Professional Standards. It also requires all documentation to be current. Failure to submit or maintain proper documentation results in the termination of the secondary employer's status with the SLMPD and prohibits officers from working for that secondary employer.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

Lt. Deeken maintains a calendar on all secondary employers and sends them a renewal reminder sixty days prior to the lapse of their insurance.

2. SLMPD Overtime Management Controls

Analysis of high overtime usage

The SLMPD does not have adequate procedures in place to periodically review overtime data to identify potentially unusual, unexplained, excessive, or disproportionate overtime usage and, as a result, cannot identify potential improper overtime. The SLMPD paid more than 1,200 employees approximately \$13.8 million⁷ in overtime wages during fiscal year 2019.

We requested a report⁸ of all salaries, overtime wages, and other payroll adjustments by check date for each SLMPD employee for fiscal year 2019. We reviewed this report and other data⁹ and determined at least 99 SLMPD employees (8 percent) in our analysis were paid overtime that was equivalent to 50 percent or more of their base salary during the period.

Number of employees who earned overtime of at least 50 percent of base salary

Overtime Wages as a Percentage of Base Salary	Commissioned Employees	Civilian Employees	Total Employees
100 or greater	8	0	8
90.00 to 99.99	1	0	1
80.00 to 89.99	12	1	13
70.00 to 79.99	14	3	17
60.00 to 69.99	18	0	18
50.00 to 59.99	38	4	42
	91	8	99

The 99 employees listed in the table were assigned to 26 different units within the SLMPD. The department's six districts accounted for a significant number of these employees (42) followed by various units including intelligence-federal task force (10), traffic/mounted patrol (9), communications (8), and homicide (5). The remaining 25 employees were from 16 other units. We obtained detailed reports of overtime by day from the department's timekeeping system for the top 5 overtime wage earners (based on

⁷ This analysis includes all commissioned employees regardless of hire date, and civilian employees hired after the SLMPD moved to local control in September 2013. Overtime for civilians hired prior to local control is identified as a payroll adjustment in the department's timekeeping system and the adjustment amount includes other types of compensation in addition to overtime; therefore, these employees were excluded from our analysis. Commissioned personnel ranking higher than sergeant are exempt from overtime per the city's compensation ordinance No. 70791.

⁸ Personnel from the city's Information Technology Services Agency generated the report.

⁹ For police sergeants, the Budget and Finance division must periodically prepare a spreadsheet and perform calculations to determine the number of hours each sergeant worked in excess of 160 in a 28 day period as outlined in the city's payroll ordinance. We obtained all sergeant overtime spreadsheets for payments made in fiscal year 2019 for our analysis.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

percentage) and noted they worked a combined total of 8,551 hours of overtime, an average of 1,710 hours each. That is an average of 73 hours worked per week for each employee.

SLMPD Budget and Finance division personnel indicated the majority of overtime hours were due to staffing shortages in the department. The SLMPD officials indicated they are continuing efforts to fill vacancies, including continuation of the cadet program and offering a higher starting salary for police officers. The Mayor and Chief of Police also testified before the Missouri House Judiciary Committee in January 2020 in support of lifting the residency requirement with the intent of filling vacancies. The Chief of Police testified the SLMPD has been operating from 100 to 150 officers below the department's authorized strength of 1,340 officers for at least the past 3 years. At the time of the hearing, the department was 138 officers short, or approximately 10 percent less than the authorized strength.

Monitoring of overtime

The SLMPD has limited procedures for monitoring overtime. The department primarily relies on supervisors to ensure any overtime worked by employees is reasonable and necessary. All employees submitting overtime hours must enter comments in the timekeeping system to explain the reason(s) for overtime hours worked and all overtime must be approved by a supervisor.

The only other process in place to monitor overtime usage and detect any unusual activity is a budget review performed by the SLMPD's Budget and Finance division. Division personnel periodically review a budget to actual report of all departmental expenses and distribute it to all civilian and commissioned commanders. This review includes base salaries and overtime; however, it is performed at a high level and is not documented. Budget and Finance division personnel responsible for reviewing this report indicated that due to ongoing staffing shortages in the department, they would only be concerned and perform further investigation if the combined amount of overtime and salaries exceeded the budgeted amount. The review does not include a targeted review of salaries and overtime at the division level and the SLMPD does not generate other reports or perform other procedures to identify and evaluate unusual, unexplained, or disproportionate overtime usage.

Conclusion

While overtime may be necessary to address staffing shortages, the SLMPD should remain diligent in identifying unusual or unexplained changes to ensure resources are properly allocated to those areas most in need. According to guidance from the National Institute of Justice¹⁰ (NIJ), because improper

¹⁰ National Institute of Justice, Research Brief: Police Overtime, 1998. In May 2020, we contacted the National Institute of Justice and their personnel verified that that this guidance for police overtime is the most recent guidance published on this topic and still represents their position on the topic.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

uses of overtime typically occur in the form of large and undetected overtime earnings by individuals or units, police departments should analyze patterns of overtime expenditures by individuals, by units, and by the nature of the work performed. In addition, the NIJ recommends police departments identify unusual payouts to individuals or units. Monitoring trends in the overtime usage of high users would allow the SLMPD to identify and investigate cases of potential improper uses of overtime.

Recommendation

The SLMPD should ensure there is sufficient oversight of overtime on a division and department-wide basis to better identify unusual, unexplained, or disproportionate use of overtime.

Auditee's Response

This recommendation has been implemented.

The department has experienced a large number of vacancies that has necessitated the use of overtime to backfill both commissioned and civilian positions. The department is a 24/7 operation and dispatchers and officers must be available to answer and respond to calls for service.

The department also has grants that require specialized skills that limit the number of officers that can perform the work required. For example, the Motor Carrier Safety Assistance Program involves officers with specialized training conducting traffic stops of semi-trailers and conducting safety inspections. Also, when homicide detectives start working a case they may work 24 hours straight to develop leads and question witnesses.

Additional overtime comes with a need for additional transparency on the number of hours of overtime worked by officers and by civilians.

Every two weeks commanders receive an email listing the overtime hours worked year-to-date and during the pay period for every employee. This will permit greater scrutiny by commanders and their subordinates and increase accountability.

In addition, every two weeks commanders receive a report highlighting employees who work more than 50 percent above the norm of hours for their class title.

3. SLMPD Accounting Controls and Procedures

The SLMPD's accounting controls and procedures need improvement. Various divisions within the department receive payments. The majority of this money is transmitted to the SLMPD's Budget and Finance division. That division also receives some payments directly, and this money along with the money received from the other divisions is transmitted to the Treasurer's office. Some payments such as bonds received by the Prisoner Processing section or collections by the Private Security section, are deposited directly into a SLMPD bank account.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

3.1 Receipting procedures

Weaknesses exist in receipting payments received by the Budget and Finance division.

Budget and Finance division personnel do not issue receipt slips for checks or money orders received. Division personnel also do not record these receipts on a receipt log. Receipt slips are only issued for cash that is initially received by the division. However, copies of checks and money orders are retained and attached to the stamped copy of the receipt coding form returned by the Treasurer's office after a deposit has been made. Special Order 2-06 requires that receipt slips be issued for any cash or checks received; this applies department-wide.

To properly account for all receipts and ensure payments received are accounted for properly and transmitted for deposit, official pre-numbered receipt slips should be issued in numerical order for all payments received or all receipts should be recorded on a log and receipts should be reconciled to receipt records as required.

3.2 Transmittals and deposits

Transmitting and depositing procedures for the Fitness Center, Records division, and Prisoner Processing section need improvement.

Fitness center

Fitness Center personnel do not always transmit fees collected timely and do not restrictively endorse checks or money orders immediately upon receipt. Checks and money orders are not restrictively endorsed until Fitness Center personnel prepare transmittals for the Budget and Finance division. The Fitness Center is part of the SLMPD Police Academy and the facilities are offered to all department personnel, their families, and any federal, state, or local government employees. The Fitness Center collects annual membership and access card fees. During fiscal year 2019, the Fitness Center transmitted receipts to the Budget and Finance division totaling \$7,640.

During fiscal year 2019, the Fitness Center made 7 transmittals that ranged from \$60 to \$5,175. The receipts associated with these 7 transmittals were held by the Fitness Center for 6 to 62 days before transmittal to the Budget and Finance division. Special Order 2-06 requires receipts received to be transmitted to the Budget and Finance division weekly. Of these transmittals, only 1 included receipts that had been held for less than a week.

Records division

The Records division does not always transmit receipts intact. The Records division receives payments for police reports, background checks, and fingerprinting services. The division collected and transmitted receipts to the Budget and Finance division totaling approximately \$85,000 during the year ended June 30, 2019.

Our review of receipts collected on January 5, 2019 (Saturday) and January 7, 2019 (Monday) identified 3 receipts, totaling \$31, excluded from the next



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

transmittal. Weekends are not considered official business days and the standard practice is to transmit these receipts on the next business day. All other receipts collected on these 2 days were transmitted at the end of the next business day as expected. Division officials could not explain why the receipts were not in that transmittal. The receipts were in the subsequent transmittal.

Fugitive bonds

The Prisoner Processing section does not always timely deposit fugitive cash bonds. This money is collected for individuals arrested and held on charges from other jurisdictions. During fiscal year 2019, the section collected approximately \$120,000 in fugitive cash bonds.

Collections are often deposited several days or more after receipt, allowing a significant amount of cash to accumulate. We reviewed deposits and associated receipts for a 14-day period in December 2018 and another 14-day period in March 2019. The periods selected included 4 deposits. During these periods, we noted deposits did not occur timely. For example, collections totaling \$11,049 receipted in November 2018 and December 2018 were deposited from 2 to 21 days later (14 of 20 bond receipts were held longer than 7 days). Although the timeliness of deposits made in subsequent periods improved, we still noted bond payments held for up to 8 days prior to deposit.

Conclusion

To safeguard receipts and to reduce the risk of loss, theft, or misuse of money received, procedures should be established to ensure all receipts are transmitted or deposited timely and intact. In addition, checks and money orders should be restrictively endorsed upon receipt.

3.3 Bank accounts and outstanding checks

The department's handling of bank accounts needs improvement. In addition, the SLMPD has not established procedures to routinely follow up on outstanding checks.

Fugitive bond account

The department incurred fees in the fugitive bond bank account that were not reimbursed by the Budget and Finance division timely. As a result, the reconciled book balance of the account was negative \$46 as of June 2019.

We reviewed monthly bank statements and bank reconciliations for the fugitive bond bank account for fiscal year 2019. The department incurred monthly bank service charges and fees for purchasing checks totaling \$673 during this period. In June 2019, the Budget and Finance division reimbursed the account approximately \$1,014. This reimbursement covered nearly 2 years (April 2017 through February 2019) of monthly bank service charges and fees for purchasing checks.

The money in the fugitive bond account is owed to other jurisdictions. If fees are not reimbursed timely, the account is at risk of having insufficient funds for required disbursements and the reconciled book balance being negative.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

Outstanding checks

The Budget and Finance division does not have adequate procedures to follow up on outstanding checks.

- Our review of the June 2019 bank reconciliation for the property custody account noted 2 checks (\$583) have been outstanding more than 5 years.
- As of April 2019, the Budget and Finance division was holding 3 payroll checks (\$36,300) for former employees. These checks were issued between February 2015 and November 2016. Budget and Finance personnel indicated these payroll checks were held for safekeeping because they did not have and could not locate proper contact information for the rightful owner. After we discussed this issue with division personnel, they located one of the former employees and issued a replacement check in May 2019.
- As of June 2019, 5 checks (\$1,358) written from the fugitive bond account have been outstanding for more than 5 years.

Procedures to routinely follow up on outstanding checks are necessary to prevent money from accumulating in accounts and ensure it is appropriately disbursed to the payee or as otherwise provided by state law.

Similar conditions
previously reported

We noted similar conditions to sections 3.1 and 3.2 in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis Department of Public Safety*, Report No. 2018-119, released in November 2018, department officials indicated these previous recommendations had been implemented; however, we found that corrective action taken was not always effective and problems continue to exist.

Recommendations

The SLMPD:

- 3.1 Ensure pre-numbered receipt slips are issued for all payments received or all receipts are recorded on a log.
- 3.2 Transmit and deposit receipts timely and intact, and ensure checks and money orders are restrictively endorsed upon receipt.
- 3.3 Closely monitor the activity of the fugitive bond bank account and ensure monthly bank service charges and fees are reimbursed timely. In addition, the SLMPD should routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the money should be disposed of in accordance with state law.

Auditee's Response

- 3.1 *This recommendation has been implemented.*



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

Employees have received re-instruction on correct procedures. Checks are restrictively endorsed upon receipt and cash is logged by a different employee in Budget and Finance than the one tasked with preparing the Receipt Coding Form (RCF) and deposit slip submitted to the Treasurer's office. The Treasurer's office then returns a stamped copy of the RCF and a copy of the deposit slip to Budget and Finance. These copies are attached to the backup documentation for the deposit which includes check copies and receipts.

3.2 *This recommendation has been implemented.*

Employees have received re-instruction on correct procedures. Checks and money orders are restrictively endorsed upon receipt by the Police Academy, Prisoner Processing section, and Records Division. Police Academy deposits are picked up weekly by Budget and Finance and taken to the Treasurer's office for deposit. Fugitive bond account deposits are made twice per week by a commissioned officer.

3.3 *This recommendation has been implemented.*

Employees have received re-instruction on correct procedures. After 90 days unclaimed payroll checks are returned to the Treasurer's office. The two remaining outstanding payroll checks have been returned to City Hall. These two checks were payable to deceased employees and can't be released without proper court documentation. Outstanding fugitive bond account checks are in the process of being sent to the state's unclaimed property division. Bank service charges are reimbursed to the Fugitive Bond Account on a monthly basis.

4. Vehicle Maintenance and Use Allowance

The Building Division and St. Louis Fire Department (STLFD) procedures for authorizing and calculating monthly vehicle maintenance and use allowances (vehicle allowances) need improvement. During the fiscal year ended June 30, 2019, the city paid approximately \$381,900 to DPS employees for monthly vehicle allowances.

4.1 Application of policies

The 3 DPS sections that provide monthly vehicle allowances (Building division, Fire department, and Neighborhood Stabilization team) interpret when allowance amounts should be reduced by ordinance differently. As a result, allowance payment amounts vary and Building Division and STLFD allowances may not be reduced as required.

The city's compensation ordinance, codified in city code section 4.10.020, states city employees who are required by their appointing authority to routinely use their personal vehicle in the performance of their job duties shall be compensated by receiving a vehicle allowance of \$270 per month. The



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

ordinance also states that eligible employees who use their personal vehicle with reduced frequency shall be entitled to a vehicle allowance that is reduced in proportion to the reduced frequency of use.

In order for DPS employees to receive the vehicle allowance, the applicable division's payroll section submits a listing of employees and allowance amounts monthly to the Comptroller's office.

Building division

The Building Division Commissioner indicated the division only reduces the monthly vehicle allowance if an employee does not physically work more than 10 days during a month. Records provided indicated all employees received the full monthly vehicle allowance during fiscal year 2019. The city paid monthly vehicle allowances totaling approximately \$292,800 to Building division employees during fiscal year 2019. The number of division employees receiving the allowance averaged about 90 employees per month.

Fire department

The St. Louis Fire Department (STLFD) Fiscal Services Manager indicated the department does not reduce the monthly vehicle allowance for any employees because they are considered to be on-call emergency personnel and respond to calls even when off duty or on vacation. Records provided indicated all employees received the full monthly vehicle allowance during fiscal year 2019. The city paid monthly vehicle allowances totaling approximately \$18,400 to 7 STLFD employees during fiscal year 2019.

Neighborhood Stabilization team

The Neighborhood Stabilization Team's Office Specialist indicated the division reduces the monthly vehicle allowance proportionately for every 40 hours an employee does not physically work. For example, if an employee did not physically work 40 hours in a given month, his/her monthly vehicle allowance would be paid an allowance of \$202.50 (75 percent). We noted that at least 1 employee per month, and often several employees, received a pro-rated vehicle allowance during fiscal year 2019. The city paid monthly vehicle allowances totaling approximately \$70,700 to 27 Neighborhood Stabilization team employees during fiscal year 2019.

Conclusion

To ensure vehicle allowances are properly paid in a fair and equitable manner, the DPS should ensure the provisions governing vehicle allowances are consistently applied.

4.2 Overpayment

STLFD procedures for monitoring employee eligibility for the monthly vehicle allowance need improvement.

As a result of our inquiries regarding the accuracy and completeness of data provided by the STLFD of vehicle allowances paid, the Fiscal Services Manager identified one employee who continued to receive a monthly vehicle allowance in error. Effective February 2019, this employee was promoted to Acting Captain and provided an official department vehicle that he was



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

allowed to take home for on-call purposes. However, he continued to receive the monthly vehicle allowance from February 2019 through February 2020, resulting in an overpayment of \$3,510. The Fiscal Services Manager indicated a lack of communication at the time of the employee's promotion allowed the error to occur, and the department has initiated the process of recovering the overpayment.

To ensure only eligible employees receive the vehicle allowance the STLFD should review division payroll records prior to sending the payment request to the Comptroller.

Recommendation

- 4.1 The Building Division and STLFD review and consistently apply the city ordinances governing monthly vehicle allowances.
- 4.2 The STLFD establish procedures to ensure only eligible employees receive the monthly vehicle allowance.

Auditee's Response

- 4.1 *This recommendation has been implemented.*

The Director of Public Safety sent out Executive Memorandum No. 17 instructing all divisions to review their Vehicle Maintenance and Use Allowance policy and procedures and, if required, implement any changes necessary to be in compliance with the city's compensation ordinance. The memorandum also included a rate chart that could be used to calculate allowance reductions in proportion to the reduced frequency of use.

- 4.2 *This recommendation has been implemented.*

The STLFD's Administrative Office developed a monthly automobile allowance log to track who is eligible to receive the allowance and for how many days.

5. Expenditures

Some DPS departments did not prepare disbursement vouchers timely, and as a result, one department paid unnecessary late fees.

As invoices and other supporting documentation for expenditures are received, the documents are reviewed, approved for payment, and a disbursement voucher is prepared. Upon completion of the disbursement voucher, it is submitted to the Comptroller's office for recording in the city's general ledger and for payment.

During our review of expenditures we reviewed invoices, receipts, disbursement vouchers, and other supporting documentation. We reviewed 92 SLMPD and 53 STLFD expenditures from fiscal years 2018 and 2019 and identified the following issues:



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

- The SLMPD held 10 invoices, totaling over \$27,000, from the same vendor for up to 11 months before creating and sending a disbursement voucher to the Comptroller's office for payment. Invoices held were dated the last calendar day of January 2017 through November 2017, excluding September 2017. The late fees payment for these invoices totaled approximately \$1,100.

SLMPD Budget and Finance division officials indicated they held these invoices because they had to pay unexpected consulting services expenditures from the professional services budget. The consulting services were part of an agreement with the former Chief of Police upon his resignation in April 2017. The agreement included a provision for the former Chief to provide consulting services for a 1-year period and receive bi-weekly payments at his previous annual salary. Due to the timing of the agreement, these expenditures were not budgeted for fiscal year 2017 or fiscal year 2018.

Division officials indicated and the city's Budget division verified the SLMPD initiated a budget transfer in December 2017, more than 10 months after the first vendor invoice was received. This was also more than 7 months after the start of the unexpected consulting agreement. SLMPD personnel prepared the disbursement voucher for these 10 invoices soon after the transfer was approved; however, as previously noted, the disbursement vouchers were prepared up to 11 months after the invoices were received and the department had already incurred late fees.

The SLMPD held an invoice for global positioning system tracking for almost 9 months and another invoice for new fitness equipment for more than 3 months before preparing disbursement vouchers and submitting them to the Comptroller's office for payment. Personnel could not explain why these invoices were not processed timely.

- The STLFD did not process 5 of the 12 emergency medical services billing services invoices timely. These invoices were held for 38 to 77 days before preparing and submitting a disbursement voucher to the Comptroller's office for payment.

To prevent unnecessary late fees, procedures should be in place to ensure disbursement vouchers are prepared and submitted timely to the Comptroller's office for payment. When necessary, budget transfers should be requested timely to minimize any delay in paying vendors.

Recommendation

The SLMPD and STLFD prepare disbursement vouchers for expenditures and request budget transfers timely.



Auditee's Response

This recommendation has been implemented.

The appropriate SLMPD employees have received re-instruction on correct procedures. The SLMPD will submit budget transfer requests within 30 days of an unbudgeted expense and inform city administration when an unbudgeted expense such as additional overtime due to civil unrest has been incurred.

The STLFD hired an Emergency Medical Service accountant who, prior to the audit, developed a spreadsheet and has been logging and tracking invoices to ensure payments are prepared and submitted on time.

6. SLMPD Assets

Weaknesses exist in the SLMPD's asset controls and procedures. Per the SLMPD's capital asset listing, the department held land, buildings, vehicles, and other capital assets valued at approximately \$102.7 million at June 30, 2019.

6.1 Capital assets

Our review of capital asset records noted items were not always recorded accurately, items were not always tagged or identified as SLMPD property, and some items could not be located.

City and SLMPD policy classify any asset with a value of \$5,000 or more as a capital asset. The Budget and Finance division maintains a centralized capital asset database. This database includes the asset number, description, type, serial number (if applicable), date acquired, location, and acquisition price.

The SLMPD Supply division also tracks most SLMPD capital assets, excluding vehicles, in a separate database. Asset tag numbers are only assigned and tracked in the Supply division database. The Supply division coordinates an annual department-wide capital asset inventory.

We tested 20 capital assets in various locations. We selected 10 capital assets from the Budget and Finance database to trace to the asset location and the other 10 from various SLMPD locations to trace to asset records. Fourteen of the 20 assets should have been included in the Supply division database as well as the Budget and Finance division database. We identified the following issues:

- The Supply division did not accurately record 4 capital assets in its database and 2 of the items, a computer driving simulator and a computer shooting simulator, were classified as missing, in error, by the Supply division in 2014. Supply division personnel indicated the 2 assets are still in use and located in the Police Academy and the division did not receive proper notification when the assets were moved between divisions.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

- One item (surveillance equipment located in an undercover vehicle) observed was not recorded in either the Budget and Finance or Supply division databases but department personnel indicated it was a capital asset.
- One item (SWAT robot) did not have a property tag affixed and the item's serial number was not recorded in the Budget and Finance or the Supply division database. The Supply division database showed a property tag had been assigned.
- One item (digital robot for bomb and arson detection) could not be located.

According to Supply division personnel, the inventory process utilizes Supply division asset records and includes a process for divisions to include additional assets or assets transferred. However, the Supply division's manager indicated divisions do not always follow the instructions provided to each section or unit at the time of the annual inventory or perform an adequate review of their assets. Special Order 2-06 requires that sections or units submit a form to the Supply division for each asset that is moved between sections or units.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage. Property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the city.

6.2 Firearms

Armory personnel do not update the firearms database timely and, as a result, the database is not complete and accurate. While firearms do not meet the city's definition of a capital asset, the department tracks them due to the nature of the items and susceptibility to loss or theft.

The firearms database includes various identifying information such as serial number, make, and model; the status of the firearm such as issued, safekeeping, in-stock, and other; and the name of the officer to whom the firearm is issued, if applicable. In order for the department to keep accurate records, Armory personnel are required to update the database for all changes such as issuing a firearm to an officer, new purchases, disposals, and firearms needing repair.

Our review identified 5 of 15 (33 percent) firearms tested were sold by the SLMPD in 2017 but still listed as "in-stock" in the database. According to SLMPD personnel, the department sold approximately 2,500 firearms during 2017; however, the Armory did not update the firearms database and these



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

firearms were still listed as "in-stock" at the time of our review. Also, 1 of 15 (7 percent) firearms tested was listed as "in-stock" in the database but other records indicated it had been issued to a police officer.

Timely updates to firearms records are necessary to ensure records are complete and accurate and safeguard sensitive city assets that are susceptible to loss, theft, or misuse.

6.3 Computer equipment inventory

Approximately \$439,000 of computer equipment purchased between 2005 and 2019 was stored at the SLMPD's Supply division warehouse at June 30, 2019. The equipment includes central processing units, printers, and scanners. Department personnel indicated that, through consultation with the city's Information Technology Services Agency (ITSA), purchased items are placed in the usage rotation within a reasonable period of time and most items are used or placed in service within 180 days of receipt. Approximately \$53,200 (12 percent) of the equipment was purchased prior to January 2019, and approximately \$21,600 (5 percent) was purchased prior to July 2018. Department personnel could not explain why some equipment on hand had been stored for an extended period of time and not placed in service or otherwise disposed of.

In the *Follow-Up Report on Audit Findings City of St. Louis Department of Public Safety*, Report No. 2018-119, released in November 2018, the department stated the SLMPD employs a common sense, two-pronged approach to maintaining sensible inventory levels. Personnel responsible for ordering computer equipment estimate a quantity that will last no more than a calendar year and can be stored within a reasonable area at the department's Supply division warehouse. However, based on the amount of older inventory on hand, the department is not always adhering to this process.

Acquiring equipment when it is not immediately needed is not a prudent use of public funds. In addition, because of rapid changes in technology, this equipment could be outdated before it is taken out of storage. To ensure computer equipment does not become obsolete before utilized, the SLMPD should refrain from purchasing equipment that cannot be placed into service timely. To increase the probability that the department will be able to recover some costs or otherwise provide a useful benefit to the city, the SLMPD should determine if any stored equipment can be used for immediate city needs and dispose of any unneeded items.

Similar conditions previously reported

As noted above, similar conditions were noted in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis Department of Public Safety*, Report No. 2018-119, released in November 2018, the department stated these previous recommendations had been implemented; however, we found that corrective action taken was not always effective and problems continue to exist.



Recommendations

The SLMPD:

- 6.1 Ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset. The SLMPD should also ensure SLMPD personnel promptly record asset purchases, transfers, and dispositions in the databases; properly tag all applicable city property; and ensure annual inventories are sufficient to detect errors and review all assets.
- 6.2 Ensure the Armory updates firearm records timely to reflect the current location and status of firearms.
- 6.3 Work with the ITSA to ensure only equipment that is necessary and readily able to be placed into service is purchased. In addition, the SLMPD's Supply division should work with the ITSA to determine if any of the computer equipment in storage can be used by other divisions or other city departments, and dispose of items that cannot be used.

Auditee's Response

- 6.1 *This recommendation has been implemented.*

The digital robot for bomb and arson detection was located after the fieldwork for the audit was completed. The supporting documentation was provided to the auditors.

The Supply and Budget and Finance divisions will send teams to do annual spot checking at randomly chosen units. Assets at these units will be physically inspected to determine if inventories were performed properly and accurately. Each Unit Commander shall reconcile any discrepancies.

- 6.2 *This recommendation has been implemented.*

The Armory has updated its records to reflect the location and status of all firearms. All firearms are accounted for. SLMPD has implemented procedures to ensure records timely and accurately reflect the current location and status of all firearms.

- 6.3 *This recommendation has been implemented.*

The Information Technology Services Agency staff will conduct an annual review of equipment stored for more than one year and offer equipment not needed to other city departments.

7. Time Records

The Building and Corrections divisions do not require timesheets or other documentation for hours worked for some division employees, in violation of city personnel regulations.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

The Building Division Commissioner does not require his Executive Assistant, Payroll Manager, or Payroll Specialist to prepare and submit timesheets. The Corrections Division Commissioner does not require his Payroll Manager, Detention Center Superintendent, or Correctional Program Manager to prepare and submit timesheets. Division personnel indicated these individuals must still submit formal leave requests for approval.

The City of St. Louis Department of Personnel Administrative Regulation No. 134 states "it is the responsibility of each appointing authority to assure that employees on their payroll have actually worked the time for which they are paid" and also states "all departments shall keep daily attendance records." Without timesheets or other daily attendance records, the DPS cannot assure all employees have actually worked the time for which they are paid. Detailed timesheets would document hours actually worked and are beneficial in demonstrating compliance with the city policies.

Recommendation

The Building and Corrections divisions require all employees prepare detailed timesheets or other documentation for time worked.

Auditee's Response

This recommendation has been implemented.

The Building Division and the Corrections Division now require all employees to prepare detailed timesheets.

8. Sunshine Law

The Civilian Oversight Board (COB) discussed some topics in closed session that are not allowable under the Sunshine Law. Closed meeting minutes indicate the COB discussed new and existing COB and SLMPD policies and had a guest speaker discuss the SLMPD's search and seizure policy with COB staff and board members.

Section 610.022, RSMo, provides that the discussion topics in closed meetings should be limited to only those specifically allowed by law.

Recommendation

The COB ensure only topics allowed by state law are discussed in closed meetings.

Auditee's Response

This recommendation has been implemented.

Legal counsel was contacted for advice and Sunshine Law limitations were reviewed with COB Board Members. COB staff is reassessing its agenda content to ensure that matters set for discussion in closed sessions meet the requirements of state law. Cases discussed by the Board involve civilian complainants and accusations against SLMPD officers, so the need for discretion is a serious concern. The Board will likely discuss cases that do not involve discipline in open session, which will require Board members to guard the names of the parties involved with use of generic terminology



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

(Complainant/Officer). While this may create a challenge for the Board it also presents an opportunity for the community to hear more of the particulars regarding complaints that are under review.

9. SLMPD Written Agreements

The SLMPD does not have a formal written agreement with the St. Louis Cardinals for performing bomb and explosive detection services for events held at Busch Stadium. The SLMPD billed and was paid more than \$44,000 for these services during fiscal year 2019. Department officials indicated they have been unable to agree on terms of a written contract because of various legal matters, including ownership of the explosives detection dog. Officials indicated both parties previously entered into a written contract, but at least 5 years have elapsed since that contract expired.

Section 432.070, RSMo, requires contracts for political subdivision to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

Recommendation

The SLMPD enter into written agreements as required by state law.

Auditee's Response

This recommendation has been implemented.

The SLMPD enters into agreements according to city policy. The contractual issue described is resolved as the SLMPD is no longer providing a detection dog to the Cardinals organization.

10. Fire Department Merchandise Account

The STLFD maintains money in a bank account outside the city treasury, in violation of city charter. The account was established in 2015 with a loan from a not-for-profit organization whose mission is to support the STLFD. The loan was subsequently repaid the following year. The account is used to deposit the proceeds from the sale of STLFD merchandise including shirts, hats, and other logo apparel.

STLFD personnel indicated this account is held outside of the city treasury because no city money is associated with the account. At June 30, 2019, the cash balance of the bank account was approximately \$1,300. The STLFD received approximately \$4,000 from the sale of STLFD merchandise and disbursed approximately \$5,300 from this account during the fiscal year. Purchases included approximately \$3,450 for new merchandise, \$1,600 for hosting community festivals for children, and \$250 for other miscellaneous items. While these purchases seem reasonable, expending money outside of the city's normal budgeting and disbursement process increases the risk of it may be misused or spent unnecessarily.



City of St. Louis - Department of Public Safety
Management Advisory Report - State Auditor's Findings

The money associated with this account was initially loaned to the STLFD, the STLFD is responsible for purchasing and selling the merchandise, and the STLFD controls the proceeds; therefore, this money looks like it belongs to the city. Article XV, Section 24 of the St. Louis City Charter requires all money belonging to the city received by an officer or agent thereof be deposited daily in the treasury division unless otherwise provided by law or ordinance, and any delinquency in this respect shall be reported promptly by the Treasurer to the Mayor and to the Comptroller.

Recommendation

The STLFD transfer the balance of the bank account to the Treasurer and close the account.

Auditee's Response

This recommendation has been implemented.

Merchandise sales are no longer a function of the STLFD. Sales are now handled by the St. Louis Fire Foundation, which is not a city entity. Thus, the St Louis Fire Foundation, not the STLFD, now maintains and controls the bank account.

City of St. Louis - Department of Public Safety

Organization and Statistical Information

The mission of the DPS is to safeguard the city's state of well-being, protect lives and property, and ensure the safety of the individuals who live, work, and visit the city. The DPS consists of the Director's Office and 8 divisions. Jimmie Edwards was appointed as the DPS Director on November 6, 2017.

The DPS is the largest municipal government department and at June 30, 2019, the department had 3,129 full-time and 106 part-time employees.

The department consists of the following sections:

Director's office

The Director's office is responsible for oversight of the department. The Director serves as the appointing authority for the department divisions, establishes department-wide policy, and provides direction for human resource management. The office also prepares billings for state and federal prisoners, administers federal grants related to public safety, approves dance hall licenses, issues brick dealer licenses, and oversees the contract for issuing burglar alarm permits and false burglar alarm violations.

St. Louis Metropolitan Police Department

In November 2012, voters approved Proposition A allowing the City of St. Louis to establish a locally controlled municipal police department, replacing the state-controlled police department. The city accepted responsibility, ownership, and liability as successor-in-interest for contractual obligations, indebtedness, and other lawful obligations of the former Board of Police Commissioners of the Police Department on September 1, 2013. Colonel John Hayden, Jr., was appointed Chief of Police (Police Commissioner) on December 28, 2017.

The SLMPD consists of 6 police districts and is organized as follows:

The Office of the Assistant Chief oversees the cadet program, emergency management, asset removal, and special projects.

The Bureau of Community Policing includes the 6 police districts and the associated 3 area stations, district detectives, and the housing authority unit.

The Bureau of Specialized Enforcement includes the special operations investigators; the drug enforcement and intervention, mobile reserve, special weapons and tactics, canine, aviation, and traffic/mounted patrol units; Motor Carrier Safety Assistance Program; park rangers; and the public transportation unit.

The Bureau of Investigative Services includes the homicide, bomb and arson, juvenile, and sex crimes/child abuse units; domestic abuse response team; and police officers assigned to the Circuit Attorney's Office as investigators.



City of St. Louis - Department of Public Safety
Organization and Statistical Information

The Bureau of Professional Standards includes the police academy and police trainees, internal affairs, force investigation unit, private security, planning and research, the Commission on Accreditation for Law Enforcement Agencies, the officer wellness coordinator, and the crime laboratory.

The Police Chief's office oversees the Auxiliary Services section that includes property custody, communications, telephone reporting, records, warrant/fugitive, prisoner processing, and city marshals. The office also oversees the Telephone Solutions and Investigations section that includes various intelligence functions including federal task force officers, real time crime center, crime analysis, and others.

The department also has various other administrative support divisions such as purchasing, supply/uniform, information technology, cybercrime, operational planning, budget and finance, and public information.

The reporting structure listed above is as of the time of the audit. However, department officials indicated the organizational structure is not static and, instead, remains flexible in order to adapt to the changing dynamics within the profession and the community.

Fire Department

The Fire department is organized into five bureaus that include Administrative Services, Fire Prevention, Operations, Support Services, and Emergency Medical Services. The department is responsible for fire prevention, fire suppression, and emergency medical services. The department enforces provisions of ordinances for fire prevention, carbon monoxide detectors, smoke detectors, and hazardous materials by reviewing fire protection system plans, inspecting existing structures, and reviewing applications for permits. The department also manages a contract for billing patients for emergency medical services.

Excise Division

The Excise division is responsible for the regulation and control of liquor. The division determines licensing in accordance with the city liquor code, authorizes issuance of all liquor and non-intoxicating beer licenses, enforces city liquor laws and ordinances, and initiates civil action to suspend, cancel, or revoke licenses when violations occur.

Building Division

The Building division is responsible for ensuring residents and businesses comply with the city's building codes and other national codes that regulate new construction and the maintenance of existing buildings. The division issues trade and occupancy building permits, conducts inspections, demolishes vacant buildings, and enforces zoning ordinances.



City of St. Louis - Department of Public Safety
Organization and Statistical Information

Neighborhood Stabilization Team

The Neighborhood Stabilization Team's mission is to empower constituents to sustain a quality environment within their neighborhood through assistance, education, intervention, and organization. The office employs 24 Neighborhood Improvement Specialists who identify and address issues and provide follow up with Aldermen, citizens, neighborhood groups, block units, police, and other city departments. The office also includes the Citizens' Service Bureau that registers and routes city service requests, answers citizen requests for information, and provides city departments with statistics.

City Emergency Management Agency

The City Emergency Management Agency is responsible for maintaining mitigation, preparedness, response, and recovery programs for disasters or other emergencies. The agency directs the operation and maintenance of the Emergency Operations Center, oversees the operation and maintenance of an outdoor warning siren system, and oversees the operation and maintenance of a free emergency alert mass notification system. The agency is also involved with emergency preparedness training for citizens.

Division of Corrections

The Division of Corrections operates the City Justice Center and Medium Security Institution. The division is responsible for providing for the care, custody, and control of incarcerated individuals.

Civilian Oversight Board

The Civilian Oversight Board is responsible for reviewing and investigating citizen complaints alleging misconduct by SLMPD officers. The board makes independent findings and recommendations on complaints from the community.



Appendix A
City of St. Louis - Department of Public Safety
Additional Comments Provided by the Department of Public Safety



LYDA KREWSON
MAYOR

City of St. Louis
OFFICE OF THE DIRECTOR
DEPARTMENT OF PUBLIC SAFETY
1200 MARKET STREET, ROOM 401
ST. LOUIS, MISSOURI 63103-2860
(314) 622-3391
FAX: 622-4392



JIMMIE M. EDWARDS
DIRECTOR

September 3, 2020

Nicole Galloway, CPA
Missouri State Auditor
State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

Dear Ms. Galloway,

Thank you for conducting a thorough audit of the City of St. Louis' Department of Public Safety. Your objective assessment and feedback will help the Department of Public Safety maintain an efficient operation and provide transparency to the public.

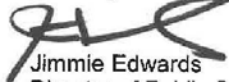
The Department has carefully reviewed your recommendations and offers the attached responses. This also confirms that your recommendations to make the Department of Public Safety more accountable and efficient have been implemented.

Four of the Department of Public Safety's operating divisions (Excise, City Emergency Management Agency, Neighborhood Stabilization Team and Director's Office) received no audit findings. Based upon the published evaluation criteria of the Missouri State Auditor, if evaluated individually each of these divisions would receive a rating of EXCELLENT.

The remaining operating divisions including Civilian Oversight Board, Corrections, Building, St. Louis Fire Department and St. Louis Metropolitan Police Department did receive a few audit findings. Your audit recommendations for each of the divisions have been implemented. Based upon the published criteria of the Missouri State Auditor these divisions are also well managed. If evaluated individually, each of these divisions would receive a rating of GOOD.

It is worth noting here that the Commanders of the St. Louis Metropolitan Police Department had already identified, addressed, and corrected several issues involving operations within the department before your audit began. I agree that those issues are important to maintaining an effective operation. Again, thank you for your public service. If you have any questions, please don't hesitate to contact me.

Best regards,


Jimmie Edwards
Director of Public Safety

cc: Travis Owens, MBA, CPA, CFE, CGAP
Audit Manager

*Building Division • City Emergency Management Agency • Excise Division • Fire Dept./EMS
Neighborhood Stabilization/Citizens Service Bureau • Division of Corrections
St. Louis Metropolitan Police Department • Civilian Oversight Board
<http://www.stlouis-mo.gov/government/departments/public-safety/>*



Appendix B

City of St. Louis - Department of Public Safety SLMPD Duplicated Secondary Employment and Duty Hours

Employee Rank	Date	SLMPD (2)		Secondary Employer (2)		Total Hours Duplicated
		Time In (1)	Time Out (1)	Time In (1)	Time Out (1)	
Police Officer	6/22/2019	8:00	18:30	18:00	23:00	0:30
Police Officer	7/3/2018 - 7/4/2018 (3)	8:00	20:01	18:00	0:30	2:01
Police Officer	8/10/2018	6:50	8:50	7:30	15:15	1:20
	8/14/2018	8:00	10:00	7:00	11:00	2:00
	8/15/2018	9:00	10:00	7:00	10:30	1:00
Police Sergeant	8/10/2018	8:00	16:00	7:00	12:00	4:00
	8/25/2018 - 8/26/2018 (4)	23:10	11:11	7:00	12:00	4:11
Police Officer	11/6/2018	8:00	16:00	15:00	19:00	1:00
Total Duplicated Time						16:02

(1) Time in and time out is displayed on a 24 hour clock (military time).

(2) Time presented may not reflect all hours worked for the day. Only the employee's shift hours related to duplicate hours are presented. An employee may work a split shift for the SLMPD and/or their secondary employer.

(3) The police officer's secondary employment shift ended on 7/4/2018; all other shift times were on 7/3/2018.

(4) The police sergeant's SLMPD shift began on 8/25/2018; all other shift times were on 8/26/2018.

Appendix C

City of St. Louis - Department of Public Safety
SLMPD Secondary Employment Hours Not Recorded
Fiscal Year Ended June 30, 2019

Employee Rank	Period Reviewed (1)	Hours Not Recorded in the Timekeeping System	
Police Lieutenant	August 2018	11.75	
Probationary Police Officer	January 2019	20.00	
Police Officer	July 2018	19.00	
Police Officer	October 2018	12.12	
Police Officer	November 2018	62.50	
Police Officer	December 2018	18.00	
Police Officer	April 2019	16.50	
Police Officer	July 2018	12.00	
Police Officer	September 2018	19.00	
Police Sergeant	August 2018	13.83	
Police Officer	September 2018	40.40	
Police Officer	October 2018	8.00	
Police Officer	November 2018	33.75	
Police Lieutenant	December 2018	10.50	
Police Officer	July 2018	9.75	
Police Officer	August 2018	92.25	
Police Officer	October 2018	57.00	
Police Officer	November 2018	26.00	
Police Officer	December 2018	13.75	
Police Lieutenant	January 2019	4.75	(2)
Police Officer	February 2019	50.02	(2)
Police Officer	March 2019	28.00	(2)
Police Sergeant	August 2018	32.00	
Police Lieutenant	September 2018	38.50	
Police Officer	November 2018	91.83	(2)
Police Officer	April 2019	29.75	(2)
Police Officer	(3)	35.00	
Police Officer	(3)	11.75	(2)
Police Sergeant	(3)	68.47	(2)
Police Officer	(3)	56.26	
Police Officer	(3)	23.75	
		<u>966.18</u>	

(1) For 30 employees, we reviewed documentation from one of their secondary employers for one month. For another 30 employees we reviewed documentation from all of their secondary employers for one month. Finally, based on additional concerns received, we reviewed documentation for 5 employees with the same secondary employer and documentation for the entire fiscal year.

(2) Some hours worked during the period were recorded, The hours presented were not recorded.

(3) The SAO reviewed documentation for all of fiscal year ended June 30, 2019.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Clark County, Missouri

The Office of the State Auditor contracted for an audit of the Clark County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-078



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Clark County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-003	We recommend that the county formally document internal controls required under the <i>Uniform Guidance</i> .

THE COUNTY OF CLARK
KAHOKA, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

THE COUNTY OF CLARK
KAHOKA, MISSOURI
TABLE OF CONTENTS

	PAGE
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1-2
<u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances– All Governmental Funds- Regulatory Basis Year Ended December 31, 2019	3
Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis Year Ended December 31, 2019	4-20
<i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis As of December 31, 2019	21
Notes to the Financial Statements	22-37
<u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
<u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings	38
<u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	39-40
Schedule of Findings and Responses Year Ended December 31, 2019	41-42
Summary Schedule of Prior Year Findings and Responses	43-45

FINANCIAL SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Clark, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Clark ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

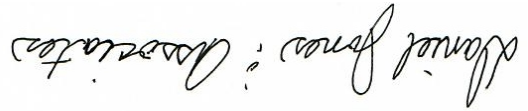
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2020, on our consideration of the County of Clark's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Clark's internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 25, 2020

FINANCIAL STATEMENTS

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH DECEMBER 31, 2019
General Revenue Fund	\$ 276,333.82	\$ 995,105.35	\$ 1,061,149.15	\$ 210,290.02
Special Road and Bridge Fund	165,305.10	1,284,021.84	1,304,732.27	144,594.67
Assessment Fund	20,244.77	153,738.93	125,434.23	48,549.47
One Half Cent Sales Road and Bridge Fund	81.16	309,547.55	316,707.88	(7,079.17)
Road and Bridge Escrow Fund	119,947.91	21,218.69	-	141,166.60
One Half Cent Sales Jail and Law Enforcement Fund	152,952.73	743,297.08	686,177.44	210,072.37
Civil Process Fund	8,546.31	10,167.71	6,935.75	11,778.27
Sheriff's Revolving Fund	8,870.59	5,205.00	6,950.96	7,124.63
Law Enforcement Training Fund	5,386.09	3,052.00	4,069.01	4,369.08
Inmate Security Fund	21,217.63	8,886.08	26,398.60	3,705.11
Peace Officers Standards Fund	124.61	1,344.22	1,468.83	-
Drug Enforcement Fund	1,052.34	-	-	1,052.34
Local Law Enforcement Block Grant Fund	35.19	-	-	35.19
Prosecuting Attorney Admin Handling Cost Fund	6,112.51	1,128.28	70.00	7,170.79
Prosecuting Attorney Training Fund	2,725.83	1,974.17	2,723.51	1,976.49
Senior Services Fund	20,767.55	55,710.68	60,103.00	16,375.23
Recorder Fund	20,474.02	3,368.79	6,135.09	17,707.72
Recorder Automatic Fund	13,397.55	1,611.25	1,700.24	13,308.56
Building Maintenance Fund	17,934.35	48,298.75	48,823.27	17,409.83
Local Emergency Planning Fund	14,821.89	2,975.38	4,843.42	12,953.85
Election Equipment Fund	4,987.81	4,049.30	1,875.00	7,162.11
Election Service Fund	2,180.31	443.23	-	2,623.54
Courthouse Sales Tax Fund	587,049.72	309,503.67	276,569.08	619,984.31
Courthouse Debt Service Fund	38,891.93	352,480.87	354,281.25	37,091.55
Domestic Violence Fund	3,458.75	3,360.14	-	6,818.89
Law Enforcement Restitution Fund	10,075.11	63,408.28	55,367.57	18,115.82
Tax Maintenance Fund	19,952.05	10,223.19	11,898.95	18,276.29
Office of Emergency Manager Grant Fund	-	36,625.00	36,625.00	-
	<u>\$ 1,542,927.63</u>	<u>\$ 4,430,745.43</u>	<u>\$ 4,401,039.50</u>	<u>\$ 1,572,633.56</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

GENERAL REVENUE FUND		
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 407,000.00	\$ 403,999.07
Sales Taxes	325,000.00	309,547.12
Intergovernmental	350.00	739.09
Charges for Services	163,746.00	159,017.25
Interest	13,000.00	14,240.95
Other	86,325.50	57,561.87
Transfers In	134,000.00	50,000.00
TOTAL RECEIPTS	1,129,421.50	995,105.35
DISBURSEMENTS		
County Commission	108,766.00	111,247.28
County Clerk	88,950.00	84,340.19
Elections	25,700.00	13,207.73
Building and Grounds	98,130.00	72,407.80
Treasurer	46,836.00	44,956.95
Collector	104,935.00	102,077.46
Recorder of Deeds	65,858.00	61,000.02
Circuit Clerk	15,900.00	9,033.16
Court Administration	23,403.00	23,445.47
Public Administrator	29,208.78	21,995.37
Prosecuting Attorney	98,173.00	91,751.51
Juvenile Officer	26,550.00	23,101.22
County Coroner	30,975.00	22,224.98
Emergency Fund	33,822.64	1,622.82
Other	77,715.00	75,737.19
Transfers Out	306,366.00	303,000.00
TOTAL DISBURSEMENTS	1,181,288.42	1,061,149.15
RECEIPTS OVER (UNDER) DISBURSEMENTS	(51,866.92)	(66,043.80)
CASH BALANCES, JANUARY 1	276,333.82	276,333.82
CASH BALANCES, DECEMBER 31	\$ 224,466.90	\$ 210,290.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

SPECIAL ROAD AND BRIDGE FUND		
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 695,000.00	\$ 699,132.97
Intergovernmental	564,052.00	574,608.38
Interest	5,000.00	4,661.04
Other	11,500.00	5,619.45
Transfers In	9,600.00	-
TOTAL RECEIPTS	1,285,152.00	1,284,021.84
DISBURSEMENTS		
Salaries	308,445.00	321,994.48
Employee Fringe Benefits	195,020.00	142,318.34
Supplies	171,300.00	126,584.53
Insurance	47,500.00	45,782.52
Road and Bridge Materials	185,030.90	292,392.20
Equipment Repairs	85,000.00	103,043.14
Rentals	400.00	400.00
Equipment Purchases	155,891.00	98,189.85
Road and Bridge Construction	150,000.00	85,575.85
Other	19,300.00	18,451.36
Transfers Out	132,570.20	70,000.00
TOTAL DISBURSEMENTS	1,450,457.10	1,304,732.27
RECEIPTS OVER (UNDER) DISBURSEMENTS	(165,305.10)	(20,710.43)
CASH BALANCES, JANUARY 1	165,305.10	165,305.10
CASH BALANCES, DECEMBER 31	\$ -	\$ 144,594.67

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THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ASSESSMENT FUND		ONE HALF CENT SALES ROAD AND BRIDGE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 325,000.00	\$ 309,547.55
Intergovernmental	125,000.00	132,307.44	-	-
Interest	625.00	656.14	-	-
Other	4,900.00	4,775.35	-	-
Transfers In	16,000.00	16,000.00	-	-
TOTAL RECEIPTS	146,525.00	153,738.93	325,000.00	309,547.55
DISBURSEMENTS				
Salaries	91,811.00	85,625.47	-	-
Employee Fringe Benefits	30,150.00	22,157.15	-	-
Office Supplies	3,000.00	2,849.78	-	-
Equipment	2,200.00	2,454.27	70,890.00	76,671.25
Mileage and Training	6,500.00	8,108.00	-	-
Postage	3,200.00	2,779.80	-	-
Mapping	3,000.00	952.00	-	-
Programming	1,000.00	-	-	-
Copier/Fax	7,000.00	507.76	-	-
Rock	-	-	237,860.00	240,036.63
Transfers Out	-	-	16,250.00	-
TOTAL DISBURSEMENTS	147,861.00	125,434.23	325,000.00	316,707.88
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,336.00)	28,304.70	-	(7,160.33)
CASH BALANCES, JANUARY 1	20,244.77	20,244.77	81.16	81.16
CASH BALANCES, DECEMBER 31	\$ 18,908.77	\$ 48,549.47	\$ 81.16	\$ (7,079.17)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ROAD AND BRIDGE ESCROW FUND		ONE HALF CENT SALES JAIL AND LAW ENFORCEMENT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 325,000.00	\$ 309,507.33
Intergovernmental	-	-	88,500.00	87,838.38
Interest	1,200.00	1,218.69	-	-
Other	-	-	152,500.00	105,951.37
Transfers In	20,000.00	20,000.00	240,000.00	240,000.00
TOTAL RECEIPTS	21,200.00	21,218.69	806,000.00	743,297.08
DISBURSEMENTS				
Salaries	-	-	481,556.00	465,182.32
Employee Fringe Benefits	-	-	114,000.00	84,613.83
Office Expenditures	-	-	16,100.00	15,216.74
Equipment	-	-	25,500.00	22,582.42
Prisoner Meals	-	-	26,500.00	26,067.19
Prisoner Board	-	-	4,000.00	4,131.36
Other	-	-	33,800.00	23,531.48
Building	120,000.00	-	-	-
Insurance	-	-	46,500.00	44,852.10
TOTAL DISBURSEMENTS	120,000.00	-	747,956.00	686,177.44
RECEIPTS OVER (UNDER) DISBURSEMENTS	(98,800.00)	21,218.69	58,044.00	57,119.64
CASH BALANCES, JANUARY 1	119,947.91	119,947.91	152,952.73	152,952.73
CASH BALANCES, DECEMBER 31	\$ 21,147.91	\$ 141,166.60	\$ 210,996.73	\$ 210,072.37

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THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	CIVIL PROCESS FUND		SHERIFF'S REVOLVING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ -	\$ 8,624.00	\$ 1,500.00	\$ 5,205.00
Interest	-	-	-	-
Other	9,400.00	1,543.71	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	9,400.00	10,167.71	1,500.00	5,205.00
DISBURSEMENTS				
Sheriff	8,000.00	6,935.75	8,000.00	6,950.96
TOTAL DISBURSEMENTS	8,000.00	6,935.75	8,000.00	6,950.96
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,400.00	3,231.96	(6,500.00)	(1,745.96)
CASH BALANCES, JANUARY 1	8,546.31	8,546.31	8,870.59	8,870.59
CASH BALANCES, DECEMBER 31	\$ 9,946.31	\$ 11,778.27	\$ 2,370.59	\$ 7,124.63

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THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT TRAINING FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 3,500.00	\$ 3,052.00
Transfers In	-	-
TOTAL RECEIPTS	3,500.00	3,052.00
DISBURSEMENTS		
Training & Mileage	4,000.00	4,069.01
TOTAL DISBURSEMENTS	4,000.00	4,069.01
RECEIPTS OVER (UNDER) DISBURSEMENTS	(500.00)	(1,017.01)
CASH BALANCES, JANUARY 1	5,386.09	5,386.09
CASH BALANCES, DECEMBER 31	\$ 4,886.09	\$ 4,369.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	INMATE SECURITY FUND		PEACE OFFICERS STANDARDS FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 9,000.00	\$ 8,886.08	\$ -	\$ -
Intergovernmental	-	-	2,700.00	1,344.22
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	9,000.00	8,886.08	2,700.00	1,344.22
DISBURSEMENTS				
Missouri Sheriff's Association	-	-	2,700.00	1,468.83
Sheriff	28,000.00	26,398.60	-	-
TOTAL DISBURSEMENTS	28,000.00	26,398.60	2,700.00	1,468.83
RECEIPTS OVER (UNDER) DISBURSEMENTS	(19,000.00)	(17,512.52)	-	(124.61)
CASH BALANCES, JANUARY 1	21,217.63	21,217.63	124.61	124.61
CASH BALANCES, DECEMBER 31	\$ 2,217.63	\$ 3,705.11	\$ 124.61	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	DRUG ENFORCEMENT FUND		LOCAL LAW ENFORCEMENT BLOCK GRANT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 4,700.00	\$ -
Other	545.00	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	545.00	-	4,700.00	-
DISBURSEMENTS				
Equipment	-	-	4,700.00	-
Sheriff	1,000.00	-	-	-
TOTAL DISBURSEMENTS	1,000.00	-	4,700.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(455.00)	-	-	-
CASH BALANCES, JANUARY 1	1,052.34	1,052.34	35.19	35.19
CASH BALANCES, DECEMBER 31	\$ 597.34	\$ 1,052.34	\$ 35.19	\$ 35.19

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THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	PROSECUTING ATTORNEY ADMIN HANDLING COST FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 1,300.00	\$ 1,060.00
Interest	60.00	68.28
Transfers In	-	-
TOTAL RECEIPTS	1,360.00	1,128.28
DISBURSEMENTS		
Retirement Fees	-	-
MO Office of Prosecution	3,500.00	70.00
TOTAL DISBURSEMENTS	3,500.00	70.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,140.00)	1,058.28
CASH BALANCES, JANUARY 1	6,112.51	6,112.51
CASH BALANCES, DECEMBER 31	\$ 3,972.51	\$ 7,170.79

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THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	PROSECUTING ATTORNEY TRAINING FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Charges for Services	\$ 800.00	\$ 1,974.17
Transfers In	-	-
TOTAL RECEIPTS	800.00	1,974.17
DISBURSEMENTS		
Mileage and Training	3,000.00	2,723.51
TOTAL DISBURSEMENTS	3,000.00	2,723.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,200.00)	(749.34)
CASH BALANCES, JANUARY 1	2,725.83	2,725.83
CASH BALANCES, DECEMBER 31	\$ 525.83	\$ 1,976.49

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THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SENIOR SERVICES FUND		RECORDER FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 55,700.00	\$ 55,605.56	\$ -	\$ -
Intergovernmental	52.00	105.12	-	-
Charges for Services	-	-	-	3,160.00
Interest	-	-	-	208.79
Transfers In	-	-	-	-
TOTAL RECEIPTS	55,752.00	55,710.68	-	3,368.79
DISBURSEMENTS				
Applications	70,000.00	60,103.00	-	-
Digital Imaging	-	-	20,742.02	6,135.09
TOTAL DISBURSEMENTS	70,000.00	60,103.00	20,742.02	6,135.09
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,248.00)	(4,392.32)	(20,742.02)	(2,766.30)
CASH BALANCES, JANUARY 1	20,767.55	20,767.55	20,474.02	20,474.02
CASH BALANCES, DECEMBER 31	\$ 6,519.55	\$ 16,375.23	\$ (268.00)	\$ 17,707.72

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THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	RECORDER AUTOMATIC FUND		BUILDING MAINTENANCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	1,611.25	-	-
Other	-	-	-	8,298.75
Transfers In	-	-	40,000.00	40,000.00
TOTAL RECEIPTS	-	1,611.25	40,000.00	48,298.75
DISBURSEMENTS				
Equipment	5,000.00	-	-	-
Building Repairs and Maintenance	-	-	57,600.00	48,823.27
Other	8,397.55	1,700.24	-	-
TOTAL DISBURSEMENTS	13,397.55	1,700.24	57,600.00	48,823.27
RECEIPTS OVER (UNDER) DISBURSEMENTS	(13,397.55)	(88.99)	(17,600.00)	(524.52)
CASH BALANCES, JANUARY 1	13,397.55	13,397.55	17,934.35	17,934.35
CASH BALANCES, DECEMBER 31	\$ -	\$ 13,308.56	\$ 334.35	\$ 17,409.83

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THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LOCAL EMERGENCY PLANNING FUND		ELECTION EQUIPMENT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 3,100.00	\$ 2,975.38	\$ -	\$ -
Interest	-	-	-	49.30
Other	-	-	-	-
Transfers In	-	-	4,000.00	4,000.00
TOTAL RECEIPTS	3,100.00	2,975.38	4,000.00	4,049.30
DISBURSEMENTS				
Rent	400.00	400.00	-	-
Postage	35.00	44.79	-	-
Insurance	600.00	567.00	-	-
Repairs and Maintenance	-	-	1,500.00	-
Equipment	-	-	6,000.00	1,875.00
Other	3,965.00	3,831.63	-	-
TOTAL DISBURSEMENTS	5,000.00	4,843.42	7,500.00	1,875.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,900.00)	(1,868.04)	(3,500.00)	2,174.30
CASH BALANCES, JANUARY 1	14,821.89	14,821.89	4,987.81	4,987.81
CASH BALANCES, DECEMBER 31	\$ 12,921.89	\$ 12,953.85	\$ 1,487.81	\$ 7,162.11

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ELECTION SERVICE FUND		COURTHOUSE SALES TAX FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 325,000.00	\$ 309,503.67
Interest	21.00	25.43	-	-
Other	1,000.00	417.80	-	-
Transfers In	-	-	110,000.00	-
TOTAL RECEIPTS	1,021.00	443.23	435,000.00	309,503.67
DISBURSEMENTS				
Training and Mileage	1,700.00	-	-	-
Other	300.00	-	-	-
Transfers Out	-	-	354,281.25	276,569.08
TOTAL DISBURSEMENTS	2,000.00	-	354,281.25	276,569.08
RECEIPTS OVER (UNDER) DISBURSEMENTS	(979.00)	443.23	80,718.75	32,934.59
CASH BALANCES, JANUARY 1	2,180.31	2,180.31	587,049.72	587,049.72
CASH BALANCES, DECEMBER 31	\$ 1,201.31	\$ 2,623.54	\$ 667,768.47	\$ 619,984.31

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	COURTHOUSE DEBT SERVICE FUND		DOMESTIC VIOLENCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	3,354.00	3,311.00
Interest	200.00	203.53	-	49.14
Other	80,586.55	75,708.26	-	-
Transfers In	354,281.25	276,569.08	-	-
TOTAL RECEIPTS	435,067.80	352,480.87	3,354.00	3,360.14
DISBURSEMENTS				
Bond Payment	354,081.25	354,081.25	-	-
Agent Fees	200.00	200.00	-	-
Domestic Violence Shelters	-	-	3,458.75	-
Transfers Out	110,000.00	-	-	-
TOTAL DISBURSEMENTS	464,281.25	354,281.25	3,458.75	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(29,213.45)	(1,800.38)	(104.75)	3,360.14
CASH BALANCES, JANUARY 1	38,891.93	38,891.93	3,458.75	3,458.75
CASH BALANCES, DECEMBER 31	\$ 9,678.48	\$ 37,091.55	\$ 3,354.00	\$ 6,818.89

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT RESTITUTION FUND		TAX MAINTENANCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges for Services	\$ 120,000.00	\$ 63,408.28	\$ 9,500.00	\$ 10,024.85
Interest	-	-	-	198.34
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	120,000.00	63,408.28	9,500.00	10,223.19
DISBURSEMENTS				
Application from Law	120,000.00	55,367.57	-	-
Supplies	-	-	-	3,497.62
Mileage & Training	-	-	-	1,211.43
Other	-	-	7,200.00	7,189.90
TOTAL DISBURSEMENTS	120,000.00	55,367.57	7,200.00	11,898.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	8,040.71	2,300.00	(1,675.76)
CASH BALANCES, JANUARY 1	10,075.11	10,075.11	19,952.05	19,952.05
CASH BALANCES, DECEMBER 31	\$ 10,075.11	\$ 18,115.82	\$ 22,252.05	\$ 18,276.29

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
 KAHOKA, MISSOURI
 STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
 YEAR ENDED DECEMBER 31, 2019

	OFFICE OF EMERGENCY MANAGER GRANT FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ -	\$ -
Intergovernmental	40,450.00	33,625.00
Charges for Services	\$ -	\$ -
Other	-	-
Transfers In	-	3,000.00
TOTAL RECEIPTS	40,450.00	36,625.00
DISBURSEMENTS		
Emergency Management Performance Grant	27,450.00	25,756.50
Equipment	3,500.00	2,944.05
Other	9,500.00	7,924.45
TOTAL DISBURSEMENTS	40,450.00	36,625.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-
CASH BALANCES, JANUARY 1	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

2019

ASSETS	Tax Sales Surplus	Unclaimed Fees	CERF	School Fines	Collector	Cemetery Trusts
Cash and Cash Equivalents	\$ 3,951.93	\$ 7,983.50	\$ 110.19	\$ 25.11	\$ 6,136,261.91	\$ 136.39
Investments	-	-	-	-	-	61,018.97
Total Investments	-	-	-	-	-	61,018.97
Total Assets	3,951.93	7,983.50	110.19	25.11	6,136,261.91	61,155.36
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	3,951.93	7,983.50	110.19	25.11	6,136,261.91	61,155.36
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,951.93	\$ 7,983.50	\$ 110.19	\$ 25.11	\$ 6,136,261.91	\$ 61,155.36

	Clerk Election	Sheriff	Prosecuting Attorney	Total Agency Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,607.89	\$ 17,299.13	\$ 110.00	\$ 6,167,486.05
Investments	-	-	-	\$ 61,018.97
Total Investments	-	-	-	61,018.97
Total Assets	1,607.89	17,299.13	110.00	6,228,505.02
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	1,607.89	17,299.13	110.00	6,228,505.02
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,607.89	\$ 17,299.13	\$ 110.00	\$ 6,228,505.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Clark, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1836 by an Act of the Missouri Territory. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, County Clerk, Collector of Revenue, Coroner, Circuit Clerk, Recorder of Deeds, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Clark County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting (concluded)

2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes (concluded)

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019, for purposes of taxation, was:

	<u>2019</u>
Real Estate	\$ 71,300,254
Personal Property	27,701,465
Railroad and Utilities	<u>21,892,081</u>
	<u>\$ 120,893,800</u>

During 2019, the County Commission approved a \$1.1086 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>
General Revenue Fund	\$ 0.3545
Senior Services Fund	0.0504
Special Road and Bridge Fund	<u>0.7037</u>
	<u>\$ 1.1086</u>

F. Cash Deposits

Deposits are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such deposits is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as “Cash” under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, the carrying amount of the County's deposits was \$1,572,633.56, and the bank balance was \$5,261,086.30. The total bank balance as of December 31, 2019, was insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>Balances – Governmental Funds:</u>	
Deposits and cash equivalents	\$ 1,572,633.56
Total Governmental Funds	<u>1,572,633.56</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	6,167,486.05
Investments	<u>61,018.97</u>
Total Agency Funds	<u>6,228,505.02</u>
Total Deposits and Investments as of December 31, 2019	<u>\$ 7,801,138.58</u>

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2019.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the year ended December 31, 2019.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the year ended December 31, 2019.

III. LONG-TERM DEBT

In 2010, the County issued Taxable General Obligation Bonds of \$4,000,000 to provide for the construction of a new County Courthouse. The bonds are due in annual installments ranging from \$125,000 to \$360,000 through June of 2030. Interest payments are scheduled semi-annually and range from 2.30% to 6.50%, before any federal subsidy.

The bonds were issued through the Build America Recovery Zone Economic Development Bonds program that provides 45% in federal subsidies on the total interest requirements. The interest is paid to the County on a semi-annual basis corresponding with interest payments to the bondholders.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

As of December 31, 2019, the payments for the taxable general obligation bonds were as follows:

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
2010 Taxable G.O. Bond	\$ 3,025,000.00	\$ -	\$ 175,000.00	\$ 2,850,000.00	\$ 179,081.25
	<u>\$ 3,025,000.00</u>	<u>\$ -</u>	<u>\$ 175,000.00</u>	<u>\$ 2,850,000.00</u>	<u>\$ 179,081.25</u>

The future payments for the taxable general obligation bonds as of December 31, 2019, are as follows:

Year Ending December 31,	Interest	Principal	Total
2020	\$ 170,550.00	\$ 175,000.00	\$ 345,550.00
2021	160,520.00	195,000.00	355,520.00
2022	148,920.00	205,000.00	353,920.00
2023	136,595.00	220,000.00	356,595.00
2024	123,400.00	235,000.00	358,400.00
2025-2029	367,692.50	1,460,000.00	1,827,692.50
2030	11,700.00	360,000.00	371,700.00
	<u>\$ 1,119,377.50</u>	<u>\$ 2,850,000.00</u>	<u>\$ 3,969,377.50</u>

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IV. OPERATING LEASES

On May 10, 2016, the County entered into a 60-month rental agreement with Mobilis Technologies LLC for the use of land record management software and hardware. The cost is \$800 per month and is paid quarterly. The County spent \$9,600.00 in 2019 under this rental agreement.

The future payments for the operating lease as of December 31, 2019, is as follows:

Year Ending December 31,	Rental Payments
2020	9,600.00
2021	4,000.00
	<u>\$ 13,600.00</u>

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Clark County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Clark County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Section 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits. Benefit provisions are adopted by the governing body of the employer, within the options available in the state statutes governing LAGERS. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program information provided below. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

	<u>2019 Valuation</u>
Benefit Multiplier:	1.00%
Final Average Salary:	5 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	27	8
Inactive employees entitled to but not yet receiving benefits	4	2
Active employees	<u>23</u>	<u>6</u>
	<u>54</u>	<u>16</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 0.2% (General) and 2.1% (Police) of annual covered payroll.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%; net of investment expenses

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.51%

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 56,234	\$ 15,105
2 Interest on Total Pension Liability	134,302	18,002
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	(65,448)	6,841
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(116,920)	(17,081)
7 Net change in total pension liability	8,168	22,867
8 Total pension liability - beginning	1,882,252	249,275
9 Total pension liability - ending	<u>\$ 1,890,420</u>	<u>\$ 272,142</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 2,255	\$ 1,845
2 Contributions - employee	30,328	8,256
3 Net investment income	151,608	20,757
4 Benefit payments, including refunds of employee contributions	(116,920)	(17,081)
5 Pension plan administrative expense	(7,605)	(1,810)
6 Other (net transfer)	(25,376)	541
7 Net change in plan fiduciary net position	34,290	12,508
8 Plan fiduciary net position - beginning	2,374,542	330,887
9 Plan fiduciary net position - ending	<u>\$ 2,408,832</u>	<u>\$ 343,395</u>
C. Net Pension Liability / (Asset)	<u>\$ (518,412)</u>	<u>\$ (71,253)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.42%	126.18%
E. Covered-Employee Payroll	\$ 708,378	\$ 208,134
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-73.18%	-34.23%

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 2,124,097	\$ 1,890,420	\$ 1,694,201
Plan Fiduciary Net Position	2,408,832	2,408,832	2,408,832
Net Pension Liability / (Asset) (NPL)	\$ (284,735)	\$ (518,412)	\$ (714,631)
Police Division:			
Total Pension Liability (TPL)	\$ 312,158	\$ 272,142	\$ 240,100
Plan Fiduciary Net Position	343,395	343,395	343,395
Net Pension Liability / (Asset) (NPL)	\$ (31,237)	\$ (71,253)	\$ (103,295)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the employer recognized pension expense of \$36,022 (General) and \$11,078 (Police). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,765	\$ (54,260)	\$ 9,024	\$ (5,913)
Changes in assumptions	16,544	-	1,262	-
Net difference between projected and actual earnings on pension plan investments	-	(61,257)	-	(10,443)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 31,309</u>	<u>\$ (115,517)</u>	<u>\$ 10,286</u>	<u>\$ (16,356)</u>

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2019.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2020	(8,198)	\$ (203)
2021	(46,163)	(4,869)
2022	(33,119)	(1,822)
2023	3,272	824
2024	-	-
Thereafter	-	-
Total	<u>\$ (84,208)</u>	<u>\$ (6,070)</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

	Transfers In	Transfers Out
General Revenue Fund	\$ 50,000.00	\$ 303,000.00
Special Road and Bridge Fund	-	70,000.00
Assessment Fund	16,000.00	-
Road and Bridge Escrow Fund	20,000.00	-
One Half Cent Sales Jail and Law Enforcement Fund	240,000.00	-
Building Maintenance Fund	40,000.00	-
Election Equipment Fund	4,000.00	-
Courthouse Sales Tax Fund	-	276,569.08
Courthouse Debt Service Fund	276,569.08	-
Office of Emergency Manager Grant Fund	3,000.00	-
	<u>\$ 649,569.08</u>	<u>\$ 649,569.08</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the county) are refunded to the employee.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)(concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2019, the County collected and remitted to CERF, employee contributions of approximately \$40,526.76, for the year then ended.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366, for the year ended December 31, 2019.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were no participants at December 31, 2019.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences (Vacation and Sick Time)

Clark County provides employees with up to 15 days of paid vacation based upon the number of years of continuous service.

Regular full-time employees who have worked beyond their probationary period with the County who either retire or leave by some other separation shall receive compensation for all of accumulated unused vacation time leave. Sick time is not paid upon separation.

Every employee is expected to take at least some vacation time every year. Vacation is not accrued past the anniversary date of the employee.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool, which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There are no subsequent events to report as of the audit report date.

**SUPPLEMENTARY SCHEDULES
AND
AUDITOR'S REPORT**

STATE COMPLIANCE SECTION

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SCHEDULE OF STATE FINDINGS
DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the actual expenses exceed those budgeted in the Law Enforcement Training Fund and the Tax Maintenance Fund.
- B. For the year ended December 31, 2019, the One Half Cent Sales Road and Bridge Fund had a deficit balance of (\$7,079.17).
- C. For the year ended December 31, 2019, the Recorder Fund had a deficit budget amount of (\$268.00).

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Clark, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Clark ("County") as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 25, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2019-001, 2019-002, 2019-003)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 25, 2020

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared to the COSO framework standards for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared to COSO framework standards.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS (continued)

2019-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

2019-003 Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Views of responsible officials and planned corrective actions: The County Clerk (Kelly Waples) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS

2018-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

Status: This finding is repeated in the current audit as 2019-001.

2018-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

I. FINANCIAL STATEMENT FINDINGS (concluded)

2018-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

Status: This finding is repeated in the current audit as 2019-002.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

2018-003	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All
	Program Title:	All
	Pass- Through Entity	
	Identification Number:	All
	Award Year:	2018
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal control over federal awards.

Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

THE COUNTY OF CLARK
KAHOKA, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2019

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2018 (concluded)

2018-003 Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Status: This finding is repeated in the current audit as 2019-003.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 25, 2020

To the County Commissioners
The County of Clark, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Clark (the "County") as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in the County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. The responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared to the COSO framework standards for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared to COSO framework standards.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Identification: Repeat finding FS 2018-001.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2019-002 Identification: Repeat finding FS 2018-002.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's office is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is the next audit period. The County Clerk is Kelly Waples and her office phone number is 660-727-3283..

2019-003 Criteria: Uniform Guidance requires the auditee to document internal controls over each federal program.

Condition: During the walkthroughs of the County, we noted there is not documentation over internal controls with regards to federal awards in place.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we noted there was not adequate internal control documentation of each federal program.

Effect: Not documenting internal controls over federal compliance requirements could result in the noncompliance of a major component of the federal program.

Cause: Adequate emphasis was not placed on the documentation of internal controls required under the *Uniform Guidance*.

Identification: Repeat finding SA 2018-001.

Recommendation: We recommend that the County formally document internal controls over federal programs in accordance with the *Uniform Guidance*.

Views of responsible officials and planned corrective actions: The County Clerk (Kelly Waples) is in the process of preparing the needed documentation to document their internal control structure in conformity with the *Uniform Guidance*. The County Clerk is Kelly Waples and her office phone number is 660-727-3283.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (continued)

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 year. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 25, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff, which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Cedar County, Missouri

The Office of the State Auditor contracted for an audit of the Cedar County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-077

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF CEDAR
STOCKTON, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report	1-2
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances - All Governmental Funds - Regulatory Basis	
Year Ended December 31, 2019	3
Year Ended December 31, 2018	4
Comparative Statements of Receipts, Disbursements and Changes in Cash Balances - Budget and Actual - All Governmental Funds - Regulatory Basis	
Years Ended December 31, 2019 and 2018	5-18
 <i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions - Agency Funds - Regulatory Basis	
As of December 31, 2019	19
As of December 31, 2018	20
Notes to the Financial Statements	21-33
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings	34
 <u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	35-36
Schedule of Findings and Responses	
Years Ended December 31, 2019 and 2018	37
Summary Schedule of Prior Year Findings and Responses	38

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Cedar, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Cedar ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements - budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2020, on our consideration of the County of Cedar’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Cedar’s internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

September 4, 2020

FINANCIAL STATEMENTS

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 823,506.95	\$ 1,906,626.11	\$ 1,317,018.55	\$ 1,413,114.51
Special Road and Bridge Fund	439,016.79	925,159.13	1,064,824.33	299,351.59
Assessment Fund	467.08	167,830.45	163,781.96	4,515.57
DARE Fund	2,563.40	-	-	2,563.40
Public Administrative Emergency Fund	1,300.00	750.00	850.00	1,200.00
Jail Fund	-	739,475.62	631,868.67	107,606.95
Prosecuting Attorney Bad Check Fund	2,540.52	7,087.28	6,067.41	3,560.39
HAVA Fund	932.85	20.00	-	952.85
Law Enforcement Training Fund	-	2,664.87	2,664.87	-
Prosecuting Attorney Training Fund	753.77	328.82	-	1,082.59
Crime Victim Advocate Fund	-	44,109.30	44,109.30	-
Record Preservation Fund	8,444.95	4,999.95	2,836.82	10,608.08
County Law Enforcement Restitution Fund	6,430.11	6,245.04	7,738.71	4,936.44
Local Emergency Preparedness Commission Fund	15,678.91	-	1,759.90	13,919.01
Prosecuting Attorney Delinquent Tax Fund	360.00	-	-	360.00
Department of Justice Equitable Sharing Fund	2,813.11	9.80	-	2,822.91
Sheriff Revolving Fund	12,480.98	7,406.18	3,363.95	16,523.21
Sheriff Civil Fund	1,018.22	10,229.82	6,809.30	4,438.74
Senior Services Fund	88,529.39	78,342.41	74,075.05	92,796.75
Law Enforcement Sales Tax Fund	36,216.81	949,261.35	985,478.16	-
Concentrated Animal Feeding Operation Fund	4,000.00	-	750.00	3,250.00
Election Services Fund	54,724.43	4,244.42	37,271.32	21,697.53
Recorder Technology Fund	13,385.43	10,475.85	8,834.31	15,026.97
Collector Tax Maintenance Fund	19,788.99	20,574.08	14,345.92	26,017.15
Inmate Security Fund	36,116.13	44,750.22	46,170.40	34,695.95
TOTAL	\$ 1,571,068.82	\$ 4,930,590.70	\$ 4,420,618.93	\$ 2,081,040.59

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 540,422.75	\$ 1,963,765.79	\$ 1,680,681.59	\$ 823,506.95
Special Road and Bridge Fund	438,429.13	857,866.35	857,278.69	439,016.79
Assessment Fund	(3,504.43)	181,979.23	178,007.72	467.08
DARE Fund	2,563.40	-	-	2,563.40
Public Administrative Emergency Fund	309.94	1,753.28	763.22	1,300.00
Jail Fund	4.70	637,789.81	637,794.51	-
Prosecuting Attorney Bad Check Fund	562.64	6,836.66	4,858.78	2,540.52
HAVA Fund	902.85	30.00	-	932.85
Law Enforcement Training Fund	(3,128.02)	5,271.19	2,143.17	-
Prosecuting Attorney Training Fund	350.45	653.32	250.00	753.77
Crime Victim Advocate Fund	-	45,986.97	45,986.97	-
Record Preservation Fund	7,715.71	5,765.58	5,036.34	8,444.95
County Law Enforcement Restitution Fund	3,772.75	7,942.83	5,285.47	6,430.11
Local Emergency Preparedness Commission Fund	2,815.82	14,185.21	1,322.12	15,678.91
Prosecuting Attorney Delinquent Tax Fund	360.00	-	-	360.00
Department of Justice Equitable Sharing Fund	2,803.81	9.30	-	2,813.11
Sheriff Revolving Fund	9,212.56	3,268.42	-	12,480.98
Sheriff Civil Fund	10,230.79	9,186.13	18,398.70	1,018.22
Senior Services Fund	68,173.22	92,156.91	71,800.74	88,529.39
Law Enforcement Sales Tax Fund	50,825.22	936,085.42	950,693.83	36,216.81
Concentrated Animal Feeding Operation Fund	-	5,275.00	1,275.00	4,000.00
Election Services Fund	60,225.71	1,538.74	7,040.02	54,724.43
Recorder Technology Fund	10,400.70	11,289.42	8,304.69	13,385.43
Collector Tax Maintenance Fund	14,619.02	20,658.39	15,488.42	19,788.99
Inmate Security Fund	17,771.92	33,044.58	14,700.37	36,116.13
TOTAL	\$ 1,235,840.64	\$ 4,842,338.53	\$ 4,507,110.35	\$ 1,571,068.82

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 503,500.00	\$ 484,342.57	\$ 422,500.00	\$ 531,472.40
Sales Taxes	1,050,000.00	1,047,268.67	1,060,000.00	1,044,944.44
Intergovernmental	204,772.44	217,165.01	166,150.00	178,755.65
Charges for Services	162,340.00	128,332.37	158,600.00	162,363.16
Interest	1,800.00	4,220.66	-	2,158.15
Other	10,020.00	25,296.83	6,500.00	6,071.99
Transfers In	57,000.00	-	47,230.00	38,000.00
TOTAL RECEIPTS	1,989,432.44	1,906,626.11	1,860,980.00	1,963,765.79
DISBURSEMENTS				
County Commission	86,075.00	84,501.62	86,055.00	85,555.42
County Clerk	116,000.00	114,631.34	114,200.00	113,339.69
Elections	38,950.00	26,863.40	74,500.00	62,057.90
Buildings and Grounds	71,000.00	53,218.61	66,500.00	56,203.01
Employee Fringe Benefits	226,200.00	155,217.83	171,600.00	178,473.39
County Treasurer	44,300.00	43,371.41	44,300.00	43,453.67
Collector	90,818.67	88,783.61	89,726.00	84,851.30
Recorder of Deeds	73,424.92	70,770.11	64,255.00	63,246.02
Circuit Clerk	20,500.00	16,276.02	15,800.00	15,334.86
Court Administration	12,200.00	9,127.98	12,300.00	9,252.13
Public Administrator	46,850.00	44,569.60	46,650.00	47,028.02
Prosecuting Attorney	265,447.65	248,335.05	256,058.50	248,418.44
Juvenile Officer	31,538.00	26,165.33	28,000.00	23,388.61
Coroner	29,081.96	25,842.87	29,145.00	28,323.41
Dispatch/Communications	5,950.00	5,948.54	4,900.00	6,474.54
Other County Government	149,730.00	125,003.54	496,130.00	432,841.71
Surveyor	1,500.00	320.45	1,500.00	811.61
Deputy Supplemental Salary	131,000.00	128,780.79	93,000.00	111,598.24
Public Health and Welfare Services	11,342.00	14,522.00	39,270.00	11,342.00
Transfers Out	242,200.00	34,768.45	323,000.00	58,687.62
Emergency Fund	59,600.00	-	55,700.00	-
TOTAL DISBURSEMENTS	1,753,708.20	1,317,018.55	2,112,589.50	1,680,681.59
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	235,724.24	589,607.56	(251,609.50)	283,084.20
CASH, JANUARY 1	823,506.95	823,506.95	540,422.75	540,422.75
CASH, DECEMBER 31	\$ 1,059,231.19	\$ 1,413,114.51	\$ 288,813.25	\$ 823,506.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 196,288.00	\$ 186,485.39	\$ 180,000.00	\$ 206,466.59
Sales Taxes	-	-	-	-
Intergovernmental	663,200.00	644,251.56	578,170.00	646,513.90
Charges for Services	-	-	-	-
Interest	1,500.00	1,397.37	500.00	1,788.21
Other	2,300.00	93,024.81	100.00	3,097.65
Transfers In	-	-	-	-
TOTAL RECEIPTS	863,288.00	925,159.13	758,770.00	857,866.35
DISBURSEMENTS				
Salaries	253,600.00	271,170.64	240,000.00	241,048.75
Employee Fringe Benefits	127,400.00	119,151.52	104,600.00	98,921.48
Supplies	60,000.00	48,224.90	60,000.00	47,061.09
Insurance	18,000.00	16,244.21	18,000.00	15,603.00
Materials	306,300.00	316,661.80	301,000.00	151,927.93
Equipment Repairs	35,000.00	33,323.70	30,000.00	32,121.43
Equipment Purchases	135,594.29	180,018.52	212,303.00	77,418.81
Road and Bridge Construction	198,500.00	80,029.04	137,000.00	155,176.20
Transfers Out	43,500.00	-	38,000.00	38,000.00
TOTAL DISBURSEMENTS	1,177,894.29	1,064,824.33	1,140,903.00	857,278.69
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(314,606.29)	(139,665.20)	(382,133.00)	587.66
CASH, JANUARY 1	439,016.79	439,016.79	438,429.13	438,429.13
CASH, DECEMBER 31	<u>\$ 124,410.50</u>	<u>\$ 299,351.59</u>	<u>\$ 56,296.13</u>	<u>\$ 439,016.79</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ASSESSMENT FUND				DARE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	166,404.00	153,765.14	153,000.00	168,910.06	-	-	-	-
Charges for Services	6,800.00	8,968.32	8,700.00	8,717.33	-	-	-	-
Interest	50.00	72.06	-	74.80	-	-	-	-
Other	4,128.91	-	4,107.00	4,127.04	-	-	100.00	-
Transfers In	-	5,024.93	19,400.00	150.00	-	-	-	-
TOTAL RECEIPTS	177,382.91	167,830.45	185,207.00	181,979.23	-	-	100.00	-
DISBURSEMENTS								
Salaries	98,775.00	87,885.26	106,450.00	103,256.92	-	-	-	-
Office Expenses	12,600.00	12,440.11	9,000.00	12,525.48	-	-	-	-
Equipment	24,600.00	23,874.17	24,300.00	20,494.22	-	-	-	-
Employee Fringe Benefits	39,000.00	35,585.43	40,500.00	40,662.50	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Mileage and Training	2,400.00	3,996.99	1,450.00	1,068.60	-	-	-	-
Supplies	-	-	-	-	2,500.00	-	2,500.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	177,375.00	163,781.96	181,700.00	178,007.72	2,500.00	-	2,500.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	7.91	4,048.49	3,507.00	3,971.51	(2,500.00)	-	(2,400.00)	-
CASH, JANUARY 1	467.08	467.08	(3,504.43)	(3,504.43)	2,563.40	2,563.40	2,563.40	2,563.40
CASH, DECEMBER 31	\$ 474.99	\$ 4,515.57	\$ 2.57	\$ 467.08	\$ 63.40	\$ 2,563.40	\$ 163.40	\$ 2,563.40

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PUBLIC ADMINISTRATIVE EMERGENCY FUND				JAIL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 60,000.00	\$ 65,893.31	\$ 90,000.00	\$ 71,575.80
Charges for Services	-	-	-	-	530,000.00	673,582.31	575,000.00	517,883.72
Interest	-	-	-	-	-	-	-	-
Other	2,000.00	750.00	700.00	1,753.28	-	-	-	-
Transfers In	-	-	-	-	209,000.00	-	300,000.00	48,330.29
TOTAL RECEIPTS	2,000.00	750.00	700.00	1,753.28	799,000.00	739,475.62	965,000.00	637,789.81
DISBURSEMENTS								
Emergency Needs	1,000.00	850.00	1,000.00	763.22	-	-	-	-
Salaries	-	-	-	-	258,720.00	227,605.47	237,332.00	218,166.19
Employee Fringe Benefits	-	-	-	-	130,360.00	85,012.81	94,201.00	62,524.86
Operations	-	-	-	-	199,750.00	174,757.56	206,882.00	199,273.16
Bond Payments	-	-	-	-	209,000.00	144,492.83	421,779.00	157,830.30
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,000.00	850.00	1,000.00	763.22	797,830.00	631,868.67	960,194.00	637,794.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,000.00	(100.00)	(300.00)	990.06	1,170.00	107,606.95	4,806.00	(4.70)
CASH, JANUARY 1	1,300.00	1,300.00	309.94	309.94	-	-	4.70	4.70
CASH, DECEMBER 31	<u>\$ 2,300.00</u>	<u>\$ 1,200.00</u>	<u>\$ 9.94</u>	<u>\$ 1,300.00</u>	<u>\$ 1,170.00</u>	<u>\$ 107,606.95</u>	<u>\$ 4,810.70</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY BAD CHECK FUND				HAVA FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 4,900.00	\$ 4,865.31	\$ 5,200.00	\$ 4,617.69	\$ 10.00	\$ 20.00	\$ 100.00	\$ 30.00
Interest	9.00	13.97	-	7.97	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	1,800.00	2,208.00	2,790.00	2,211.00	-	-	-	-
TOTAL RECEIPTS	6,709.00	7,087.28	7,990.00	6,836.66	10.00	20.00	100.00	30.00
DISBURSEMENTS								
Office	3,900.00	6,067.41	8,216.00	4,858.78	-	-	-	-
Elections	-	-	-	-	700.00	-	1,000.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	3,900.00	6,067.41	8,216.00	4,858.78	700.00	-	1,000.00	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	2,809.00	1,019.87	(226.00)	1,977.88	(690.00)	20.00	(900.00)	30.00
CASH, JANUARY 1	2,540.52	2,540.52	562.64	562.64	932.85	932.85	902.85	902.85
CASH, DECEMBER 31	\$ 5,349.52	\$ 3,560.39	\$ 336.64	\$ 2,540.52	\$ 242.85	\$ 952.85	\$ 2.85	\$ 932.85

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,000.00	846.00	1,455.00	5,202.72	500.00	328.82	300.00	653.32
Interest	-	-	-	-	-	-	-	-
Other	-	-	3,675.00	-	-	-	-	-
Transfers In	-	1,818.87	-	68.47	-	-	-	-
TOTAL RECEIPTS	2,000.00	2,664.87	5,130.00	5,271.19	500.00	328.82	300.00	653.32
DISBURSEMENTS								
Mileage and Training	2,000.00	2,664.87	2,000.00	2,143.17	500.00	-	500.00	250.00
Supplies	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,000.00	2,664.87	2,000.00	2,143.17	500.00	-	500.00	250.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	3,130.00	3,128.02	-	328.82	(200.00)	403.32
CASH, JANUARY 1	-	-	(3,128.02)	(3,128.02)	753.77	753.77	350.45	350.45
CASH, DECEMBER 31	\$ -	\$ -	\$ 1.98	\$ -	\$ 753.77	\$ 1,082.59	\$ 150.45	\$ 753.77

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	CRIME VICTIM ADVOCATE FUND				RECORD PRESERVATION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 40,000.00	\$ 40,605.91	\$ 50,840.00	\$ 35,629.64	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	5,912.00	4,965.77	6,130.00	5,659.54
Interest	-	-	-	-	21.00	34.18	20.00	25.58
Other	-	-	-	-	-	-	-	-
Transfers In	10,200.00	3,503.39	-	10,357.33	-	-	-	80.46
TOTAL RECEIPTS	50,200.00	44,109.30	50,840.00	45,986.97	5,933.00	4,999.95	6,150.00	5,765.58
DISBURSEMENTS								
Salaries	32,320.00	32,000.02	32,320.00	32,000.02	-	-	-	-
Employee Fringe Benefits	13,219.00	10,827.96	13,083.00	10,306.81	-	-	-	-
Office	1,050.00	182.96	1,937.00	2,119.70	13,000.00	1,851.28	13,865.00	2,952.79
Mileage and Training	1,600.00	1,098.36	3,500.00	1,410.44	-	985.54	-	2,083.55
Transfers Out	-	-	-	150.00	-	-	-	-
TOTAL DISBURSEMENTS	48,189.00	44,109.30	50,840.00	45,986.97	13,000.00	2,836.82	13,865.00	5,036.34
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,011.00	-	-	-	(7,067.00)	2,163.13	(7,715.00)	729.24
CASH, JANUARY 1	-	-	-	-	8,444.95	8,444.95	7,715.71	7,715.71
CASH, DECEMBER 31	\$ 2,011.00	\$ -	\$ -	\$ -	\$ 1,377.95	\$ 10,608.08	\$ 0.71	\$ 8,444.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				LOCAL EMERGENCY PREPAREDNESS COMMISSION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 14,000.00	\$ -	\$ -	\$ 14,185.21
Charges for Services	7,500.00	6,245.04	10,000.00	7,942.83	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	7,500.00	6,245.04	10,000.00	7,942.83	14,000.00	-	-	14,185.21
DISBURSEMENTS								
Office	13,000.00	5,530.71	13,000.00	3,074.47	2,800.00	1,759.90	2,800.00	1,322.12
Transfers Out	-	2,208.00	-	2,211.00	-	-	-	-
TOTAL DISBURSEMENTS	13,000.00	7,738.71	13,000.00	5,285.47	2,800.00	1,759.90	2,800.00	1,322.12
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,500.00)	(1,493.67)	(3,000.00)	2,657.36	11,200.00	(1,759.90)	(2,800.00)	12,863.09
CASH, JANUARY 1	6,430.11	6,430.11	3,772.75	3,772.75	15,678.91	15,678.91	2,815.82	2,815.82
CASH, DECEMBER 31	\$ 930.11	\$ 4,936.44	\$ 772.75	\$ 6,430.11	\$ 26,878.91	\$ 13,919.01	\$ 15.82	\$ 15,678.91

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				DEPARTMENT OF JUSTICE EQUITABLE SHARING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges For Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	8.00	9.80	-	9.30
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	8.00	9.80	-	9.30
DISBURSEMENTS								
Office	-	-	360.00	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	360.00	-	-	-	-	-
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	-	(360.00)	-	8.00	9.80	-	9.30
CASH, JANUARY 1	360.00	360.00	360.00	360.00	2,813.11	2,813.11	2,803.81	2,803.81
CASH, DECEMBER 31	<u>\$ 360.00</u>	<u>\$ 360.00</u>	<u>\$ -</u>	<u>\$ 360.00</u>	<u>\$ 2,821.11</u>	<u>\$ 2,822.91</u>	<u>\$ 2,803.81</u>	<u>\$ 2,813.11</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF REVOLVING FUND				SHERIFF CIVIL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 2,000.00	\$ 7,356.00	\$ 1,200.00	\$ 3,235.00	\$ 9,100.00	\$ 10,229.82	\$ 10,000.00	\$ 9,186.13
Interest	32.50	50.18	30.00	33.42	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,032.50	7,406.18	1,230.00	3,268.42	9,100.00	10,229.82	10,000.00	9,186.13
DISBURSEMENTS								
Equipment and Supplies	8,200.00	3,363.95	8,200.00	-	10,000.00	6,809.30	20,000.00	18,398.70
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,200.00	3,363.95	8,200.00	-	10,000.00	6,809.30	20,000.00	18,398.70
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,167.50)	4,042.23	(6,970.00)	3,268.42	(900.00)	3,420.52	(10,000.00)	(9,212.57)
CASH, JANUARY 1	12,480.98	12,480.98	9,212.56	9,212.56	1,018.22	1,018.22	10,230.79	10,230.79
CASH, DECEMBER 31	<u>\$ 6,313.48</u>	<u>\$ 16,523.21</u>	<u>\$ 2,242.56</u>	<u>\$ 12,480.98</u>	<u>\$ 118.22</u>	<u>\$ 4,438.74</u>	<u>\$ 230.79</u>	<u>\$ 1,018.22</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SENIOR SERVICES FUND				LAW ENFORCEMENT SALES TAX FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 87,000.00	\$ 78,342.41	\$ 83,000.00	\$ 92,156.91	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	582,200.00	536,540.08	580,000.00	582,273.47
Intergovernmental	-	-	-	-	306,210.38	334,258.62	300,180.00	305,458.24
Charges For Services	-	-	-	-	42,400.00	50,352.43	34,000.00	36,658.12
Interest	-	-	-	-	67.00	-	-	66.65
Other	-	-	-	-	28,820.00	3,688.96	5,000.00	11,628.94
Transfers In	-	-	-	-	32,000.00	24,421.26	7,080.00	-
TOTAL RECEIPTS	87,000.00	78,342.41	83,000.00	92,156.91	991,697.38	949,261.35	926,260.00	936,085.42
DISBURSEMENTS								
Grants	90,000.00	73,963.05	90,000.00	71,536.02	-	-	-	-
Salaries	-	-	-	-	543,151.02	543,605.40	527,229.00	503,131.11
Employee Fringe Benefits	-	-	-	-	243,530.00	226,937.70	209,097.00	207,159.68
Office	1,200.00	112.00	1,200.00	264.72	27,370.00	20,841.27	29,292.00	31,696.37
Equipment and Supplies	-	-	-	-	104,982.00	151,704.06	104,153.00	110,428.32
Insurance	-	-	-	-	33,000.00	19,551.03	30,000.00	29,296.00
El Dorado Springs	-	-	-	-	29,300.00	-	29,000.00	29,113.68
Stockton	-	-	-	-	14,700.00	-	15,000.00	14,560.84
Lake Patrol	-	-	-	-	31,650.00	22,838.70	32,800.00	25,239.36
Transfers Out	-	-	-	-	-	-	-	68.47
TOTAL DISBURSEMENTS	91,200.00	74,075.05	91,200.00	71,800.74	1,027,683.02	985,478.16	976,571.00	950,693.83
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(4,200.00)	4,267.36	(8,200.00)	20,356.17	(35,985.64)	(36,216.81)	(50,311.00)	(14,608.41)
CASH, JANUARY 1	88,529.39	88,529.39	68,173.22	68,173.22	36,216.81	36,216.81	50,825.22	50,825.22
CASH, DECEMBER 31	\$ 84,329.39	\$ 92,796.75	\$ 59,973.22	\$ 88,529.39	\$ 231.17	\$ -	\$ 514.22	\$ 36,216.81

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	CONCENTRATED ANIMAL FEEDING OPERATION FUND				ELECTION SERVICES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,046.35	\$ -	\$ -
Charges for Services	-	-	-	-	600.00	-	2,500.00	1,341.69
Interest	-	-	-	-	170.00	198.07	150.00	197.05
Other	10,000.00	-	-	5,275.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	10,000.00	-	-	5,275.00	770.00	4,244.42	2,650.00	1,538.74
DISBURSEMENTS								
Office	-	-	-	-	-	1,133.20	-	-
Equipment and Supplies	8,000.00	750.00	-	1,275.00	55,000.00	33,437.50	55,000.00	3,836.21
Training	-	-	-	-	6,000.00	2,700.62	6,000.00	3,203.81
Transfers Out	2,000.00	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,000.00	750.00	-	1,275.00	61,000.00	37,271.32	61,000.00	7,040.02
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(750.00)	-	4,000.00	(60,230.00)	(33,026.90)	(58,350.00)	(5,501.28)
CASH, JANUARY 1	4,000.00	4,000.00	-	-	54,724.43	54,724.43	60,225.71	60,225.71
CASH, DECEMBER 31	\$ 4,000.00	\$ 3,250.00	\$ -	\$ 4,000.00	\$ (5,505.57)	\$ 21,697.53	\$ 1,875.71	\$ 54,724.43

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	RECORDER TECHNOLOGY FUND				COLLECTOR TAX MAINTENANCE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Services	\$ 11,590.08	\$ 10,423.75	\$ 11,362.00	\$ 11,252.50	\$ 20,500.00	\$ 20,461.12	\$ 20,000.00	\$ 20,583.21
Interest	30.00	52.10	32.00	36.92	70.00	112.96	60.00	75.18
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11,620.08	10,475.85	11,394.00	11,289.42	20,570.00	20,574.08	20,060.00	20,658.39
DISBURSEMENTS								
Equipment	8,100.00	6,299.99	18,955.00	7,308.47	21,000.00	12,612.95	17,000.00	12,406.91
Office	-	2,534.32	-	915.76	4,000.00	200.00	5,000.00	1,155.00
Mileage and Training	-	-	-	-	2,000.00	1,532.97	3,000.00	1,926.51
Other	-	-	-	-	-	-	9,450.00	-
Transfers Out	3,300.00	-	2,780.00	80.46	-	-	-	-
TOTAL DISBURSEMENTS	11,400.00	8,834.31	21,735.00	8,304.69	27,000.00	14,345.92	34,450.00	15,488.42
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	220.08	1,641.54	(10,341.00)	2,984.73	(6,430.00)	6,228.16	(14,390.00)	5,169.97
CASH, JANUARY 1	13,385.43	13,385.43	10,400.70	10,400.70	19,788.99	19,788.99	14,619.02	14,619.02
CASH, DECEMBER 31	\$ 13,605.51	\$ 15,026.97	\$ 59.70	\$ 13,385.43	\$ 13,358.99	\$ 26,017.15	\$ 229.02	\$ 19,788.99

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

INMATE SECURITY FUND				
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Charges For Services	\$ 30,000.00	\$ 44,750.22	\$ 17,500.00	\$ 33,044.58
Interest	-	-	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	30,000.00	44,750.22	17,500.00	33,044.58
DISBURSEMENTS				
Office	2,000.00	-	2,000.00	-
Supplies	32,000.00	46,170.40	24,000.00	4,341.34
Equipment	-	-	8,000.00	10,359.03
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	34,000.00	46,170.40	34,000.00	14,700.37
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(4,000.00)	(1,420.18)	(16,500.00)	18,344.21
CASH, JANUARY 1	36,116.13	36,116.13	17,771.92	17,771.92
CASH, DECEMBER 31	\$ 32,116.13	\$ 34,695.95	\$ 1,271.92	\$ 36,116.13

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2019

	<u>Collector</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>School Fund</u>	<u>Fines Fund</u>
ASSETS						
Cash and Investments	\$ 5,559,772.68	\$ -	\$ 139,441.14	\$ 1,548.30	\$ 29,285.97	\$ -
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	5,559,772.68	-	139,441.14	1,548.30	29,285.97	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	5,559,772.68	-	139,441.14	1,548.30	29,285.97	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,559,772.68</u>	<u>\$ -</u>	<u>\$ 139,441.14</u>	<u>\$ 1,548.30</u>	<u>\$ 29,285.97</u>	<u>\$ -</u>
	<u>Tax Surplus</u>	<u>Unclaimed Fees</u>	<u>Shelter Wings</u>	<u>CERF</u>	<u>Total Agency Funds</u>	
ASSETS						
Cash and Cash Equivalents	\$ 7,717.40	\$ -	\$ -	\$ 2.75	\$ 5,737,768.24	
Investments	-	-	-	-	-	
Total Investments	-	-	-	-	-	
Total Assets	7,717.40	-	-	2.75	5,737,768.24	
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	7,717.40	-	-	2.75	5,737,768.24	
UNRESERVED FUND BALANCES	-	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,717.40</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2.75</u>	<u>\$ 5,737,768.24</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2018

	<u>Collector</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>School Fund</u>	<u>Fines Fund</u>
ASSETS						
Cash and Investments	\$ 4,920,899.80	\$ -	\$ 94,980.68	\$ -	\$ 396.00	\$ 31,511.11
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	4,920,899.80	-	94,980.68	-	396.00	31,511.11
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	4,920,899.80	-	94,980.68	-	396.00	31,511.11
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,920,899.80</u>	<u>\$ -</u>	<u>\$ 94,980.68</u>	<u>\$ -</u>	<u>\$ 396.00</u>	<u>\$ 31,511.11</u>
					Total Agency Funds	
	<u>Tax Surplus</u>	<u>Unclaimed Fees</u>	<u>Shelter Wings</u>	<u>CERF</u>		
ASSETS						
Cash and Cash Equivalents	\$ 7,260.77	\$ 512.00	\$ 266.00	\$ -	\$ 5,055,826.36	
Investments	-	-	-	-	-	
Total Investments	-	-	-	-	-	
Total Assets	7,260.77	512.00	266.00	-	5,055,826.36	
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	7,260.77	512.00	266.00	-	5,055,826.36	
UNRESERVED FUND BALANCES	-	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,260.77</u>	<u>\$ 512.00</u>	<u>\$ 266.00</u>	<u>\$ -</u>	<u>\$ 5,055,826.36</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Cedar, Missouri (“the County”), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 11 elected Constitutional Officers: County Clerk, Collector of Revenue, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, County Surveyor and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of the County of Cedar, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 122,841,777	\$ 121,085,590
Personal Property	53,499,089	51,705,678
Railroad and Utilities	6,061,758	5,110,802
	<u>\$ 182,402,624</u>	<u>\$ 177,902,070</u>

During 2019 and 2018, the County Commission approved a \$0.4990 and \$0.4960, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.2100	\$ 0.2070
Special Road and Bridge Fund	0.2394	0.2394
Senior Services Fund	0.0496	0.0496
	<u>\$ 0.4990</u>	<u>\$ 0.4960</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amount of the County's deposits was \$2,081,040.59 and \$1,571,068.82. The bank balance was \$8,508,998.09 and \$6,698,763.55, respectively. The total bank balances as of December 31, 2019, and 2018 were insured through the Federal Deposit Insurance Corporation and securities set aside in the name of the County by the financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances – Governmental Funds:

Deposits	\$ 2,081,040.59
Total Governmental Funds	2,081,040.59

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	5,737,768.24
Total Agency Funds	5,737,768.24

Total Deposits as of December 31, 2019	\$ <u>7,818,808.83</u>
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THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances – Governmental Funds:

Deposits	\$ 1,571,068.82
Total Governmental Funds	1,571,068.82

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	5,055,826.36
Total Agency Funds	5,055,826.36

Total Deposits as of December 31, 2018	\$ <u>6,626,895.18</u>
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Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ending December 31, 2019, and 2018.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ending December 31, 2019, and 2018.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

In 2012, the County issued Leasehold Revenue Bonds, Series 2012 in the amount of \$4,820,000 to provide funds for the construction, furnishing, and equipping of the new County jail and to repay the related bond anticipation notes. The County created the Jail Fund in which the activity for this project is recorded. Principal payments are due on May 1 each year through 2032. Principal payments increase each year, with \$225,000 due May 1, 2020 up to \$345,000 due on May 1, 2032. Interest is due semiannually on April 15 and May 1 of each year with interest rates increasing each year from the initial rate of 0.750% to 4.200%.

In 2016, the County issued Series 2016 Bonds in the amount of \$695,000 to complete the County jail project. Principal payments are due May 1, 2033-2035, and range from \$225,000 to \$240,000. Interest payments are due semiannually on May 1 and November 1, with an interest rate of 3.500%.

As of December 31, 2019, the unpaid principal balances of the bonds were \$4,300,000. The changes in long-term debt for the lease certificates of participation as follows:

	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
Series 2012	\$3,825,000.00	\$ -	\$220,000.00	\$3,605,000.00	\$135,485.00
Series 2016	695,000.00	-	-	695,000.00	24,325.00
	<u>\$4,520,000.00</u>	<u>\$ -</u>	<u>\$220,000.00</u>	<u>\$4,300,000.00</u>	<u>\$159,810.00</u>

	December 31,	Interest	Principal	Total
	2020	\$ 154,640.00	\$ 225,000.00	\$ 379,640.00
	2021	148,790.00	230,000.00	378,790.00
	2022	132,350.00	240,000.00	372,350.00
	2023	135,150.00	245,000.00	380,150.00
	2024	127,188.00	255,000.00	382,188.00
	2025-2029	493,712.00	1,420,000.00	1,913,712.00
	2030-2034	189,562.50	1,445,000.00	1,634,562.50
	2035	4,200.00	240,000.00	244,200.00
		<u>\$ 1,385,592.50</u>	<u>\$ 4,300,000.00</u>	<u>\$ 5,685,592.50</u>

As of December 31, 2018, the unpaid principal balances of the bonds were \$4,520,000. The changes in long-term debt for the lease certificates of participation as follows:

	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
Series 2012	\$4,040,000.00	\$ -	\$215,000.00	\$3,825,000.00	\$140,000.00
Series 2016	695,000.00	-	-	695,000.00	24,325.00
	<u>\$4,735,000.00</u>	<u>\$ -</u>	<u>\$215,000.00</u>	<u>\$4,520,000.00</u>	<u>\$164,325.00</u>

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT (concluded)

<u>December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 159,810.00	\$ 220,000.00	\$ 379,810.00
2020	154,640.00	225,000.00	379,640.00
2021	148,790.00	230,000.00	378,790.00
2022	132,350.00	240,000.00	372,350.00
2023	135,150.00	245,000.00	380,150.00
2024-2028	543,275.00	1,370,000.00	1,913,275.00
2029-2033	254,762.50	1,520,000.00	1,774,762.50
2034-2035	16,625.00	470,000.00	486,625.00
	<u>\$ 1,545,402.50</u>	<u>\$ 4,520,000.00</u>	<u>\$ 6,065,402.50</u>

IV. CAPITAL LEASES

On September 29, 2017, the county entered into a lease agreement with First Capital Equipment Leasing Corporation for two Ford police interceptor utility vehicles and nine Ford police interceptor sedan vehicles worth \$272,457.00. Annual payments of \$51,482.49 are due each September 15 through 2023. The interest rate is 3.736%.

On July 5, 2011, the County entered into a 96-month, \$125,012.00 capital lease for a Caterpillar Grader. The lease is to be paid in annual payments of \$20,203.00, which include interest at a rate of 6.000%. The capital lease was paid off during the 2019 fiscal year.

On March 17, 2014, the County entered into a 60-month, \$204,275.00 capital lease for a John Deere Grader. The lease is to be paid in annual payments of \$42,094.00, which include interest of 1.000%. The capital lease was paid off during the 2019 fiscal year.

As of December 31, 2019, the unpaid principal balances of the capital leases were \$188,043.82. The changes in long-term debt for the capital leases are as follows:

<u>Description</u>	<u>Balance 12/31/2018</u>	<u>Current Year Additions</u>	<u>Current Year Deletions and Payments</u>	<u>Balance 12/31/2019</u>	<u>Interest Paid</u>
Police Vehicles	\$ 230,899.50	\$ -	\$ 42,855.68	\$ 188,043.82	\$ 8,626.81
Caterpillar Grader	19,058.95	-	19,058.95	-	1,143.54
John Deere Grader	41,675.82	-	41,675.82	-	418.67
	<u>\$ 291,634.27</u>	<u>\$ -</u>	<u>\$ 103,590.45</u>	<u>\$ 188,043.82</u>	<u>\$ 10,189.02</u>

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. CAPITAL LEASES (concluded)

The future payments for the capital leases of the County are as follows:

<u>December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 7,025.65	\$ 44,456.84	\$ 51,482.49
2021	5,364.66	46,117.83	51,482.49
2022	3,641.62	47,840.87	51,482.49
2023	1,854.21	49,628.28	51,482.49
	<u>\$ 17,886.14</u>	<u>\$ 188,043.82</u>	<u>\$ 205,929.96</u>

As of December 31, 2018, the unpaid principal balances of the capital leases were \$291,634.27. The changes in long-term debt for the capital leases are as follows:

<u>Description</u>	<u>Balance 12/31/2017</u>	<u>Current Year Additions</u>	<u>Current Year Deletions and Payments</u>	<u>Balance 12/31/2018</u>	<u>Interest Paid</u>
Police Vehicles	\$ 272,457.00	\$ -	\$ 41,557.50	\$ 230,899.50	\$ 9,924.99
Caterpillar Grader	37,039.13	-	17,980.18	19,058.95	2,222.34
John Deere Grader	82,937.13	-	41,261.31	41,675.82	833.18
	<u>\$ 392,433.26</u>	<u>\$ -</u>	<u>\$ 100,798.99</u>	<u>\$ 291,634.27</u>	<u>\$ 12,980.51</u>

The future payments for the capital leases of the County are as follows:

<u>December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 10,189.02	\$ 103,590.45	\$ 113,779.47
2020	7,025.65	44,456.84	51,482.49
2021	5,364.66	46,117.83	51,482.49
2022	3,641.62	47,840.87	51,482.49
2023	1,854.21	49,628.28	51,482.49
	<u>\$ 28,075.16</u>	<u>\$ 291,634.27</u>	<u>\$ 319,709.43</u>

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019 and 2018 are as follows:

	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ -	\$ 34,768.45	\$ 38,000.00	\$ 58,687.62
Special Road and Bridge Fund	-	-	-	38,000.00
Assessment Fund	5,024.93	-	150.00	-
Jail Fund	-	-	48,330.29	-
Prosecuting Attorney Bad Check Fund	2,208.00	-	2,211.00	-
Law Enforcement Training Fund	1,818.87	-	68.47	-
Crime Victim Advocate Fund	3,503.39	-	10,357.33	150.00
Record Preservation Fund	-	-	80.46	-
County Law Enforcement Restitution Fund	-	2,208.00	-	2,211.00
Law Enforcement Sales Tax Fund	24,421.26	-	-	68.47
Recorder Technology Fund	-	-	-	80.46
TOTAL	\$ 36,976.45	\$ 36,976.45	\$ 99,197.55	\$ 99,197.55

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the County) are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2019, and 2018 were \$144,495.87 and \$135,470.27, respectively.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2019, and 2018.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2019 or December 31, 2018.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

B. Compensated Absences

The County provides full time employees with up to thirty days of sick time, to accrue at one-half day per calendar month of employment. Upon termination accumulated sick leave is payable at a rate of fifty percent of the total accumulated. Vacation time is accrued for every full time employee, and accrues at a rate of zero days per year up to fifteen days per year depending on the length of employment. Vacation time shall be used in its entirety within the year earned. Unused vacation will be forfeited at the end of the calendar year.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence for 2019 and \$2,000,000 per occurrence for 2018. It is then reinsured up to the statutory limit through excess insurance.

XI. SUBSEQUENT EVENTS

There were no subsequent events to be reported as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDING

- I. For the year ended December 31, 2019, actual expenditures exceeded those budgeted in the Prosecuting Attorney Bad Check Fund, Law Enforcement Training Fund and Inmate Security Fund.
- II. For the year ended December 31, 2018, actual expenditures exceeded those budgeted in the Law Enforcement Training Fund.
- III. For the year ended December 31, 2019, the Election Services Fund was deficit budgeted in the amount of (\$5,505.57).
- IV. For the year ended December 31, 2018, no budget was prepared for the Concentrated Animal Feeding Operation Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Cedar, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Cedar ("County") as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 4, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

September 4, 2020

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the years ended December 31, 2019, and 2018.

THE COUNTY OF CEDAR
STOCKTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no prior audit for the years ended December 31, 2017, and 2016.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

September 4, 2020

To the Board of Commissioners
County of Cedar

In planning and performing our audit of the regulatory based financial statements of the County of Cedar (the "County") as of and for the years ended December 31, 2019 and December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

I. Information Required by Professional Standards

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 fiscal years. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 4, 2020.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity. We noted that the County does not have accounting software that encompasses all of the County’s activity. The Clerk’s office maintains part of the County’s accounting records using QuickBooks while the Treasurer completes her accounting records by hand. They have to combine both sets of records to complete the general ledger of the County. We recommend all of the County’s accounting activity be completed using one accounting software to eliminate possible errors.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Tax Increment Financing

Report No. 2020-076

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of St. Louis - Tax Increment Financing

Strategic Planning for Tax Increment Financing Incentives Needs Improvement	The City of St. Louis' strategic planning for tax increment financing (TIF) incentives is in need of improvement. While the city has documented policies related to TIF usage, the city's policy does not include specific program goals or strategic preferences, does not clearly define the evaluation process or criteria to be used in project selection, and does not include effective project cost limits or overall program cost controls. The city also does not maintain TIF data in a useful and transparent manner.
Cost Control and Project Financing Policies are Ineffective	Cost control policies in place for individual TIF projects have been ineffective in controlling costs. While these policies appear to provide specific project limits, in practice, they have been ineffective due to language in the policies allowing these requirements to be waived.
Project Evaluation Improvements Needed	The city policy does not define how the need for TIF incentives should be determined and documented. The city and the St. Louis Development Corporation (SLDC) were not able to provide documentation of all cost-benefit analyses requested, and projects were approved with flawed cost-benefit analyses, including overestimated revenue projections. While a new evaluation model has been put in place and improved these processes, additional improvement is needed. In addition, policies are needed to ensure allowable developer fees are reasonable and defined.
Developer Profits Not Monitored	The city has historically not compared actual developer profit to the projected profit by project. As a result, the city may be providing public incentives for private projects that did not need to be incentivized.
Fee Structure Creates the Appearance of a Conflict of Interest	The SLDC's fee structure creates the appearance of a conflict of interest for the agency. This agency evaluates project applications and makes recommendations related to incentive projects, and is also partially funded with fees generated from approved incentive projects. The amount of the fees received increases with the size of the award.
Governmental Accounting Standards Board Violation	The city did not include the amount of TIF project revenues redistributed for fiscal 2018 or 2017 in its Comprehensive Annual Financial Report as required by the Governmental Accounting Standards Board Statement No. 77.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Tax Increment Financing

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology	7

Management Advisory Report - State Auditor's Findings	
1. Strategic Planning for Tax Increment Financing Incentives Needs Improvement	10
2. Cost Control and Project Financing Policies are Ineffective	13
3. Project Evaluation Improvements Needed	19
4. Developer Profits Not Monitored	28
5. Fee Structure Creates the Appearance of a Conflict of Interest	29
6. Governmental Accounting Standards Board Violation	31

Appendixes	
A Projects Selected for Additional Review, Summarized Information	32
B Projects Selected for Additional Review, Detailed Information	33
C Project Amount by Ward	46
D Assessed Valuation by Ward	47
E City of St. Louis Response	48



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Executive Director, St. Louis Development Corporation
City of St. Louis, Missouri

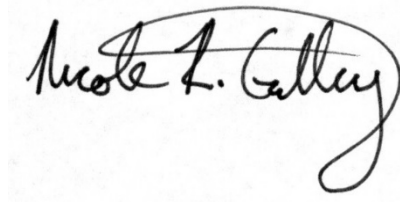
We have audited certain operations of the City of St. Louis regarding the administration of tax increment financing in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2018. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions related to tax increment financing.
2. Evaluate the city's compliance with certain legal provisions related to tax increment financing.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions related to tax increment financing.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with Governmental Accounting Standards Board requirements, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the administration of tax increment financing by the City of St. Louis.

Additional audits of various officials and departments of the City of St. Louis are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Tori Riley, MBA, CFE Matthew Schulenberg, CFE
Audit Staff:	Joseph T. Magoffin, CFE

City of St. Louis - Tax Increment Financing

Introduction

Background

The Real Property Tax Increment Allocation Redevelopment Act (Act) was established in 1982 under Section 99.800 to 99.865, RSMo. The Act permits the use of a portion of local property and economic activity taxes to assist funding the redevelopment of certain designated areas.¹ The City of St. Louis (city) uses tax increment financing (TIF) to help provide financing to encourage development of commercial, industrial, and residential sites; improvement of public infrastructure; and remediation of blighted properties. TIF incentives can be used to help develop or redevelop existing structures or new structures, such as buildings for retail establishments, and to help develop the public infrastructure supporting those developments such as construction of or improvements to streets, streetlights, public parking, and sidewalks.

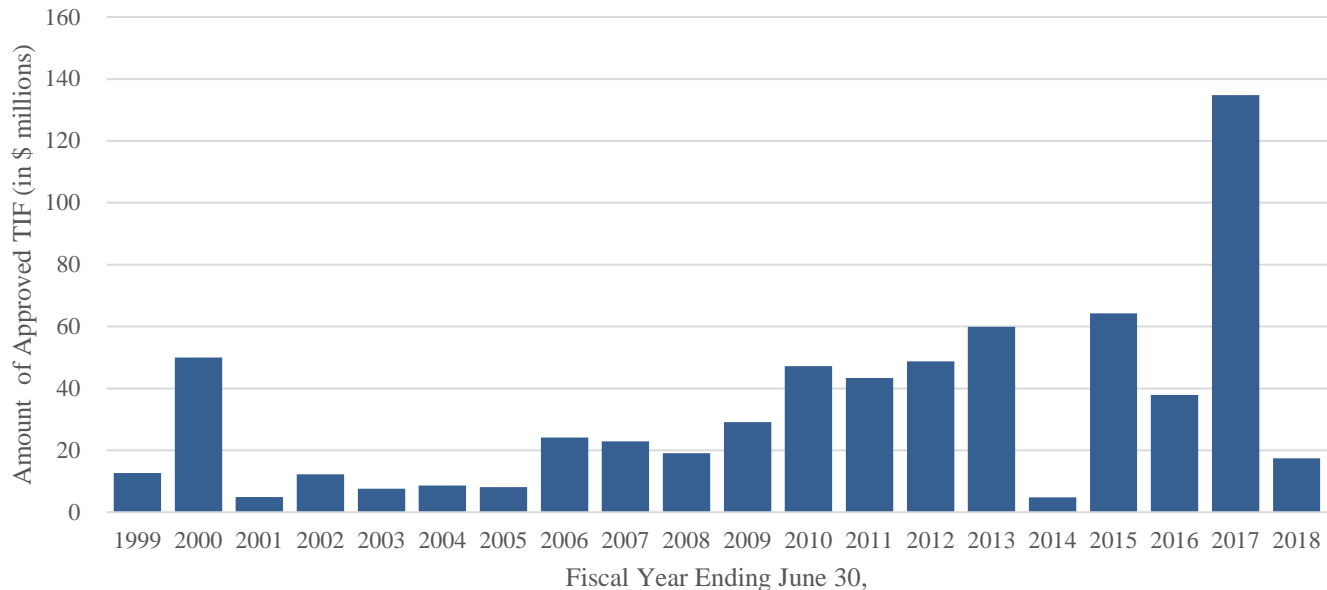
Based on city and St. Louis Development Corporation (SLDC) records, there were 109 active TIF projects in the city as of June 30, 2018. Figure 1 shows the dollar amount in millions of the approved TIF by year from 1999 through 2018 for these 109 active projects. A total of approximately \$657.8 million in TIF incentives was awarded for these 109 projects. Approximately \$347.9 million in principal and interest has been paid, with approximately \$515.5 million of unpaid TIF liabilities remaining as of June 30, 2018. TIF liabilities are generally only payable to the extent TIF revenues are generated, as described in the redevelopment plans and agreements associated with each TIF project.

¹ A redevelopment area is defined in Section 99.805(12), RSMo, as a blighted area, conservation area, or economic development area, an enterprise zone, or a combination thereof.



City of St. Louis - Tax Increment Financing Introduction

Figure 1: Dollar amount in millions of approved TIF for projects active as of June 30, 2018



Source: Prepared by the State Auditor's Office (SAO) using data from the city Comptroller's office.

St. Louis Development Corporation

The SLDC is a non-profit corporation with the mission of fostering economic development and growth in the city. The SLDC's Board of Directors is composed of the chairmen of the city's Industrial Development Authority, Land Clearance for Redevelopment Authority, Land Reutilization Authority, Local Development Company, Planned Industrial Expansion Authority, and Port Authority; the chairmen of the Board of Aldermen's Ways and Means and Housing, Urban Development, and Zoning Committees; and one person appointed by the Mayor of the city. The SLDC operates with its own Board of Directors and staffing. SLDC staff perform initial reviews and some monitoring activities,² and provide guidance to the city regarding economic incentives, including TIF.

TIF Award process

The process of receiving a TIF award is initiated by the property owner/developer submitting an application to the SLDC proposing a project to be completed in a redevelopment area. The SLDC, in cooperation with representatives of other city departments and officials, will determine if the project is eligible based on the Act³ and the TIF Commission's Policy and

² City departments, including the offices of the Comptroller, Collector, and Assessor undertake certain TIF monitoring functions due to their respective offices' inherent responsibilities.

³ Section 99.810.1, RSMo.



City of St. Louis - Tax Increment Financing Introduction

Application Procedure.⁴ If the application is complete and the project is eligible, the application is submitted to the TIF Commission. The SLDC staff also provide a recommendation regarding the merits of the application.

The TIF Commission consists of nine appointed members,⁵ consisting of the representatives of the city, the school district and other affected taxing districts. The TIF Commission reviews the projects and makes recommendations to the St. Louis Board of Aldermen (BoA). Following the TIF Commission review, an alderman may sponsor the necessary legislation to approve the TIF with the BoA. The President of the BoA typically assigns redevelopment plan bills to the Housing, Urban Development, and Zoning Committee. If approved by that committee, the ordinance will be considered by the BoA and needs a majority vote to pass.⁶ If the TIF Commission recommends against the proposed project, the BoA can still approve the project with a two-thirds majority vote.⁷ If the BoA approves the project, the BoA also considers legislation detailing the funding methods and description of the redevelopment area.⁸ Once a project has been approved by the BoA, it is presented to the Mayor for signature or veto.

TIF Revenues

Once approved, the Assessor will determine the base assessed value (BAV) of all property within a redevelopment area.⁹ The BAV within the redevelopment area is then frozen for the shorter of 23 years or until the approved project costs have been repaid. The property taxes generated from the assessed valuation (AV) above the BAV, or the incremental AV, are used to fund approved project costs. These incremental property tax revenues are referred to as Payments in Lieu of Taxes (PILOTs). Also, 50 percent of the total additional taxes generated by economic activity within the redevelopment area are used to fund approved project costs.¹⁰ These incremental taxes are referred to as Economic Activity Taxes (EATs) and are primarily sales taxes and earnings/payroll taxes. Both the PILOTs and the EATs are deposited by the city into a special allocation fund. The special allocation fund is then used to pay approved project costs.

TIF Financing

Typically, a developer must advance all costs of a TIF project because TIF revenues will not be generated until a project is completed and operational. State law allows, and the city primarily uses, two different financing methods

⁴ The TIF Commission adopted the original Policy and Application Procedure in 2001. It was revised in 2014.

⁵ As defined in Section 99.820.2, RSMo.

⁶ Section 99.825.1, RSMo.

⁷ Section 99.825.2, RSMo.

⁸ As defined in Section 99.810.1, RSMo.

⁹ Section 99.855.1, RSMo.

¹⁰ Goods and services exempt from being captured as Economic Activity Taxes (EATs) are outlined in Section 99.845.2, RSMo.



City of St. Louis - Tax Increment Financing Introduction

to reimburse developers for TIF-eligible costs of projects. One method is to issue special obligation notes to the developer, which are backed solely by the future PILOTs and EATs generated in the redevelopment area¹¹ and not by the city's general credit. These notes bear interest at the rate outlined in the ordinance approved by the BoA and are issued upon substantial completion of the project. The notes are endorsed only to the extent the developer proves, to the city's satisfaction, that it has incurred eligible reimbursable costs under the Act, the redevelopment plan, and the redevelopment agreement, up to the maximum amount of TIF assistance permitted by the redevelopment plan and the redevelopment agreement. When the project begins to generate revenues into the special allocation fund, the Comptroller uses the proceeds from the special allocation fund to begin to reimburse the developer for the certified project costs (i.e., to pay off the notes outstanding). When the notes mature, they are retired and no longer an obligation to the city, regardless of whether the notes have been paid off in their entirety.

Alternatively, the city may utilize the "pay-as-you-go" (PAYG) method. This financing method may be structured to have financing costs built into the amount to be reimbursed, or may be structured to reimburse the developer's actual interest paid on not-yet-reimbursed project costs. The reimbursement process to the developer/note holder is similar in both methods because the city reimburses the developer/note holder incrementally over a period of no more than 23 years. The method and terms of the reimbursement, including, if applicable, the issuance of the notes are set forth in the ordinances approving the redevelopment plan and the redevelopment agreement.

TIF Reporting

The city reports information regarding the status, amount of revenue, expenditures, debt obligations, BAV, and other information of each project/plan by November 15 annually to the Department of Revenue (DOR).¹² The information is published on the Missouri Accountability Portal and a summary is submitted to the State Auditor's Office (SAO).¹³

Scope and Methodology

The scope of our audit included, but was not limited to, the year ended June 30, 2018.

Our methodology included gathering information regarding projects through discussions with various city officials and the SLDC and reviewing information maintained by these entities. We reviewed the applications and analyses of the economic impact of the project, and performed site visits for

¹¹ Section 99.835, RSMo, allows obligations to be secured by the special allocation fund for redevelopment costs.

¹² Further outlined in Section 99.865.1, RSMo.

¹³ The information received by the SAO is available at
<<https://app.auditor.mo.gov/TIF/SearchTIF.aspx>>



City of St. Louis - Tax Increment Financing Introduction

a select number of projects. We discussed the oversight of these projects with city officials and SLDC officials. We also reviewed annual reporting information submitted by the city to the DOR regarding tax collections and compliance with reporting requirements.

To gain an understanding of the legal requirements governing TIF, we reviewed applicable state laws and city policies, including TIF application guidelines, the SLDC policy and procedures manual, and the city's Comprehensive Economic Development Strategy. We also interviewed individuals from the city and the SLDC.

We selected 13 redevelopment projects to review in more detail. The projects selected and the calendar year the establishing ordinances were passed are noted in the table below:

Projects reviewed

Redevelopment Project	Year Established
920 Olive/1000 Locust	2002
1111 Olive	2010
1225 Washington	2009
Chouteau/Compton Industrial Center	1998
Delmar East Loop	2006
Edison Brothers Warehouse	1999
Maryland Plaza South	2004
Northeast Hampton/I-44 Ackerman Toyota	2015
Paul Brown/Arcade Building	2002
Printer's Lofts - 1601-27 Locust Street	2003
Soulard Market Apartments - 1535 S. 8th Street	2003
Terra Cotta Annex and Garage	2003
Washington East Condominiums	2004

We analyzed these redevelopment projects using city-provided financial information, including the Comptroller's debt listing and amortization schedules; the Assessor's assessed valuation and ward listing for TIF projects; SLDC tracking information that included revenues, debt, developer fees, and payments by year; and annual reports submitted to the SAO each year that included revenues, payments, and assessed valuations. We reviewed all of the information we received for each TIF to ensure completeness and accuracy between the reports.

We also obtained applications, cost benefit analyses, and amortization schedules for the 13 projects above to analyze further. These analyses included reviewing financial ratios for each project for profitability and feasibility; reviewing a debt obligation analysis regarding outstanding debt, accrued interest, and the payment structures; reviewing the projected and current assessed valuations of each redevelopment area; evaluating developer fees for each project; reviewing the amount of TIF award compared to owner-



City of St. Louis - Tax Increment Financing Introduction

provided finances per project; comparing projected and actual revenues generated; reviewing the debt coverage of the project; and identifying any additional incentives that existed within the same boundaries of each project.

Since the approval of the 13 projects listed above, the SLDC has implemented new policies and procedures regarding the review and evaluation of proposed TIF projects, including a "scorecard" methodology that attempts to measure the economic benefit of the proposed project relative to city and neighborhood-level tax revenue targets. These new policies and procedures have evolved over the course of our fieldwork and have been used by the city to evaluate a relatively small number of projects. We reviewed "scorecard" files for two projects approved for incentives as part of our fieldwork.

City of St. Louis - Tax Increment Financing

Management Advisory Report

State Auditor's Findings

1. Strategic Planning for Tax Increment Financing Incentives Needs Improvement

The City of St. Louis's (city) strategic planning for tax increment financing (TIF) incentives is in need of improvement. While the city has documented policies related to TIF usage, the city's policy does not include specific program goals or strategic preferences, does not clearly define the evaluation process or criteria to be used in project selection, and does not include effective project cost limits or overall program cost controls. A TIF policy that includes these elements would provide clarity, consistency, and transparency to the city's use of TIF incentives.

1.1 No specific program goals or strategic preferences

The city's existing TIF policy does not contain any specific goals or measurable objectives. It contains mention of various strategic preferences, but there is no clear indication of how those preferences are implemented in the current process.

The current city TIF policy broadly communicates the TIF Commission's desire for "judicious use of TIF" toward projects that show a "substantial and significant public benefit" and broadly supports projects that create new jobs and retain existing jobs by:

. . . eliminating blight, financing desirable public improvements, strengthening the employment and economic base, increasing property values, reducing poverty, creating economic stability, upgrading existing neighborhoods, facilitating economic self-sufficiency, and implementing the Strategic Land Use Plan and any other component of the City's Comprehensive Plan.

The city's TIF policy does not include any specific strategic outcome preferences and does not include any measureable objectives by which to evaluate the effectiveness of the program. For example, a more effective policy could require a certain percentage of incentives go towards affordable housing, or require that a certain percentage of incentive awards be used in certain parts of the city. The effectiveness of this hypothetical policy could be measured by tracking and reporting on the number of housing units, or on the change in assessed valuation in the targeted wards.

Rather than specific strategic preferences, the city policy makes generic references to certain preferences. For example, the policy states "priority will be given to projects that include downtown development, Brownfield development,¹⁴ rehabilitation of historic structures, and projects with high employment."¹⁵ Since the policy does not clearly define how projects will be evaluated, it is unclear how projects that fit those categories will be

¹⁴ Generally defined as any former industrial or commercial site where future use is affected by real or perceived environmental contamination.

¹⁵ The city updated sections of its TIF policy in October 2018 with Resolution 104. These updates did not address the preferences listed.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

"preferred" and to what extent. SLDC staff have recently begun to evaluate TIF proposals with an internal evaluation tool that captures and documents the scoring of the projects. The development of this "scorecard" document is an improvement to the process, and is discussed further in MAR finding 3.1. However, more improvement is needed.

No strategic preferences
regarding location of projects

The city has not established a clear strategic preference as it relates to development locations.

Out of the 28 wards in the city, 52 percent of the projects are located in the 4 wards with the largest AV.¹⁶ These 4 wards account for 42 percent of the assessed value (AV) of the city. By contrast, 6 percent of projects are located in the 14 wards with the smallest AV. These 14 wards account for 21 percent of the AV of the city.¹⁷ See Appendixes C and D for maps showing the dollar amount of TIF notes issued and total AV by ward; respectively. City officials stated certain wards that are primarily residential would have lower AV and generally would not be considered good candidates for TIF projects. However, establishing strategic preferences would aid the SLDC in how, and to what extent, a project's location should be considered during the project evaluation stage and would also provide clarity to the public.

Government Finance Officers Association (GFOA) guidance¹⁸ recommends an entity "create a policy on the appropriate parameters for use of economic development incentives," and that such policy should be specific enough to establish clear boundaries. Specifically, GFOA recommends the policy contain clear goals and measurable objectives in order to create accountability. Such a policy would provide policymakers with information with which to make informed decisions about the program going forward. In addition, GFOA guidance recommends that the evaluation process be clearly defined, including how each proposal measures up to the criteria established by the entity. The criteria established should align with the entity's stated goals and objectives. According to GFOA guidance, a policy and process of this nature would provide consistency and transparency to the process.

1.2 No overall TIF program
limits have been
established

The city has not established any overall program usage limits. Such overall program limits have been put in place in other states and cities to provide overall cost controls to incentive programs. For example, the states of Oregon and Wisconsin require a local entity to limit the amount of AV within TIF

¹⁶ Wards 6, 7, 17, and 28.

¹⁷ This information is based on a listing of projects provided by the St. Louis Development Corporation and the assessed valuation of each ward provided by St. Louis City Assessor's office.

¹⁸ GFOA Best Practices *Establishing an Economic Development Incentive Policy*, is available at < <https://www.gfoa.org/materials/establishing-an-economic-development-incentive-policy>>, accessed January 24, 2020.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

boundaries to a particular percentage of total AV. In addition, GFOA guidance states that an incentive policy should define the types of incentives the jurisdiction is permitted to use and any limitations on their use, such as maximum dollar amounts, time limits, and project types.

The establishment of an overall cost limit would likely result in the city ensuring the TIF projects approved provided the most benefit to the city. Such a limit would also require the city to more carefully vet each project before approving. In addition, with an overall program cost limit, once the city reached its overall program limit, no new TIF projects could be approved until an existing project was paid off. Such a limit would provide an incentive to structure TIF projects in such a way that TIF debts could be paid off in a more timely manner.

1.3 Data tracking and transparency

The city does not maintain TIF data in a useful and transparent manner. Currently, the SLDC maintains information on project applications, projections, and note amounts, the Comptroller maintains payment and note amortization data, and the Assessor maintains information regarding actual assessed valuation. This information is not compiled in a centralized source, reconciled to ensure accuracy, or presented in a format that would be accessible for policy makers or taxpayers.

State law requires the annual reporting of TIF data on a per project basis and the SLDC completes these reports as required. State law does not require the reporting of cumulative TIF data on a per-city basis. However, without complete and accessible data, informed strategic decisions and complete analyses are impossible, particularly for a program the size of the one maintained by the City of St. Louis. Accessible and transparent data would also help the Board of Aldermen and the public maintain some level of oversight of the TIF program.

Recommendations

The City of St. Louis:

- 1.1 Establish specific goals and measurable objectives for the TIF program, and identify specific strategic preferences of the TIF program and incorporate these preferences in the TIF policy and project evaluation process. Establishing such strategic preferences would include establishing appropriate performance measures to track the effectiveness of the policy.
- 1.2 Establish appropriate overall program cost limits of the TIF incentive program.
- 1.3 Establish procedures to ensure TIF incentive data is readily available to the Board and to the public.



Auditee's Response	<i>The city provided a written response. See Appendix E.</i>
Auditor's Comment	<p>The city's response to MAR finding number 1 correctly states that state law does not require the establishment of a strategic plan regarding the use of TIF incentives. However, our report makes clear that adding specific targets and program usage limits to the existing strategic plan would provide clarity, consistency, and transparency to the city's use of TIF incentives, and is considered a best practice by the GFOA. Similarly, the tracking of cumulative TIF incentive data is not required by state law, but is necessary for the effective administration of a such a large TIF program. We encourage the city to continue its efforts to improve its data systems related to the TIF program in an effort make such information more readily available to the public.</p>

2. Cost Control and Project Financing Policies Are Ineffective

Cost control policies in place for individual TIF projects have been ineffective in controlling costs. The city's current TIF policy includes a per-project incentive limit of 15 percent of total project costs, and further includes requirements that estimated project revenues be sufficient to cover at least 110 percent of the debt service payments (the amount required to cover principal and interest of the note). The policy further states a project that relies on EATs to cover debt service must show the project is expected to generate revenues of at least 125 percent of the projected debt service payments. These policies appear to provide specific project limits; however, in practice, neither policy has been effective due to language in the policies allowing these requirements to be waived.

2.1 Project cost limits are not defined, and are regularly exceeded

The city does not have defined project cost limitations that are followed. SLDC officials stated there are 4 factors that limit the amount of TIF awarded to each project:

- (1) The revenues the project is expected to generate,
- (2) The Internal Rate of Return (IRR) the developer will generate if the TIF is awarded,
- (3) The developer's need for gap financing,
- (4) City policy of the TIF incentives not to exceed 15 percent of total project costs.

The first 3 factors are not documented in a policy, but are instead general practices SLDC officials stated they follow. We identified significant flaws with the revenue projections (see Management Advisory Report (MAR) finding number 3.2) and with the IRR calculations (see MAR finding number 3.1). Additionally, the developer provides the projected revenues, IRR calculations, and the gap financing schedule but the city does not review the information with adequate scrutiny. These documents are submitted by the same entity that is trying to obtain TIF incentives.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

The 15 percent limitation is included in the policy. However, the policy includes a provision that allows for the 15 percent cap to be waived, but no guidance is provided about the extent to which it can be waived, and no overall per-project cap is provided. For the 13 projects we reviewed in more detail (documented in the Scope and Methodology section), the 15 percent cap was exceeded 9 times. For these 9 projects, total development costs were \$165 million, and a total of \$35 million in incentives were approved, or an average of 21 percent. As a result, the city awarded \$10.3 million in TIF awards over the stated 15 percent cap for these 9 projects alone.

GFOA guidance recommends incentive policies specify any limitations on their use, including maximum dollar amounts or limits on repayment time. Incentive caps on a per-project basis serve as a means to ensure cost controls are in place, provide some consistency in the implementation of the city's incentive policy, and help ensure a certain portion of the project is financed by the developer. Providing some flexibility to allow for additional incentives when certain conditions exist is reasonable, and is consistent with GFOA guidance, but in order to maintain consistency and transparency those exceptions need to be defined and consistent with stated policy objectives. Additional detail in the city's per-project incentive limit policy is needed to clarify to applicants, evaluators, and the public, what project limits apply to each project.

2.2 Policy on funding methods has not ensured project revenues are sufficient to cover debt service, has resulted in significant accrued interest, and has reduced transparency

City TIF policy regarding financing methods and requiring a minimum level of debt service coverage have been ineffective in ensuring project revenues are sufficient to cover financing costs. The city primarily uses interest bearing TIF notes to finance TIF projects. As a result, projects regularly accrue significant levels of interest, which can result in increased costs and reduce the likelihood TIF projects will be paid off in less than the statutory 23-year limit. The use of TIF notes also reduces the transparency of the amount that will ultimately be reimbursed on the project.

Per current policy, TIF assistance can be provided via (1) bonds or notes, (2) direct reimbursement to the applicant (pay-as-you-go, or PAYG), (3) pledging TIF revenue to private debt, or (4) a combination of all three. The city policy regarding TIF financing methods provides no specific guidance on which funding method is preferred, but states the "prevailing factor" in determining which method to use is "total costs." The city policy also states the financing method is at the city's discretion. According to city officials, no review has been performed to determine which financing method is in the best interest of the city.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

TIF notes primarily used;
debt coverage policy not
effective

Our review of city TIF data shows 102 of the 109 active TIF projects as of June 30, 2018, and 12 of 12¹⁹ projects selected for additional review, have been financed using interest-bearing TIF notes. Approximately \$263 million in total has been paid on these notes. Approximately \$200 million of that amount was used to pay interest and an additional \$49.5 million in accrued interest was still due as of June 30, 2018. In the event a TIF project is financed using a note, city policy requires the project to cover 110 percent of projected debt service payments (125 percent if project involves EATs). However, the city policy also includes significant exceptions to this requirement. For example, the policy states one exception is "if the project involves redevelopment of existing structures, includes a significant jobs component[,], or involves the assembly and clearance of land upon which existing structures are located." As a result of allowing numerous exceptions, the vast majority of projects do not adhere to the debt service coverage requirements, resulting in significant levels of accrued interest.

TIF notes result in significant
levels of accrued interest

Our review of city information for the TIF notes issued for 12 of the 12²⁰ projects selected for additional review showed that the projects had significant levels of accrued interest. As of June 30, 2018, the city had issued approximately \$50.2 million in TIF notes for these 12 projects, and paid \$39.4 million toward these notes. However, the payments have not been sufficient to cover the interest liability due. An additional \$10.4 million in accrued interest is due on them, and only \$9.6 million of the \$39.4 million paid has gone toward principal. In total, despite paying \$39.4 million on these 12 notes, the city still owed approximately \$51 million²¹ on them as of June 30, 2018; more than the principal value of the notes.

Some TIF notes include
compounding interest

In addition to issuing notes with interest, the city issued notes for 29 projects with compounding interest. For these notes, as unpaid interest accrues, even more interest is due on the following payment. This can result in a note for which revenues are insufficient to pay the current interest even after the project stabilizes and begins to generate revenue. Figure 2 shows the payments made, the interest due for the current period, and the total outstanding accrued interest for each semi-annual payment for the 920 Olive/1000 Locust TIF note:

¹⁹ We were able to review 12 of the projects selected for additional review, instead of the 13 selected, because the city had not yet issued a note for the Northeast Hampton/I-44 Ackerman Toyota project by the end of our audit period.

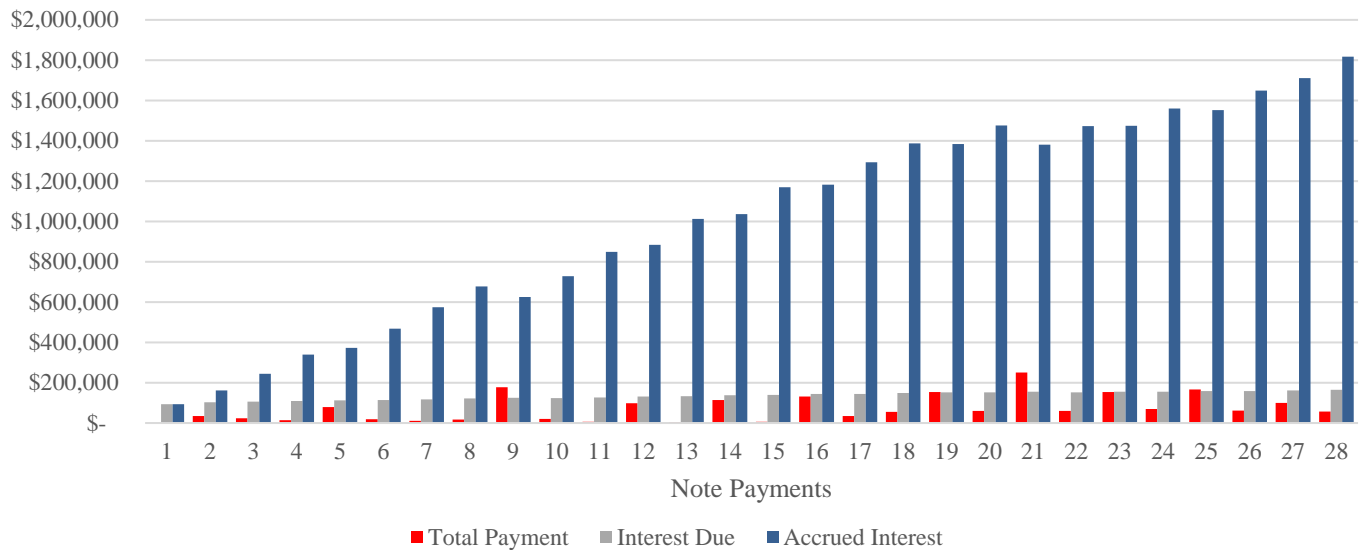
²⁰ The city had not yet issued a note for the Northeast Hampton/I-44 Ackerman Toyota project by the end of our audit period.

²¹ \$40,649,453 in outstanding principal plus \$10,358,221 in accrued interest.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

Figure 2: 920 Olive/1000 Locust Semi-annual Note Payments



Source: Prepared by the SAO using note payment information provided by the city Comptroller's office.

Based on Figure 2, the city was able to pay the full current period interest due for only 4 of the 28 payments.²² However, for these 4 payments, no principal was paid because accumulated interest was paid after current interest, as required by the city ordinance,²³ and nothing was left to apply to the principal. This \$2,667,732 note was issued in September 2004. From the period of March 2005 through September 2018, \$1,979,236 had been paid, \$1,818,166 in accrued interest was still owed, and \$0 of principal had been paid. In the application for the 920 Olive/1000 Locust TIF, the developer stated it is "not requesting the city to issue any bonds or notes." However, the city issued a note with compounding interest. It is unclear why notes with compounding interest were approved even when it was not requested by the developer in the application.

There is currently no policy regarding when it is appropriate to issue TIF notes, what interest rate is appropriate for these notes, or the type of interest allowed (compound or simple). For the 13 projects selected for additional review, 12²⁴ were financed with TIF notes (8 with compounding interest). The average interest rate on these 12 notes was 6.5 percent, with the highest

²² The total payment exceeded the current period's interest due for payments 9, 19, 21, and 25.

²³ Ordinance #65749.

²⁴ We were able to review 12 of the projects selected for additional review, instead of the 13 selected, because the city had not yet issued a note for the Northeast Hampton/I-44 Ackerman Toyota project by the end of our audit period.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

rate at 9 percent.²⁵ The interest rate is approved by the BoA. One project's financing had not been finalized at the time of our review, but a TIF note was subsequently issued. None of the projects selected involved the use of PAYG financing. According to city officials, only 2 of the 109 active projects as of June 30, 2018, have PAYG financing.²⁶

Interest on notes can result in increased costs and reduces the likelihood projects will be paid off in less than 23 years

The accrued interest on projects with TIF notes can result in additional costs to the taxpayers, and reduces the likelihood projects will be paid off prior to the 23-year maximum.

State law limits the life of TIF districts to 23 years and the city is not liable for any unpaid principal and interest at the end of this 23-year period; however, due to the significant levels of accrued interest on TIF projects financed with notes, those projects are significantly more likely to last the full 23 years allowable by law. For example, the Paul Brown/Arcade Building project received a TIF note of \$3,264,200 in 2006. As of December 1, 2018, the city has paid \$3,285,570 on the note; however, the outstanding principal and interest balance was \$3,073,960. Due to the significant accrued interest on this project, the note still had an outstanding principal balance of almost \$3 million and the local taxing districts will likely not receive the increased revenues until the end of the TIF's statutory life in December 2025. See Appendixes A and B for additional information regarding the financing of the individual projects. If TIF liabilities were paid off in a more timely manner, the affected local taxing districts would receive the additional tax revenues from the project sooner.

Additional transparency needed

When a TIF note is approved, the amount of the award and the interest rate is known, but the total amount of interest that will accrue and be paid is unknown and is dependent on the amount of revenue generated by the project. As a result, there is significant uncertainty in the amount that will ultimately be reimbursed to the developer. The use of PAYG financing method could reduce the uncertainty of costs to taxpayers. PAYG TIFs may include an interest component, but can be structured such that verified interest expense may be paid as an eligible reimbursable cost that has been incurred by the developer,²⁷ or an interest component can be built into the TIF award.²⁸ In both of these PAYG structures, the total amount of interest to be paid could be defined and transparent. In the event interest is reimbursed to the

²⁵ Two of the three notes issued for the Chouteau/Compton Industrial Center were for 9%, while the third note was issued for 7%. As a result, we used a weighted average to calculate a single interest rate for Appendix A.

²⁶ The Lafayette Square and the Old Post Office projects are PAYG.

²⁷ This is the primary method used by another large municipality in the state to finance TIF projects.

²⁸ In this method, the TIF award would be larger than the amount of the TIF incentive necessary to complete the project. The final value is based on an implied interest factor.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

developer, such reimbursement would be based on actual interest expenses of the developer and can be limited or budgeted to certain levels.

According to an SLDC official, issuing TIF notes is preferred by developers because they are more marketable than other financing types to banks and investors. Additionally, this official stated if TIF notes with interest are issued, the city could potentially refinance the notes into a tax exempt bond at a cheaper interest rate. However, based on city records, only 6 of the 109 notes have been refinanced into tax exempt bonds. Also, the official stated if PAYG is used, the city would have to award a larger amount of TIF to the developer due to the time value of money. While this is accurate, using PAYG would cap the amount of city money paid on the award, since interest cannot accrue, and this would result in more transparency to the public since the maximum amount to be reimbursed would be known.

The current funding method policy provides no specific guidance on the preferred funding method of TIF projects, although it appears to give preference to whatever method results in lower "total costs." Based on our review, the use of TIF notes is the predominate funding method currently used. However, the use of TIF notes is not clearly consistent with the "total costs" portion of the policy. A more specific funding method policy would clarify what funding method is preferred and would also include a more consistent debt coverage policy to ensure project revenues are sufficient to keep the project on schedule and, in the event TIF notes are used, keep any accrued interest to a minimum. An improved funding method policy would also ensure additional transparency regarding the potential cost of the TIF project being considered.

Conclusion

Transparency and clarity are needed in the city's TIF program. Under the current policies there are no defined project cost limits, and TIF projects are primarily financed with interest bearing TIF notes. These notes accrue significant interest and essentially ensure most projects will last the full 23-year statutory maximum before being completed. More specific and defined per-project limits and project funding method policies would provide clarity to the process, potentially reduce costs, allow the local taxing districts to receive the additional revenue sooner, and be in the best interest of taxing districts and taxpayers.

Recommendations

The City of St. Louis:

- 2.1 More strictly define the cost limitation policy, and ensure any necessary waivers from this policy are well defined and documented.
- 2.2 More strictly define the debt coverage policy to ensure projects approved have sufficient revenues to cover projected liabilities and



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

consider not allowing this requirement to be waived. Also, consider updating the policy to define what funding method is preferred.

Auditee's Response

Auditor's Comment

The city provided a written response. See Appendix E.

The city's response to MAR finding number 2.1 incorrectly suggests that the report recommends rigid cost limits that provide no flexibility. Our report clearly states that providing some flexibility to allow for additional incentives when certain conditions exist is reasonable, but in order to maintain consistency and transparency those exceptions need to be defined and consistent with stated policy objectives. This finding is also consistent with GFOA best practices.

In the response to MAR finding number 2.2, the city correctly states the financing method used is allowed by law. The report does not suggest otherwise. The response also suggests the city's almost exclusive use of TIF notes is due to this method being preferred by private investors. While the preferences of investors must be considered, our report provides information regarding the need for additional transparency that would be in the best interests of taxpayers. As our report also documents, another large municipality in the state utilizes an alternate funding method that provides transparency to the public while also taking the needs of the investors into account.

3. Project Evaluation Improvements Needed

Project evaluation procedures are in need of improvement. The city policy does not define how the need for TIF incentives should be determined and documented. The city and SLDC were not able to provide documentation of all cost-benefit analyses requested for our test items, and projects were approved with flawed cost-benefit analyses, including overestimated revenue projections. While a new evaluation model has been put in place and improved these processes, additional improvement is needed. In addition, policies are needed to ensure allowable developer fees are reasonable and defined. We reviewed 13 projects with a total of \$55,421,629 in TIF awards in greater detail.²⁹

3.1 The policy does not define how the need for TIF should be evaluated and documented

A primary guideline of the city's TIF policy and state law³⁰ is that "each applicant must demonstrate that without the use of TIF, the project is not feasible and would not otherwise be completed." This is commonly referred to as the "but-for" test. While this process has been improved in recent years with the development of an evaluation model, the current policy contains no specific guidance on how this requirement is to be "demonstrated,"

²⁹ We used the amount of the TIF note issued by the city to determine the award. The city had not yet issued the note for the Northeast Hampton/I-44 project, so we used the amount the TIF award could be issued up to in Ordinance 71002 as the award amount.

³⁰ As required by Section 99.810.1(1), RSMo.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

determined, or documented. As a result, it is not always clear how the amount of TIF incentives awarded was derived, or that the amount of incentives awarded was necessary for the project to go forward.

For example, for the 13 projects reviewed, 7 project files³¹ had no analysis of the project's expected return in the files. For these 7 project files, the only documentation to satisfy the but-for test is a statement in the application that the incentives were necessary. SLDC officials stated these analyses were maintained by an employee in the former Mayor's office and the analyses were not retained when that individual left employment. We identified concerns with the analyses for the remaining 6 projects. The concerns we identified are:

- The developer of the 920 Olive/1000 Locust project provided the developer's IRR without TIF at 5.2 percent and with TIF at 10.8 percent. We noted the developer fee was not included in either IRR calculation. This error artificially lowers the developer IRR giving the appearance the developer is making less of a profit. Additionally, we could not determine how the IRRs were calculated because the detailed calculations were not available for review. When the error was discussed with SLDC officials, they were unsure why the omission occurred and were unable to tell us how the IRRs were calculated, stating the files explaining the calculations were not maintained.
- The developer of the Maryland Plaza South project provided the developer's IRR without TIF at 1.7 percent and with TIF at 3.5 percent. We noted the with-TIF IRR calculation incorrectly excluded projected PILOTs, and only included projected EATs. This error artificially lowered the developer's IRR, giving the appearance the developer was making less of a profit with public assistance. Additionally, we could not determine how the IRRs were calculated because the detailed calculations were not available for review. When we discussed the error with SLDC officials, they were unsure why the omission occurred and were unable to tell us how the IRRs were calculated, stating the files explaining the calculations were not maintained.

The developer of the Printer's Lofts - 1601-27 Locust Street project provided the developer's IRR without TIF at negative 0.7 percent and with TIF at 8.2 percent. We could not determine how the IRRs were calculated because the data was not available for the financial calculation.

³¹ 1111 Olive, 1225 Washington, Chouteau/Compton Industrial Center, Delmar East Loop, Edison Brothers Warehouse, Paul Brown/Arcade Building, and Washington East Condominiums.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

SLDC personnel were unable to tell us how the IRRs were calculated, stating the files explaining the calculations were not maintained.

- The developer of the Terra Cotta Annex and Garage project provided the developer's IRR without TIF at negative 0.8 percent and with TIF at 8.4 percent. We could not determine how the IRRs were calculated because the data was not available for the financial calculations. SLDC personnel were unable to tell us how the IRRs were calculated, stating the files explaining the calculations were not maintained.
- The developer of the Soulard Market Apartments - 1535 S. 8th Street project provided the developer's IRR without TIF at 5.5 percent and with TIF at 8.6 percent. We could not determine how the IRRs were calculated because the data was not available for the financial calculation. SLDC personnel were unable to tell us how the IRR was calculated, stating the files explaining the calculation were not maintained.
- The developer of the Northeast Hampton/I-44 Ackerman Toyota project provided the developer's operating return on equity (ROE) without TIF at negative 3.6 percent and with TIF at 3.5 percent. We could not determine how the ROEs were calculated due to a lack of financial equity information. SLDC officials were unable to tell us how the ROEs were calculated, stating the files explaining the calculations were not maintained.

These examples show the need for more defined policies related to estimated and allowable returns on TIF projects. For two of these projects, the IRR without TIF exceeded 5 percent, while the with-TIF IRR for another project was 3.5 percent. Another project showed a with-TIF IRR of over 10 percent without including the developer fee, which would erroneously show a lower level of return. In addition, for the 6 projects with some form of return analysis in the file, the calculations were not consistent. Without clear policies on acceptable levels of return, or established policies on how a return is to be calculated, it is unclear how the city determined the appropriate level of TIF award (see concerns identified with project cost limitations in MAR finding number 2.1).

State law³² requires the municipality to determine that it is not reasonably anticipated that the area would be developed without the adoption of tax increment financing. Requiring the same financial metrics to be used in all analyses to support the developers' need for TIF would allow city officials to compare the merits of each project against other projects to make a better informed decision on the use of public assistance. Defining how this

³² Section 99.810.1(1), RSMo.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

determination would be made and documented is necessary to ensure transparency to the public.

New evaluation model
process developed

In 2016, the city began implementing a new evaluation model that incorporates an analysis of the developer's IRR, as well an evaluation of projected revenues. Based on our review of project evaluation documentation from the new model, there is a comparison of the range of acceptable market return, the with-TIF rate of return, and the without-TIF rate of return. According to SLDC documentation, no incentives will be approved if the without-TIF rate of return is already within the acceptable market return range, and incentives will only be awarded that keep a project's rate of return within the acceptable range. This model is relatively new and has been used to evaluate a relatively small number of projects. In addition, the model has continued to evolve past our audit scope, so testing and verification of the model was minimal. We reviewed project evaluations for two projects that were approved for incentives, including the "scorecard" generated by the new model. According to SLDC documents, developer fees and other tax incentives are now included in the determination of the IRR in the new model. Based on our limited review of the new model, it appears to be an improvement over past procedures as it relates to determining the need for incentives.

3.2 Flawed cost-benefit
analyses have led to
significant
overstatements of
projected revenues,
additional oversight is
needed

Improvement is needed in the oversight of cost-benefit analysis documents during the project application process. Our review identified flaws in the cost-benefit analyses for our test cases, including unreasonable AV assumptions that understated the no-build option, unreasonable AV assumptions that overstated the build option, and overly aggressive AV and EAT assumptions that overestimated project revenues. In addition, cost-benefit analysis information was not maintained for 4 test items. The cost-benefit analysis is an important aspect of project evaluation, and flawed analyses can result in decisions that are not in the best interest of taxpayers. Improvements are needed to help ensure the accuracy and transparency of these estimates.

Cost-benefit documentation
not maintained and
assumptions flawed

The city could not provide cost-benefit analyses for several of the projects we selected for additional review. Also, for some of the cost-benefit analyses provided, we identified errors in these analyses. State law³³ requires the municipality to consider a cost-benefit analysis showing the impact of the project on each taxing district that is at least partially in the boundaries of the redevelopment area. Typically, the developer provides a revenue forecast that shows the projected amount of PILOTs and EATs the developer anticipates the project will generate. The cost-benefit analyses also compare projected revenues for each taxing district based on whether the TIF project occurs or

³³ Section 99.810.1(5), RSMo.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

does not occur. These two scenarios are typically referred to as "build" and "no-build" scenarios.

Cost-benefit analyses were either missing or relied on flawed or unsupported assumptions for 8 of the 13 projects (62 percent) we selected for additional review. These 8 projects were awarded \$36.7 million of public incentives. We identified the following concerns:

- A cost benefit analysis was not in the project file for 4 of the approved projects.³⁴ SLDC officials stated these analyses were performed and evaluated, but could not provide the analyses for review, documentation the analyses were reviewed, or an explanation as to why the analyses and documentation of the review were not retained.
- The 1111 Olive and 1225 Washington cost-benefit analyses assumed the TIF debt would be paid off in 19 years, with a large increase in revenue to the taxing districts occurring in the 20th year due to the abolishment of the district. However, there is no data to support this assumption. This assumption causes the total revenues to the taxing districts in the analysis to be overstated.
- The Edison Brothers Warehouse cost-benefit analysis assumed no increase in AV for 11 years under the no-build scenario. However, AVs typically increase marginally, especially considering the project's proximity to downtown and the Enterprise Center. This assumption artificially increases the benefit to the taxing districts if the project is built.
- The Paul Brown/Arcade Building cost-benefit analysis assumed a small decrease in the AV over a 10-year period and then sharply decreased to \$0 AV for year 11 under the no-build scenario. It is unclear how the AV of a property located in the ward with the highest AV in the city could abruptly drop to \$0. This assumption understates the revenue the taxing districts would receive if the project was not built.

Cost-benefit revenue
projections are overstated,
additional oversight needed

The flawed assumptions used in cost-benefit projections have historically led to the city approving projects with significantly overstated revenue projections. As a result, many projects have accrued significant interest and taken longer to complete than expected, and the benefits to the taxing districts at completion of the project have been significantly lower than anticipated. Additional oversight of cost-benefit assumptions is needed to help ensure projects produce the benefits to the public they are approved to provide.

³⁴ Chouteau/Compton Industrial Center, Maryland Plaza South, Soulard Market Apartments - 1535 S. 8th Street, and Washington East Condominiums.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

Based on the project application files and annual reports submitted by the SLDC, our analysis of 10 projects³⁵ selected for additional review were projected to generate approximately \$59.2 million in revenues from the inception of the projects through December 31, 2017. However, these projects actually generated \$35.9 million (61 percent of projected revenues) over the period of inception through June 30, 2018.³⁶

Figure 4 below compares projected PILOTs and EATs from inception through June 30, 2018, to actual PILOTs and EATs in total from inception through December 31, 2017, for 10 projects selected for additional review.

Figure 4: Projected PILOTs and EATs vs Actual PILOTs and EATs

	Projected from inception through December 31, 2017	Actual from inception through June 30, 2018	Difference
PILOTs	\$38,307,969	\$27,284,826	\$(11,023,143)
EATs	\$20,885,587	\$8,598,540	\$(12,287,047)
Total	\$59,193,556	\$35,883,366	\$(23,310,190)

Figure 5 below compares projected PILOTs and EATs to actual PILOTs and EATs from the inception of the project through 2018 for the 10 projects analyzed. Our analysis of these 10 projects noted the following trends:

- Only 1 of the 10 projects generated enough EAT revenues to meet projections, and 1 of the 10 projects generated enough PILOT revenue to meet projections.
- On average, the 10 projects generated 41 percent of their projected EAT revenue, and 71 percent of their projected PILOT revenue.
- 6 of the 10 projects generated less than 50 percent of projected EAT revenue, and 3 of the 10 projects generated less than 10 percent of projected EAT revenue.

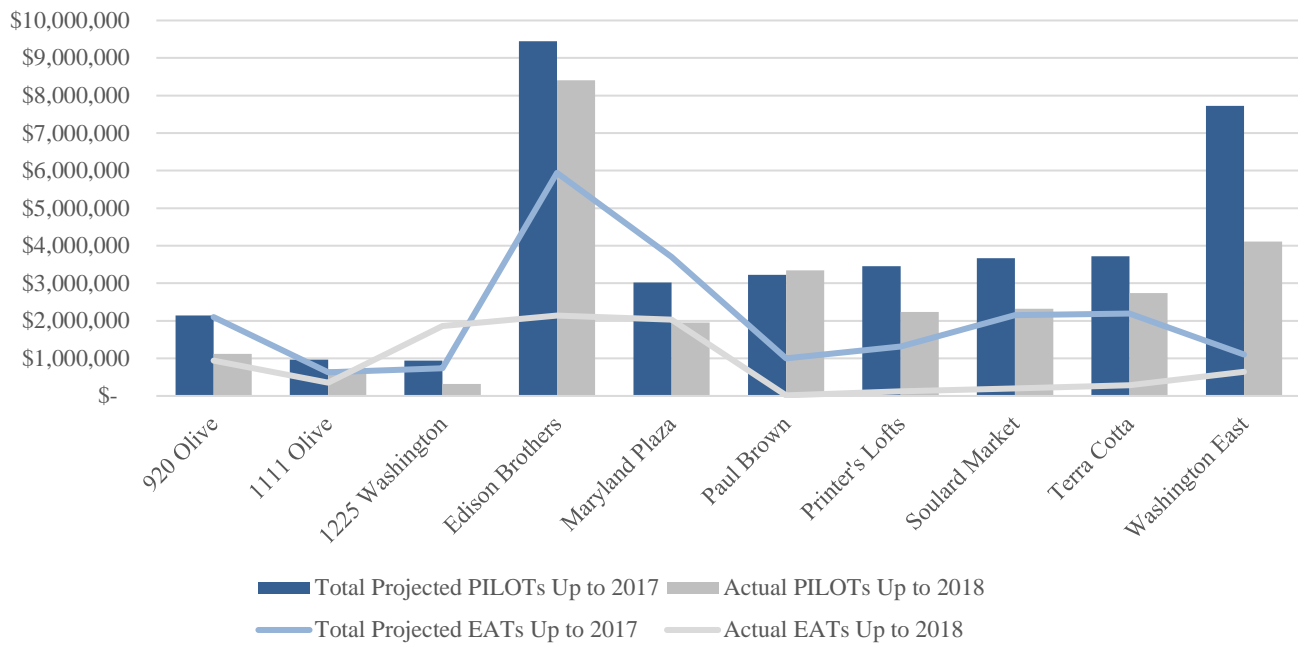
³⁵ We attempted to analyze all 13 projects chosen for review. However, Chouteau/Compton Industrial Center and Delmar East Loop TIF projects were missing information regarding the projected revenues and Northeast Hampton/I-44 Ackerman Toyota TIF project had not reported actual revenues due to the timing of project completion. Due to missing information, we were not able to analyze these projects in our review.

³⁶ The City maintains projected TIF revenues on a calendar year basis and actual TIF revenues on a fiscal year ending June 30 basis. Projected revenues were obtained from the project application files. Actual revenues were obtained from the annual reports submitted to the Department of Revenue. Because these amounts are not available on the same yearly basis, we conservatively used the projected amounts through December 31, 2017, and actual amounts through June 30, 2018, which gave the projects an additional 6 months more of actual revenues compared to corresponding the projected revenues.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

Figure 5: Projected PILOTs and EATs from inception through December 31, 2017, compared to Actual PILOTs and EATs, from inception through June 30, 2018, by Project, for 10 Projects Tested



Source: Prepared by the SAO using information from the individual project applications for revenue projections (on a calendar year basis) and the annual reports submitted to the Department of Revenue pursuant to Section 99.865.1, RSMo, (on a fiscal year ended June 30 basis).

Aggregate information for each of the 10 projects is located in Appendix A and detailed information for each project is located in Appendix B.

The shortages in PILOT revenue projections are directly correlated to overestimated AV projections. Based on information provided by the St. Louis Assessor and information in the project application files, through 2018, 11 of the 13³⁷ projects selected for additional review projected the total AV of the project areas to be approximately \$59.4 million. However, the actual AV for these 11 projects was approximately \$39.1 million (66 percent of the projected AV).

City officials stated that a portion of these revenue shortages may be due to delays in construction/completion, and also were the result of the 2008 recession that was unforeseen. However, even if projected revenues for the

³⁷ The projected AV by year was not provided for the Chouteau/Compton Industrial Center. The only AV provided was the AV at substantial completion, which was planned for the year 2000. The projected AV in 2000 was \$2,363,850 while the actual 2018 AV was \$905,800. Additionally, substantial completion had not yet occurred for the Northeast Hampton/I-44 Ackerman Toyota project. As a result, it was not included as it would not be a genuine comparison to projected AV.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

years in which there were no actual revenues are excluded,³⁸ actual revenues were still \$19.5 million (39 percent) less than projected for the 10 projects³⁹ selected for additional review. In this analysis, projected revenues were \$50.4 million while actual revenues were \$30.9 million (61 percent of projected revenues).

Overestimated revenue projections result in accrued interest, longer TIF district life, and reduced public benefit from the project

Overestimated project revenues result in significant accrued interest on projects because the actual revenue stream is insufficient to pay TIF note debts. The importance of these issues is discussed in more detail in MAR finding number 2.2. In addition to these issues, overestimating project revenues also has the effect of overstating the positive impacts the project will have on the relevant taxing districts when the TIF district is eventually dissolved. For example, the actual AV for the 11 projects described above was \$19.4 million less than what was projected for 2018. Based on the 2019 property tax levy that was projected when the project was approved, this AV shortage results in the St. Louis Public Schools receiving \$969,235 less funding annually than the projects were projected to generate for these 11 projects alone.

Providing additional critical oversight to revenue projections, including a review of projected-to-actual AV increases generated by the project, could help the city make a better determination of whether the proposed project is in the best interest of the city.

3.3 Inconsistent and potentially excessive developer fees allowed

The city does not have an established policy regarding how much of a developer fee is allowed on TIF projects. As a result, developer fees are inconsistent from project to project, and in some cases, appear excessive. The developer fee is the fee charged by the developer to complete the project. The developer sets its own developer fee and documents the fee in the TIF application. According to the SLDC, the developer fee covers overhead costs of the developer (such as office rent and salaries) and the developer's profit. This developer fee is in addition to any profit earned on the project as an investor. We noted 5 of the projects⁴⁰ selected for further review did not disclose a developer fee in the application. We reviewed the developer fees from the applications of the remaining 8 projects. Figure 6 shows the developer fee as a percentage of the total project cost for the 8 projects.

³⁸ Since the data provided by the SLDC on the annual reports shows the 2007 actual revenues as cumulative from inception through 2007, we used 2008 as the first year in our calculation for the projects that had actual revenues prior to 2008.

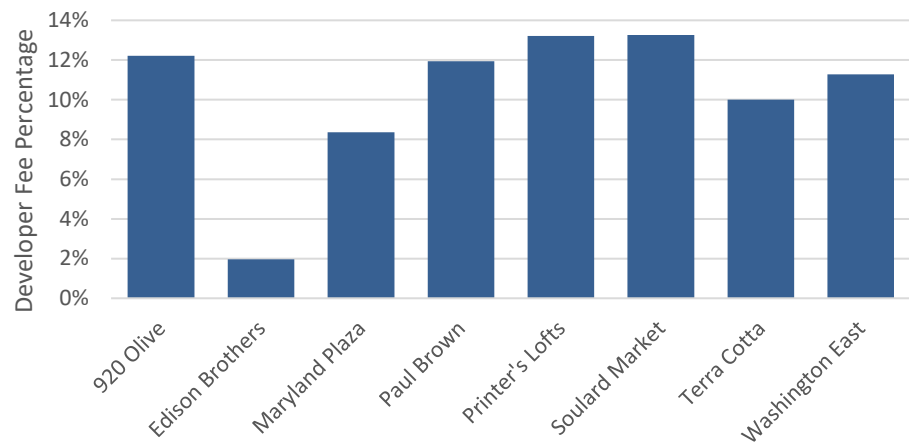
³⁹ We attempted to analyze all 13 projects chosen for review. However, Chouteau/Compton Industrial Center and Delmar East Loop TIF projects were missing information regarding the projected revenues and Northeast Hampton/I-44 Ackerman Toyota TIF project did not report actual revenues due to the timing of project completion. Due to missing information, we were not able to analyze these projects in our review.

⁴⁰ 1111 Olive, 1225 Washington, Chouteau/Compton Industrial Center, Delmar East Loop, and Northeast Hampton/ I-44 Ackerman Toyota.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

Figure 6: Developer fees as a percentage of the total project cost



Source: Prepared by the SAO using information from the individual project applications.

According to SLDC officials, part of the SLDC's review of the project is to determine if the developer fees are consistent with industry standards and with the portfolio of projects the SLDC has reviewed in the past. An SLDC official stated developer fees on large projects can typically range from 5 to 10 percent; however, 5 of the 8 projects in Figure 6 above exceeded the high end of this typical range.

Without guidelines on acceptable developer fees, the city and SLDC cannot ensure the fees are reasonable for the services the developers are providing.

Recommendations

The City of St. Louis:

- 3.1 Ensure the project evaluation model continues to develop and ensure the calculation of developer return is defined and consistently calculated, and the calculation is maintained.
- 3.2 Ensure the cost-benefit analysis required by state law is submitted for each project and retained, and perform a critical review of cost-benefit assumptions to improve the accuracy of project revenue projections used in the TIF decision-making process.
- 3.3 Establish a policy regarding acceptable levels of developer fees for TIF projects and ensure developer fees stay within allowable ranges.

Auditee's Response

The city provided a written response. See Appendix E.

Auditor's Comment

The city's response to MAR finding number 3.1 takes issue with the age of the projects in the audit sample. However, in order to evaluate the TIF program as a whole, and because the majority of TIF projects last the full 23 years allowed by law, such a sample was necessary. The response, as well as the audit report, discusses the existence and development of a new



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

methodology for project evaluation. The audit report recommends the city continue to develop this model.

The city's response to MAR finding number 3.2 provides information regarding the difficulty in accurately projecting financial information over the 23-year life of a TIF project. The audit report acknowledges the difficulty of such an undertaking, but also provides information regarding the consistent and significant overestimating of project revenues for the projects reviewed, and recommends the cost-benefit projection process be improved. The response also suggests that the risk of overly optimistic financial projections are born by the developer and investor, and not the city. However, this ignores that if project revenues would have been more accurately projected, certain projects might not have been approved for incentives.

The city's response regarding MAR finding 3.3 argues that because the new evaluation methodology takes developer fees into account when evaluating the proposed return on investment, it is unnecessary to establish "subjective caps" on the amount of developer fees allowed. However, our report documents that prior to the development of the city's new evaluation model there was no process in place to ensure developer fees were reasonable. The city should continue to implement the new evaluation model to help ensure developer fees are reasonable and should establish allowable developer fee levels to provide additional transparency and clarity to the public.

4. Developer Profits Not Monitored

The city has historically not compared actual developer profit to the projected profit by project. As a result, the city may be providing public incentives for private projects that did not need to be incentivized.

As discussed in MAR finding number 2.1, a developer submits financial information showing the planned profit the developer anticipates generating by using the public monies for the project. No review is performed after the project is completed to ensure the actual profit generated is consistent with the developer's estimate during the application phase of the project. Additionally, a significant source of revenue for the developer occurs when the property is sold. A projected sales price was included in the application for several of the projects. However, no one in the city compares the projected sales price to the actual sales price to determine if the projected sales price in the application was understated. We were unable to compare the projected developer profit to actual developer profit because the city was unable to explain how the developer's profit was calculated in the application (see MAR finding number 3.1) and because the city did not document the actual sales price of the project when sold by the developer. SLDC officials could not explain why the actual IRR for the projects were not tracked for reasonableness when compared to the projected IRR.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

The city added monitoring provisions to the TIF policy in October 2018 with the passage of Resolution 104. This policy revision requires developers to provide annual information on payrolls, income, cash flow, and tenant information, in part, to perform back-testing of the "but for" analysis. Because this policy change is relatively new and was passed outside of our scope, we did not perform testing on this requirement.

By implementing the requirements of Resolution 104, the city can monitor actual developer profits to ensure they are consistent with projected profits. This would provide additional assurance public monies were needed in order to complete the project and help with evaluating future projects.

Recommendation

The City of St. Louis ensure the requirements imposed by Resolution 104 are implemented and monitor the IRRs to ensure actual IRRs are similar to the projected IRRs.

Auditee's Response

The city provided a written response. See Appendix E.

Auditor's Comment

The city's response to MAR finding number 4 misrepresents the audit report's findings by suggesting the report is recommending the implementation of clawback provisions or an onerous monitoring process. However, the report simply recommends the city ensure the requirements imposed by Resolution 104 are implemented and that the city monitor project IRRs to ensure actual IRRs are similar to the projected IRRs. Doing so would help the city improve project projection processes going forward.

5. Fee Structure Creates the Appearance of a Conflict of Interest

The SLDC's fee structure creates the appearance of a conflict of interest for the agency. This agency evaluates project applications and makes recommendations related to incentive projects, and is also partially funded with fees generated from approved incentive projects. The amount of the fees received increases with the size of the award.

From November 2001 through October 2014, the SLDC fee structure was as follows:

- \$5,000 application fee per project.
- 3/10 of a percent (0.3 percent) of the value of the TIF financing upon the adoption of the redevelopment plan per project.
- 2/10 of a percent (0.2 percent) annually of the outstanding TIF project financing for all projects.



City of St. Louis - Tax Increment Financing Management Advisory Report - State Auditor's Findings

In October 2014, the SLDC fee structure was changed to the following:

- \$5,000 application fee per project.
- 1 7/10 of a percent (1.7 percent) of the maximum amount of the TIF notes allowed to be issued by the city pursuant to the redevelopment agreement.

Neither the city nor the SLDC was able to provide us a complete listing of the fees received by the SLDC or a breakdown of the fees paid to the SLDC by type. However, the city was able to provide information indicating the SLDC has received approximately \$6 million in fees from TIF projects between 2003 and 2018.

The existing fee structure creates the appearance of a conflict of interest for the SLDC, and is not in the best interest of the city. While we saw no evidence to believe projects were approved for this reason, the fee structure provides the SLDC a financial incentive to support as many projects as possible, to promote larger incentive awards than necessary, and to recommend financing methods that do not benefit the public. For example, using overstated revenue projections to support an inflated TIF note amount, or recommending a waiver to the 15 percent cost limitation would result in higher fees to the SLDC than recommending a smaller TIF award. Prior to 2014, it was in SLDC's best interest to have TIF projects be financed using TIF notes because part of the fee was based on the outstanding balance of TIF notes. While the 2014 policy change removed the annual fee to the SLDC based on the amount of outstanding TIF project financing for new projects, this fee still applies to projects that were approved prior to the policy change.

Basing the compensation paid to the SLDC on actual costs needed to provide the service of evaluating projects, or requiring a flat fee per project evaluation would remove the conflict, and help provide the city with more assurance the advice given by the SLDC is in the best interest of the city.

Recommendation

The City of St. Louis evaluate and restructure the fees paid to the SLDC to remove the appearance that a conflict exists.

Auditee's Response

The city provided a written response. See Appendix E.

Auditor's Comment

The city's response to MAR finding number 5 misrepresents the audit report's finding. Our finding does not suggest that charging fees on TIF projects is inappropriate, rather it recommends the fee structure be reevaluated and restructured to remove the appearance of a conflict of interest.



City of St. Louis - Tax Increment Financing
Management Advisory Report - State Auditor's Findings

6. Governmental Accounting Standards Board Violation

The city did not include the amount of TIF project revenues redistributed for fiscal years 2018 or 2017 in its Comprehensive Annual Financial Report (CAFR) as required by the Governmental Accounting Standards Board (GASB) Statement No. 77. According to the Comptroller, PILOTs totaled approximately \$23.9 million and \$20.9 million, respectively for fiscal years ended June 30, 2018, and June 30, 2017, and EATs totaled approximately \$13.2 million and \$13.5 million, respectively in those years.

GASB Statement No. 77 requires the city to disclose the "gross dollar amount tax abatements as well as other information pertaining to the tax abatements" in its notes to the financial statements. GASB Statement No. 77 defines a tax abatement as "a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues in which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments." We contacted both the city's financial auditors and an official from the GASB and both agreed redistributed TIF project revenues are considered tax abatements under GASB Statement No. 77, and should be disclosed.

Recommendation

The City of St. Louis consult with its financial auditor to determine proper TIF reporting for the city's CAFR.

Auditee's Response

The city provided a written response. See Appendix E.

Auditor's Comment

As explained in the finding, the city's auditors, as well as an official from the GASB, confirmed that TIF incentives should be disclosed in the city's CAFR. The city's fiscal year 2019 CAFR subsequently included TIF data as part of its GASB 77 disclosure, as recommended.



Appendix A
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Summarized Information

	(1)	(2)	(3) (11)	(1)	(1)	(1) (6)	(1)	(3)	(4)	(3)	(5)	(3)
District Name	Year Established	Ward Location	Projected Cost of Project	Amount of Note issued	Interest Rate	Debt Service Payments	Outstanding Balance as of December 31, 2018	Projected Revenues	Actual Revenues	2018 Projected Assessed Valuation	2018 Actual Assessed Valuation	Developer Fee
920 Olive/1000 Locust	2002	7	\$ 12,277,761	2,667,732	7.50%	1,979,236	4,485,898	4,623,534	2,059,868	2,500,902	1,014,270	1,500,000
1111 Olive	2010	7	11,750,583	2,396,000	8.02%	1,027,603	2,807,185	1,838,279	1,063,733	2,512,635	1,583,600	(7)
1225 Washington	2009	5	21,672,113	6,425,000	6.50%	2,128,551	6,949,099	1,929,218	2,187,350	2,566,734	1,201,140	(7)
Chouteau/Compton Industrial Center	1998	6	14,502,400	2,436,000	8.77%	3,033,628	4,371,322	(8)	3,558,939	(8)	905,800	(8)
Delmar East Loop	2006	28	10,500,000	3,000,000	6.36%	2,824,923	1,124,000	(9)	4,125,038	5,041,745	4,233,030	(7)
Edison Brothers Warehouse	1999	7	38,105,000	5,600,000	6.50%	8,527,381	0	16,398,345	10,547,081	8,607,215	7,494,710	750,000
Maryland Plaza South	2004	28	20,571,935	4,133,176	5.76%	3,874,318	3,405,000	7,391,894	3,993,928	4,172,624	2,820,800	1,719,401
Northeast Hampton/I-44 Ackerman Toyota	2015	10	17,925,125	(10)	(10)	(10)	(10)	887,926	(10)	3,088,200	408,400	(10)
Paul Brown/Arcade Building	2002	7	46,065,280	3,264,200	7.50%	3,285,570	3,073,960	4,613,668	3,361,846	4,044,051	4,205,910	5,500,000
Printer's Lofts - 1601-27 Locust Street	2003	5	26,502,500	4,410,000	6.00%	2,525,490	5,333,028	5,222,184	2,362,253	4,790,559	2,820,660	3,500,000
Soulard Market Apartments - 1535 S. 8th Street	2003	7	29,226,316	4,400,000	7.00%	2,314,846	7,331,961	6,340,619	2,522,788	4,427,406	2,967,000	3,875,000
Terra Cotta Annex and Garage	2003	5	24,398,026	3,520,000	7.50%	2,852,548	4,618,040	6,731,695	3,023,286	8,698,384	4,791,340	2,441,091
Washington East Condominiums	2004	7	60,280,874	7,997,521	5.50%	5,035,788	7,508,181	9,747,536	4,761,233	12,043,694	5,963,200	6,800,000
Totals			\$ 333,777,913	50,249,629		39,409,882	51,007,674	65,724,898	43,567,343	62,494,149	40,409,860	26,085,492

- (1) This information was provided by the Comptroller's office.
- (2) This information was provided by the SLDC.
- (3) This information was obtained from application files provided by the SLDC.
- (4) This information was obtained from the annual reports prepared by the SLDC.
- (5) This information was provided by the Assessor's office.
- (6) Due to multiple notes being issued for the Chouteau/Compton Industrial Center, Maryland Plaza South, Printer's Lofts - 1601-27 Locust Street, and Washington East Condominiums projects, we used a weighted average calculation to represent a single interest rate.
- (7) The developer fee was not disclosed in the application.
- (8) The Chouteau/Compton Industrial Center application was not available for review. As a result, we were unable to obtain Projected Revenues, Projected Assessed Valuation, or the Developer Fee.
- (9) The Delmar East Loop Project application did not include Projected Revenues.
- (10) As of June 30, 2018, a note had not been issued for this project and actual revenues had not been reported because the project had not been completed.
- (11) The Projected Cost of Project for the Delmar East Loop project was obtained from the Redevelopment Agreement because the application was not available.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
920 Olive/1000 Locust

Year		(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2003	\$	86,852	73,919	(4)	(4)	0	0	0	0
2004		121,929	103,542	(4)	(4)	0	0	2,667,732	0
2005		128,363	108,726	(4)	(4)	0	34,819	2,667,732	161,517
2006		128,363	114,169	(4)	(4)	0	37,708	2,667,732	339,102
2007		135,118	119,884	123,004	50,070	0	98,538	2,667,732	467,332
2008		135,118	125,885	0	41,648	0	28,311	2,667,732	678,140
2009		142,211	132,186	163,375	41,920	0	198,749	2,667,732	728,356
2010		142,211	138,802	83,938	37,457	0	103,816	2,667,732	883,782
2011		149,658	145,749	0	29,126	0	118,444	2,667,732	1,036,518
2012		149,658	153,044	151,337	34,357	0	136,668	2,667,732	1,182,661
2013		157,478	160,703	42,512	76,958	0	88,762	2,667,732	1,386,819
2014		157,478	168,744	108,613	111,146	0	214,220	2,667,732	1,476,616
2015		165,689	177,188	201,554	120,007	0	311,160	2,667,732	1,472,702
2016		165,689	186,055	91,690	133,262	0	223,176	2,667,732	1,560,102
2017		174,310	195,364	101,296	139,424	0	227,397	2,667,732	1,649,526
2018		174,310	205,139	49,711	127,463	0	157,468	2,667,732	1,818,166
Total	\$	2,314,435	2,309,099	1,117,030	942,838	0	1,979,236		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
1111 Olive

Year	(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2010	\$ 0	37,211	0	0	0	0	0	0
2011	129,930	76,355	0	4,705	4,000	0	2,392,000	95,919
2012	129,930	79,927	82,144	22,272	0	112,236	2,392,000	175,521
2013	135,842	81,578	112,671	33,639	0	134,086	2,392,000	233,274
2014	135,842	84,317	114,029	40,306	0	162,695	2,392,000	262,418
2015	141,990	87,151	97,089	63,244	0	142,926	2,392,000	311,330
2016	141,990	90,082	97,151	60,704	0	134,785	2,392,000	368,383
2017	148,384	93,115	107,329	63,142	0	184,204	2,392,000	376,018
2018	148,384	96,251	104,073	61,235	0	152,671	2,392,000	415,185
Total	\$ 1,112,292	725,987	714,486	349,247	4,000	1,023,603		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
(2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
(3) This information was obtained from the amortization schedule provided by the Comptroller's office.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
1225 Washington

Year		(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2010	\$	105,910	44,620	0	8	0	0	0	0
2011		110,731	90,511	0	1,590	0	0	0	0
2012		110,731	93,226	55,971	298,594	125,000	195,650	6,300,000	0
2013		116,382	96,023	58,235	368,561	0	365,709	6,300,000	43,791
2014		122,260	98,903	46,190	281,721	0	251,411	6,300,000	201,880
2015		122,260	101,870	46,175	208,583	0	206,742	6,300,000	404,638
2016		128,372	104,928	35,520	218,479	0	236,848	6,300,000	577,290
2017		128,372	108,074	41,346	212,793	0	394,556	6,300,000	592,234
2018		134,729	111,316	39,122	274,462	0	352,636	6,300,000	649,099
Total	\$	1,079,747	849,471	322,559	1,864,791	125,000	2,003,551		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
(2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
(3) This information was obtained from the amortization schedule provided by the Comptroller's office.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Chouteau/Compton Industrial Center

Year		(1) Projected PILOTs	(1) Projected EATs	(2) (4) Actual PILOTs	(2) (4) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) (5) Outstanding Principal	(3) Outstanding Interest
2007	\$	(1)	(1)	395,336	122,051	0	0	2,120,000	1,025,066
2008		(1)	(1)	25,429	52,913	0	10,594	2,120,000	1,200,486
2009		(1)	(1)	25,368	59,297	0	81,733	2,436,000	1,430,722
2010		(1)	(1)	36,317	197,277	0	157,675	2,436,000	1,617,148
2011		(1)	(1)	37,811	163,020	0	204,744	2,436,000	1,773,144
2012		(1)	(1)	38,831	197,723	24,000	230,116	2,412,000	1,916,819
2013		(1)	(1)	40,402	226,481	29,000	257,079	2,383,000	2,044,049
2014		(1)	(1)	41,171	266,143	43,000	256,692	2,340,000	2,180,021
2015		(1)	(1)	7,892	316,505	52,000	323,396	2,288,000	2,255,524
2016		(1)	(1)	75,058	381,374	48,000	408,029	2,240,000	2,246,934
2017		(1)	(1)	45,360	369,374	65,000	362,608	2,175,000	2,281,195
2018		(1)	(1)	46,547	391,259	55,000	424,963	2,120,000	2,251,322
Total	\$	(1)	(1)	815,522	2,743,417	316,000	2,717,628		

- (1) Projected revenues were unavailable for analysis due to no application files available for us to review.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.
- (5) Three notes were issued on this project. Two notes were issued on December 31, 2007, and one on February 27, 2009.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Delmar East Loop

Year		(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) (4) Outstanding Principal	(3) Outstanding Interest
2007	\$	(1)	(1)	0	23,443	0	0	0	0
2008		(1)	(1)	19,812	131,001	0	0	0	0
2009		(1)	(1)	13,341	350,869	0	0	0	0
2010		(1)	(1)	8,851	140,617	0	0	0	0
2011		(1)	(1)	41,826	314,450	0	0	0	0
2012		(1)	(1)	59,183	594,224	6,000	50,350	2,994,000	0
2013		(1)	(1)	71,538	21,771	111,000	186,889	2,883,000	0
2014		(1)	(1)	61,689	258,604	162,000	179,384	2,721,000	0
2015		(1)	(1)	73,447	305,512	300,000	167,904	2,421,000	0
2016		(1)	(1)	149,132	406,042	340,000	146,248	2,081,000	0
2017		(1)	(1)	154,824	340,331	422,000	123,575	1,659,000	0
2018		(1)	(1)	212,950	371,581	535,000	94,573	1,124,000	0
Total	\$	(1)	(1)	866,593	3,258,445	1,876,000	948,923		

- (1) Projected revenues were unavailable for analysis because they were not included in the project application files.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) This project was initially funded as a PAYG. A note was issued on July 26, 2012, to provide additional funding and the PAYG ceased.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Edison Brothers Warehouse

Year		(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2000	\$	476,459	241,162	(4)	(4)	0	0	0	0
2001		486,703	254,468	(4)	(4)	0	0	0	0
2002		486,703	268,569	(4)	(4)	0	0	0	0
2003		497,153	279,992	(4)	(4)	0	0	0	0
2004		497,153	289,640	(4)	(4)	0	73,082	5,600,000	34,095
2005		507,811	298,368	(4)	(4)	374,000	338,916	5,226,000	48,132
2006		507,811	307,372	(4)	(4)	263,000	285,148	4,963,000	95,709
2007		518,682	316,663	2,970,734	833,278	307,000	326,891	4,656,000	84,564
2008		518,682	326,249	397,997	171,899	288,000	313,340	4,368,000	67,273
2009		529,771	336,139	446,928	146,159	290,000	288,310	4,078,000	55,665
2010		529,771	339,288	459,219	135,931	311,000	256,964	3,767,000	55,496
2011		541,082	349,606	478,111	121,694	337,000	221,631	3,430,000	68,832
2012		541,082	360,254	536,057	132,697	437,000	230,223	2,993,000	49,594
2013		552,618	371,241	560,332	126,524	474,000	226,068	2,519,000	4,273
2014		552,618	382,579	697,887	120,471	650,000	147,163	1,869,000	0
2015		564,386	394,278	181,181	129,401	174,000	115,477	1,695,000	353
2016		564,386	406,351	1,067,271	123,547	1,079,000	75,471	616,000	0
2017		576,389	418,810	335,484	72,401	616,000	28,698	(5)	0
2018		576,389	431,667	275,136	26,742	0	0	(5)	0
Total	\$	10,025,649	6,372,696	8,406,337	2,140,744	5,600,000	2,927,381		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.
- (5) The note was paid off on December 27, 2017.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Maryland Plaza South

Year		(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2005	\$	135,547	216,697	(4)	(4)	0	0	4,133,176	0
2006		185,875	226,232	(4)	(4)	0	0	4,133,176	187,122
2007		210,666	236,200	75,093	1,037	0	45,655	4,133,176	392,582
2008		216,984	246,622	84,018	36,101	0	129,001	4,133,176	524,463
2009		223,462	257,519	84,737	98,194	0	245,577	4,133,176	545,311
2010		230,107	268,914	249,778	142,005	0	336,311	4,133,176	473,698
2011		236,922	280,830	117,978	148,138	0	262,214	4,133,176	474,880
2012		243,911	293,291	173,988	154,600	0	303,012	4,133,176	433,415
2013		251,080	306,324	180,283	165,823	0	361,105	4,133,176	330,813
2014		258,432	319,955	182,308	191,671	0	337,429	4,133,176	246,276
2015		272,116	334,213	182,256	338,010	23,000	489,807	4,110,176	738
2016		272,116	349,127	199,993	300,527	286,000	229,245	3,824,176	0
2017		286,486	364,729	219,339	239,794	195,000	210,322	3,629,176	0
2018		286,486	381,051	209,345	218,912	224,176	196,462	3,405,000	0
Total	\$	3,310,190	4,081,704	1,959,116	2,034,812	728,176	3,146,142		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Northeast Hampton/I-44 Ackerman Toyota

Year		Projected PILOTs	Projected EATs	Actual PILOTs	Actual EATs	Principal Payments	Interest Payments	Outstanding Principal	Outstanding Interest
2015	\$	0	1,211	(1)	(1)	(1)	(1)	(1)	(1)
2016		116,589	57,150	(1)	(1)	(1)	(1)	(1)	(1)
2017		233,178	121,880	(1)	(1)	(1)	(1)	(1)	(1)
2018		233,178	124,740	(1)	(1)	(1)	(1)	(1)	(1)
Total	\$	582,945	304,981	(1)	(1)	(1)	(1)		

(1) As of June 30, 20 18, a note had not been issued for this project and actual revenue had not been reported because the project had not been completed.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Paul Brown/Arcade Building

Year	(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2003	\$ 0	3,500	(4)	(4)	0	0	0	0
2004	0	0	(4)	(4)	0	0	0	0
2005	111,200	36,994	(4)	(4)	0	0	0	0
2006	241,200	59,881	(4)	(4)	0	69,099	3,264,200	134,914
2007	247,700	62,324	234,738	0	0	159,239	3,264,200	220,490
2008	247,700	64,687	250,556	0	0	244,156	3,264,200	221,150
2009	254,300	67,173	249,958	3,710	0	247,268	3,264,200	218,696
2010	254,300	69,782	256,822	0	0	250,422	3,264,200	213,090
2011	261,200	72,414	0	0	0	260,987	3,264,200	196,917
2012	261,200	75,171	545,965	39	0	272,217	3,264,200	169,515
2013	265,400	78,053	289,850	3,011	0	286,461	3,264,200	127,869
2014	265,400	97,581	293,343	0	36,000	250,943	3,228,200	120,390
2015	269,600	101,364	293,250	0	45,000	241,850	3,183,200	118,968
2016	269,600	105,302	293,437	1,380	50,000	238,450	3,133,200	117,382
2017	274,000	109,295	324,177	7,223	90,000	235,135	3,043,200	113,863
2018	274,000	113,347	314,387	0	80,000	228,343	2,963,200	110,760
Total	\$ 3,496,800	1,116,868	3,346,483	15,363	301,000	2,984,570		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Printer's Lofts - 1607-27 Locust Street

Year	(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2003	\$ 0	70,430	(4)	(4)	0	0	0	0
2004	93,375	101,200	(4)	(4)	0	0	0	0
2005	208,799	63,762	(4)	(4)	0	0	0	0
2006	208,799	67,135	(4)	(4)	0	72,030	4,410,000	0
2007	224,958	70,676	191,864	11,383	0	264,600	4,410,000	0
2008	224,958	74,395	147,803	8,863	0	264,600	4,410,000	0
2009	242,249	78,299	172,820	5,707	0	258,193	4,410,000	6,407
2010	242,249	82,399	176,497	4,028	0	164,477	4,410,000	106,722
2011	260,749	86,705	211,320	4,592	0	199,482	4,410,000	177,905
2012	260,749	91,225	184,728	10,035	0	179,596	4,410,000	272,324
2013	280,545	95,971	199,415	15,001	0	199,382	4,410,000	352,115
2014	280,545	100,954	179,246	16,173	0	174,012	4,410,000	462,895
2015	301,727	106,186	175,960	11,572	0	173,028	4,410,000	581,435
2016	301,727	111,680	177,750	12,099	0	169,674	4,410,000	710,649
2017	324,391	117,449	198,949	14,266	0	193,973	4,410,000	822,822
2018	324,391	123,507	219,277	12,905	0	212,443	4,410,000	923,028
Total	\$ 3,780,211	1,441,973	2,235,629	126,624	0	2,525,490		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Soulard Market Apartments - 1535 S. 8th Street

Year		(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) (4) Outstanding Principal	(3) Outstanding Interest
2004	\$	218,054	111,032	(5)	(5)	0	0	2,760,533	0
2005		229,431	116,445	(5)	(5)	0	0	2,760,533	176,619
2006		229,431	122,107	(5)	(5)	0	13,386	2,760,533	371,963
2007		241,377	128,029	96,968	1,420	0	72,964	4,400,000	588,090
2008		241,377	134,223	184,210	29,051	0	205,544	4,400,000	731,108
2009		253,921	140,703	180,591	32,270	0	186,982	4,400,000	903,481
2010		253,921	147,482	184,115	28,357	0	188,549	4,400,000	1,086,283
2011		267,091	154,575	191,930	18,235	0	194,800	4,400,000	1,276,172
2012		267,091	161,995	197,429	19,204	0	199,006	4,400,000	1,474,755
2013		280,920	169,759	206,204	16,826	0	202,918	4,400,000	1,683,345
2014		280,920	177,883	209,445	12,973	0	206,727	4,400,000	1,902,914
2015		295,441	186,384	209,391	14,727	0	203,242	4,400,000	2,141,616
2016		295,441	195,281	209,694	11,223	0	200,566	4,400,000	2,399,990
2017		310,687	204,593	231,067	3,115	0	215,674	4,400,000	2,661,097
2018		310,687	214,338	224,378	9,965	0	224,485	4,400,000	2,931,961
Total	\$	3,975,790	2,364,829	2,325,422	197,366	0	2,314,846		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) The note was issued on October 7, 2004. The note was refinanced and additional monies borrowed on January 30, 2007.
- (5) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Terra Cotta Annex and Garage

Year	(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) Outstanding Principal	(3) Outstanding Interest
2003	\$ 0	36,602	(4)	(4)	0	0	0	0
2004	18,006	93,291	(4)	(4)	0	0	0	0
2005	131,833	112,264	(4)	(4)	0	0	3,520,000	0
2006	144,075	122,726	(4)	(4)	15,000	81,543	3,505,000	109,294
2007	154,817	128,885	218,826	79,325	0	199,821	3,505,000	179,516
2008	154,817	135,351	175,375	34,558	0	171,289	3,505,000	283,741
2009	166,203	142,141	175,214	7,952	0	167,458	3,505,000	400,006
2010	166,203	149,271	168,546	4,759	0	163,821	3,505,000	528,776
2011	178,273	156,756	179,992	4,318	0	170,369	3,505,000	660,829
2012	178,273	164,616	155,054	5,145	0	149,189	3,505,000	825,119
2013	191,066	172,870	146,310	20,126	0	156,163	3,505,000	994,422
2014	524,890	181,535	265,403	24,764	0	274,797	3,505,000	1,053,632
2015	558,481	190,634	267,419	23,655	0	280,753	3,505,000	1,111,665
2016	558,481	200,188	315,452	26,944	0	324,939	3,505,000	1,127,754
2017	594,087	210,220	336,588	26,963	0	353,433	3,505,000	1,115,823
2018	594,087	220,753	338,121	22,477	0	343,973	3,505,000	1,113,040
Total	\$ 4,313,592	2,418,103	2,742,300	280,986	15,000	2,837,548		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.



Appendix B
City of St. Louis - Tax Increment Financing
Projects Selected for Additional Review, Detailed Information
Washington East Condominiums

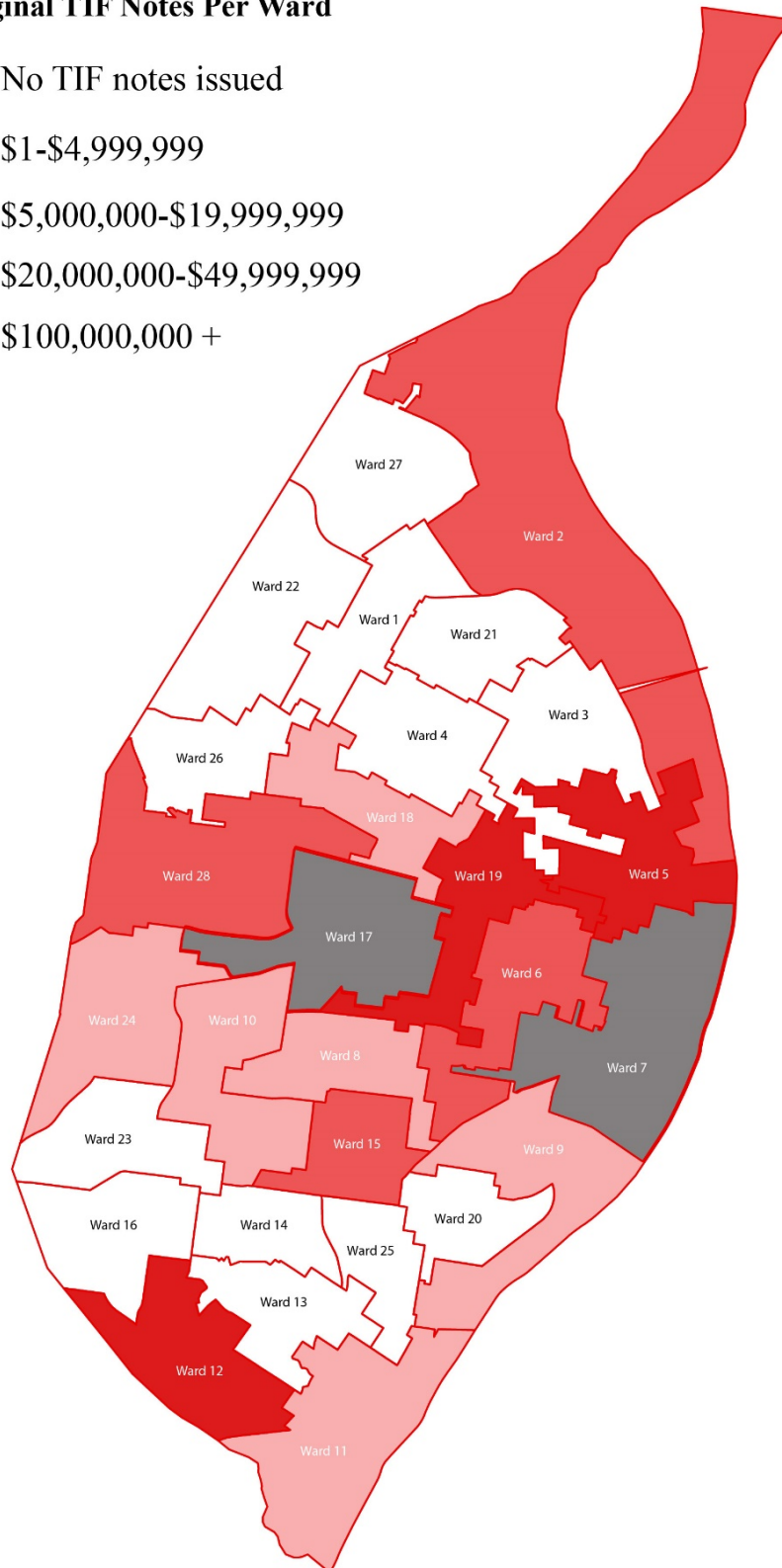
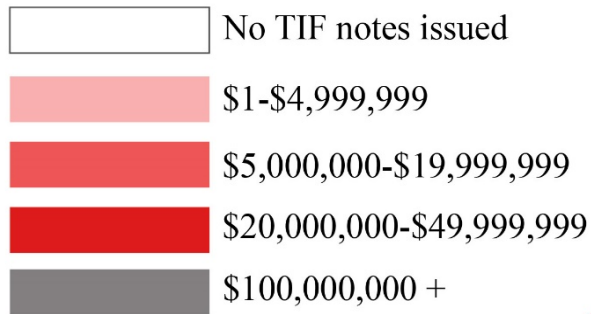
Year		(1) Projected PILOTs	(1) Projected EATs	(2) Actual PILOTs	(2) Actual EATs	(3) Principal Payments	(3) Interest Payments	(3) (4) Outstanding Principal	(3) Outstanding Interest
2005	\$	107,393	48,282	(5)	(5)	0	0	0	0
2006		210,980	70,850	(5)	(5)	0	0	0	0
2007		568,239	73,639	99,613	16,224	0	104,323	5,480,000	0
2008		568,239	76,511	207,483	21,511	137,000	297,633	7,860,521	0
2009		610,654	79,469	270,745	46,568	0	354,103	7,860,521	44,379
2010		610,654	82,516	525,385	74,272	120,000	474,628	7,740,521	0
2011		656,039	85,654	13,896,797	120,218	45,000	404,030	7,695,521	20,461
2012		656,039	88,887	(13,138,840)	102,645	194,000	442,958	7,501,521	0
2013		704,601	92,216	372,988	62,062	42,000	411,429	7,459,521	0
2014		704,601	95,645	288,245	33,450	0	390,116	7,459,521	20,158
2015		756,563	99,178	426,821	35,110	0	421,147	7,459,521	11,760
2016		756,563	102,816	359,335	32,624	10,000	357,136	7,449,521	65,206
2017		812,161	106,563	388,972	54,453	40,000	364,714	7,409,521	112,465
2018		812,161	110,423	417,920	46,632	47,000	378,573	7,362,521	145,660
Total	\$	8,534,887	1,212,649	4,115,464	645,769	635,000	4,400,788		

- (1) This information was obtained from the application files provided by the SLDC and is on a calendar year basis.
- (2) This information was obtained from the annual reports prepared by the SLDC and is on a fiscal year ending June 30 basis.
- (3) This information was obtained from the amortization schedule provided by the Comptroller's office.
- (4) Five notes were issued for this project. Two were issued on May 8, 2007, two on June 26, 2007, and one on December 29, 2008.
- (5) Actual revenues per year were only available for 2008 and after. Revenues in 2007 are shown as a cumulative amount from inception through 2007.



Appendix C
City of St. Louis - Tax Increment Financing
Project Amount by Ward

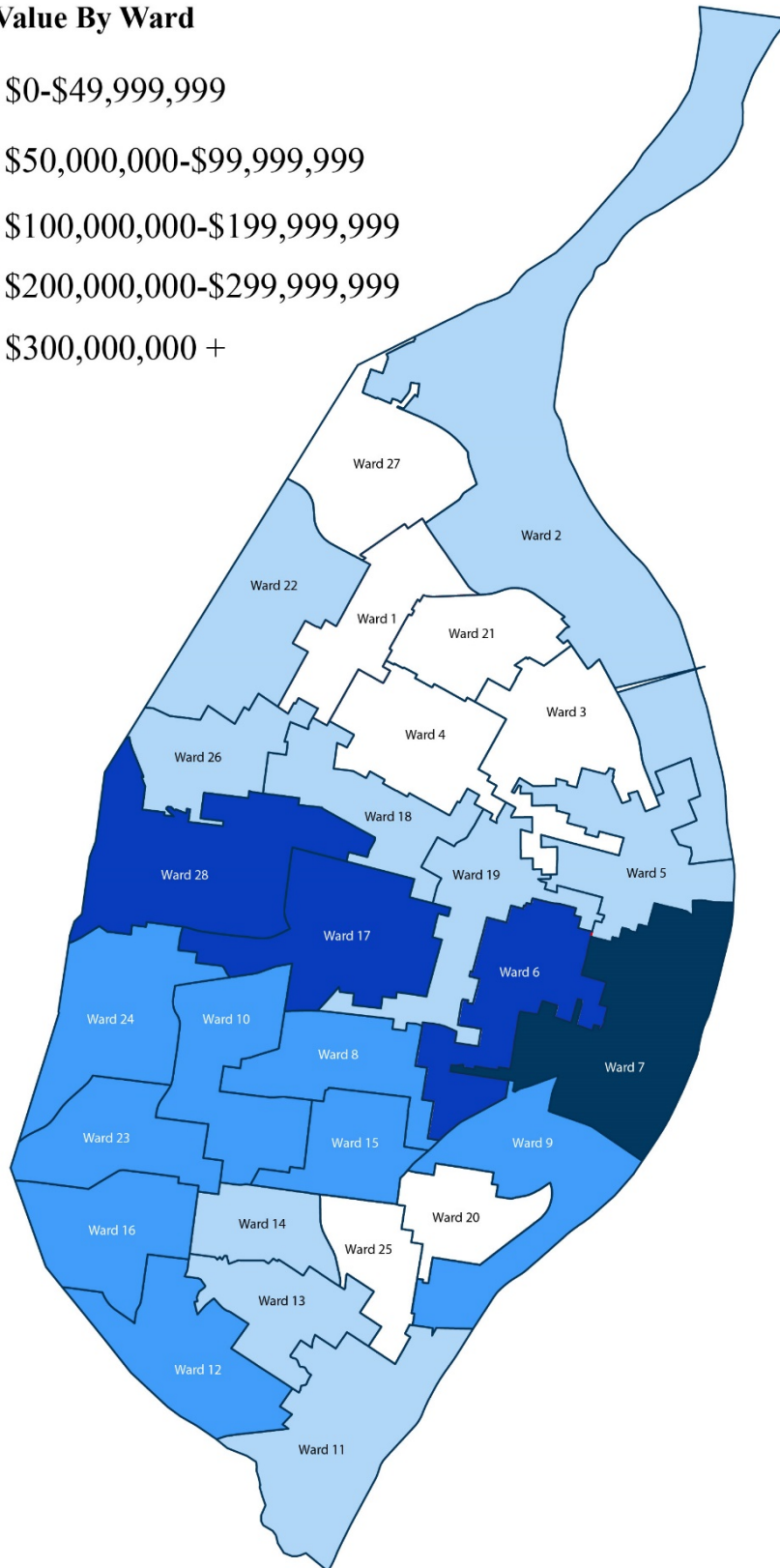
Amount of Original TIF Notes Per Ward





Appendix D
City of St. Louis - Tax Increment Financing
Assessed Valuation by Ward

Total Assessed Value By Ward





Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response



LYDA KREWSON
MAYOR

OFFICE OF THE MAYOR
CITY OF ST. LOUIS
MISSOURI

CITY HALL - ROOM 200
1200 MARKET STREET
SAINT LOUIS, MISSOURI 63103-2877
(314) 622-3201

September 16, 2020

Honorable Nicole Galloway, CPA
State Auditor's Office
P.O. Box 869
Jefferson City, Missouri 65102

Re: City of St. Louis Response to State Auditor's Findings Regarding Tax Increment
Financing

Dear Auditor Galloway:

The City of St. Louis sincerely thanks you and your staff for the time invested in preparing your report relating to the consideration, approval and administration of tax increment financing (TIF) redevelopment projects, including correction of most of the factual errors contained in the initial draft audit that the City reviewed. The City's use of TIF has proven to be a very effective tool for redeveloping blighted property, leveraging private investment and creating jobs (based on an analysis of local earnings tax returns, we estimate over 35,000 jobs in the City are located within TIF redevelopment areas). The City, through its partnership with St. Louis Development Corporation (SLDC), expends considerable resources to evaluate and vet all applications for TIF assistance before they are considered by the City's TIF Commission and Board of Aldermen. Most of the projects reviewed by the State Auditor predate the City's current "Scorecard" evaluation methodology. The Scorecard evaluation methodology is a robust review process, which among other things, takes into account the developer's forecasted return and the tax revenues, net of TIF, that are projected to be available to the City and other taxing districts if a TIF project is successfully implemented.

The City has reviewed the State Auditor's findings and welcomes constructive criticism of its process. However, the City notes that several of the findings are policy proposals that are not required by state law or reflect a simple difference of opinion regarding best practices or policies. The City's responses to the State Auditor's findings are set forth below:

1. Strategic Planning for Tax Increment Financing Incentives Needs Improvement

1.1 No specific program goals or strategic preferences

Auditor Finding: The City's existing TIF policy does not contain any specific goals or measurable objectives.



Appendix E

City of St. Louis - Tax Increment Financing

City of St. Louis Response

City's Response:

While no state law requires such a TIF policy, the City, nonetheless, has established policies for TIF projects that express goals and preferences while also allowing the City's TIF Commission and Board of Aldermen to consider the individual merits of a project. These policies are included in the application packet available on the SLDC website for prospective developers. The City's policies intentionally allow for some flexibility when reviewing projects because rigid policies hinder policymakers' abilities to consider differences in locations, uses and extraordinary redevelopment costs when evaluating projects.

Moreover, TIF is one of many economic development tools employed by the City and SLDC and should be evaluated as part of a larger economic development strategy. Depending on the nature of the project, tax abatement, tax credits or other incentive programs may be more appropriate. A draft of the St. Louis Equitable Economic Development Strategy Framework (the "Framework") was recently published for public comment and should be finalized soon. The Framework represents the City's future vision for the use and implementation of economic development incentives to achieve more equitable outcomes.

The City further believes that other economic development tools, including tax abatement, certain tax credit programs, CDBG grants and tax-exempt bond financing, are more useful for residential and lower density projects common throughout much of the City. In practice, TIF tends to be most useful for larger commercial and mixed-use projects that increase density and generate significant economic activity taxes. Most of these projects, by their very nature, are located in or adjacent to the City's central corridor and may not be appropriate or viable in lower density areas of the City. The Framework represents the City's commitment to redevelop all portions of the City's equitably. TIF, by itself, is not the sole means to implement that goal.

1.2 No overall TIF program limits have been established

Auditor Finding: The City has not established any overall program usage limits.

City's Response: Overall program usage limits are not required by state law nor would such limits be in the best interests of the City or its residents.

The City has approximately 25,000 vacant or abandoned properties in need of redevelopment. Many occupied properties within the City are dilapidated or deteriorating, and the City and its residents would benefit immensely from the redevelopment of these properties. Creating an artificial cap on amount of TIF projects that could otherwise be undertaken would needlessly cripple the City's ability to pursue worthwhile redevelopment opportunities.

Moreover, the City only approves TIF projects that are projected to be financially beneficial to the City and other taxing districts. In accordance with the Missouri TIF Act, the City's Board of Aldermen, as a precondition to approving a TIF project, makes a finding that the TIF redevelopment area "would not reasonably be anticipated to be developed without the adoption of tax increment financing" (Section 99.810.1(1), RSMo.). Before this finding is made, evidence is presented by the developer and analyzed by SLDC to verify that, without TIF, there will not be sufficient funds to undertake the proposed redevelopment project and the



Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response

estimated return on investment will be too low for a developer to undertake the proposed project without TIF assistance. As part of SLDC's Scorecard methodology, SLDC staff analyzes the revenues that will be generated, net of TIF assistance, if the proposed project is built and the revenues that will be generated if the proposed project is not built. Given that (1) vacant, dilapidated and deteriorated properties generate relatively little tax revenue and (2) a substantial amount of tax revenue from redeveloped properties continues to flow to taxing districts even after application of TIF (including 50% of most economic activity taxes, 100% of certain sales taxes, 100% of personal property taxes and 100% of the commercial surtax), the logical conclusion is that incentivizing redevelopment of properties with TIF *that would otherwise not be redeveloped* is financially beneficial to the City and other taxing districts and should not be artificially limited.

The City's most important responsibility is ensuring the well-being of its residents. To meet this responsibility, the City must be able to use all available incentive tools to generate tax revenues and attract development and job growth. The State Auditor seems to be suggesting that the City ignore this responsibility and impose an artificial cap on worthwhile projects, rather than reviewing the potential benefits to the City and its residents of each project. Accordingly, the City strenuously disagrees with the Auditor's policy proposal.

1.3 Data tracking and transparency

Auditor Finding: The City does not maintain TIF data in a useful and transparent manner.

City's Response: The City maintains TIF data in a useful and transparent manner that meets or exceeds every requirement of state law. The City also continuously seeks to improve the ability of the public to access TIF-related information in an easy and transparent manner.

Review, approval and administration of TIF projects impacts many City departments and affiliated entities, including, without limitation, SLDC, the Board of Aldermen, the City Register's office, the Comptroller's office, the Assessor's office, and the Collector of Revenue's office. As a result, creating the centralized source for all TIF-related documentation suggested by the State Auditor is a difficult and expensive undertaking. The City is not aware of any other city or county in Missouri that maintains a centralized source for all TIF-related documentation.

While there would certainly be benefits to having a centralized source for all TIF-related documentation, the City believes its record keeping is adequate and is reasonably available to assist policymakers and the public in a useful and transparent manner (with it being understood that certain TIF-related documents may be closed records pursuant to the Sunshine Law or otherwise subject to state confidentiality laws and cannot be publicly released). The City complies with all reporting requirements set forth in the TIF Act and regularly responds to Sunshine Law requests from the media and interested citizens. SLDC and City departments were responsive to the State Auditor's requests for information. SLDC's analysts are able to access data from various City sources to study,



Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response

among other things, the number of jobs attributable to TIF projects; SLDC is confident it can obtain all data required for future studies and analysis.

Over the last year, SLDC has also been working on systematic improvements to increase the ease in which the public can access TIF-related information online.

2. Cost Control and Project Financing Policies are Ineffective

2.1 Project cost limits are not defined, and are regularly exceeded

Auditor Finding: The City does not have defined project cost limitations that are followed.

City's Response: State law does not require defined project limitations, nor is the City in favor of limitations that do not allow flexibility.

The City has policy guidelines that allow flexibility. Each project must be evaluated on its own merit and in light of the particular challenges the specific project faces. The City's policy guidelines provide that TIF awards should not exceed 15% of total project costs, but allow exceptions so that worthy projects may receive the amount of TIF necessary for the project to move forward.

Rigid limitations hinder policymakers' abilities to take into account differences in locations, uses and extraordinary redevelopment costs when evaluating projects. Rejecting otherwise worthwhile project because of rigid project cost limitations may cause negative external effects. Many TIF projects involve the clearance or rehabilitation of dangerous and derelict buildings. If an otherwise worthwhile project were rejected because it slightly exceeded a rigid limitation, the City could be subjecting its residents to the danger caused by those buildings for years to come until another viable redevelopment proposal is identified. Moreover, the City, its residents and other taxing jurisdictions (including the State of Missouri) would lose the benefit of job growth, greater economic vitality and increased tax revenues that the otherwise worthwhile TIF project would generate.

The City also notes that project cost limitations are only one of many considerations that should be taken into account when evaluating a proposed TIF project. The City's Scorecard methodology provides a more advanced, transparent and thorough analysis and is rightly used by policymakers when evaluating projects.

2.2. Policy on funding methods has not ensured project revenues are sufficient to cover debt service, has resulted in significant accrued interest, and has reduced transparency

Auditor Finding: The City's TIF policy regarding financing methods and requiring a minimum level of debt service coverage have been ineffective in ensuring project revenues are sufficient to cover financing costs.

City's Response: The City's TIF financing methods are permitted by state law.

The vast majority of the City's TIF projects are structured as TIF notes, which are payable only from TIF revenues to the extent those revenues are actually



Appendix E

City of St. Louis - Tax Increment Financing

City of St. Louis Response

generated by the project and not from citywide general tax revenues. The City believes the TIF note or bond structure has been used judiciously and is preferred by private investors, which the City's TIF program must attract to successfully implement TIF projects. The City further believes that the State's Auditor's premise that project revenues have been insufficient to cover financing costs is not necessarily relevant to how TIF projects are actually financed and how the investor and lender communities analyze TIF notes and TIF revenues as a source of revenue to undertake a project. The City's approach is also completely consistent with the statutory requirements of the TIF Act.

Other cities in Missouri have issued TIF notes at higher interest rates than the City. The City's TIF note ordinances set interest rates based on a formula that relies on a published municipal bond market yield curve, resulting in lower interest rates than TIF notes issued by many other municipalities. Additionally, the City is aware of other cities that have issued TIF notes to developers upon the developer's acquisition of property, allowing interest on TIF notes to accrue for months or even years before a project is complete and able to generate TIF revenues to pay debt service on the TIF note. In contrast, the City's disciplined policy has been to issue TIF notes only after a project has been completed, thereby avoiding significant unpaid interest accrual.

Financing of a redevelopment project is often a complex endeavor. The availability of the TIF incentive must be leveraged to attract private investment. Without private investment, the redevelopment project will not be completed and the City's residents will continue to suffer the negative consequences associated with blighted, dangerous and derelict properties. While the City uses certain debt service coverage ratios as a guideline to evaluate projects, those guidelines purposefully provide flexibility for worthwhile projects. Moreover, the State Auditor's concern over early estimates of debt service coverage ratios ignores the limited risk to the City of TIF notes that remain unpaid and shows little faith in market debt and equity participants to make their own valuations and leverage their own structural preferences.

TIF incentives, regardless of whether structured as a note, bond or pay-as-you-go, are *not* secured by citywide general tax revenues and will go unpaid unless the TIF project generates enough TIF revenues to satisfy the incentive. Accordingly, the developer or third-party investor in a TIF note or bond bears the investment risk – not the City or its taxpayers. While TIF provides a valuable incentive, it typically requires a developer to obtain a bridge loan until the project is completed and TIF revenues are available as debt service on a TIF note or payments under a pay-as-you-go arrangement. The bridge lender must undertake its own analysis regarding the collateral value of the TIF incentive. Lenders have expressed a preference for the TIF note structure because it is a marketable municipal security instrument that, subject to certain limitations, may be sold to other accredited investors from time to time.

The City agrees that a pay-as-you-go structure, in theory, could be used to provide a similar collateral value to a willing lender. As the State Auditor describes, an interest expense would need to be included in the initial gross amount of the TIF incentive so that it would have the same present value as a TIF note (which would have a lower principal value but would accrue interest over



Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response

time). However, the State Auditor's analysis of potential benefits of the pay-as-you-go structure is fundamentally flawed. Assuming a lender were willing to accept a pay-as-you-go structure as collateral, if the pay-as-you-go structure represented a lower level of payment to the developer or lender than a TIF note, the lender would logically determine that the pay-as-you-go structure has a lower collateral value than the TIF note. If the TIF note has a lower collateral value, then the developer may never obtain the necessary bridge financing to complete the project. If a lender determines that the pay-as-you-go structure and the TIF note have the same collateral value (and, accordingly, is willing to make the bridge loan in the amount needed to move the project forward), then the lender likely determined that a similar amount of TIF revenues would be available under either scenario. Moreover, the use of the TIF note structure, with interest that accrues over time, presents the opportunity for well-performing projects to pay off principal quickly and reduce interest accrual. However, an equivalent pay-as-you-go structure, with interest factored into the initial gross amount of the incentive, as described by the State Auditor, could actually be financially disadvantageous to the City because a fixed interest component would need to be paid from TIF revenues regardless of how quickly TIF revenues are generated. For projects that do not generate enough TIF revenues to repay the entire amount of the incentive, there is no difference in the amount of TIF revenues paid out under either the TIF note or pay-as-you-go structure (i.e., under both structures, all TIF revenues will be paid out until the expiration of the TIF).

3. Project Evaluation Improvements Needed

3.1 The policy does not define how the need for TIF should be evaluated and documented

Auditor Finding: Project evaluation procedures are in need of improvement.

City's Response: The State Auditor has largely ignored improvements to the City's project evaluation procedures. The City notes that the average age of the projects selected by the State Auditor for a more detailed review is approximately 15.5 years, including only two projects that were approved within the last 10 years. Accordingly, the Auditor's analysis largely predates the City's Scorecard methodology, which has been developed and implemented over the last four years.

The City's Scorecard methodology provides a level of analysis of proposed TIF projects that is unparalleled in Missouri and goes well beyond any state law requirements. The City and SLDC will continue to monitor best practices across the country for evaluation of TIF projects and look for ways in which the Scorecard methodology may be improved (the Scorecard methodology and presentation have already been improved several times since its first inception).

3.2 Flawed cost-benefit analyses have led to significant overstatements of projected revenues, additional oversight is needed

Auditor Finding: Improvement is needed in the oversight of cost-benefit analysis documents during the project application process.



Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response

City's Response: Cost-benefit analyses prepared for the City's TIF projects comply with the requirements of the TIF Act.

Accurately projecting tax revenues over a 23-year TIF period is made difficult by an almost infinite list of unpredictable variables. Over the course of the projects examined by the State Auditor, the country experienced the Great Recession of 2008 and a massive change in consumer preference toward online retail, among other events that have materially impacted or disrupted economic trends. Moreover, tenants anticipated to be part of projects at the onset may go bankrupt, close or relocate for reasons beyond the control of the developer or the City (and for reasons that may be impossible to predict years earlier). Projects are currently being affected by the COVID-19 pandemic and its related economic disruption, which is likely to have a substantial impact on future TIF revenues in a manner that could not have been anticipated less than a year ago.

Nonetheless, the City's intention is that each cost-benefit analysis is based on reasonable assumptions at the time it is prepared and provides a fair basis for the City's TIF Commission and Board of Aldermen to make the findings required by the TIF Act. Typically, planning consultants engaged by the developer prepare the cost-benefit analysis and submit it for a thorough review by SLDC staff and consultants, who review both the reasonableness of the assumptions and whether the document contains the information required by the TIF Act. Cost-benefit analyses often go through several drafts during this vetting before they are submitted to the City's TIF Commission.

The TIF incentive, whether structured as a TIF note, TIF bond or pay-as-you go, is only paid to the extent TIF revenues are actually generated. Accordingly, if the projections in the cost-benefit analysis prove to be overly optimistic, the developer and, if applicable, third-party investors in TIF notes or bonds, bear the investment risk – not the City's taxpayers.

3.3 Inconsistent and potentially excessive developer fees allowed

Auditor Finding: The City does not have an established policy regarding how much of a developer fee is allowed on TIF projects. As a result, developer fees are inconsistent from project to project, and in some cases, appear excessive.

City's Response: The City disputes this finding by the State Auditor. The developer fee is taken into account as part of the Scorecard methodology when projecting the developer's return on investment and a capped developer fee is imputed as part of the "clawback" mechanism described in the City's TIF redevelopment agreements, which can be used to reduce the amount of the TIF award upon completion of the project.

The City further notes that the magnitude of developer fees varies significantly from project to project. A developer fee for a very challenging project should be higher than a developer fee for a less challenging project. Imposing subjective caps on developer fees could hinder the ability to attract developers for more difficult redevelopment projects and for developers to attract the necessary equity investors and lenders needed to capitalize their projects. SLDC employs financial analysts that rely on current market and industry data when evaluating



Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response

developer fees and is confident in its ability to assess whether a developer fee is appropriate for a specific project.

4. Developer profits not monitored

Auditor Finding: The City has historically not compared actual developer profit to the projected profit by project. As a result, the City may be providing public incentive for private projects that did not need to be incentivized.

City's Response: The TIF Act does not require that the City monitor developer profits. However, the City agrees that projects should not be over-incentivized. In furtherance of that goal, the City and SLDC have established a program that strenuously evaluates project proposals as part of the Scorecard methodology and the City includes clawback mechanisms in TIF redevelopment agreements. These clawback mechanisms create a process to review and, if triggered, reduce the amount of TIF assistance upon completion of a project if the original amount of TIF assistance approved is no longer appropriate.

The State Auditor's suggestion of more robust monitoring of developer profits throughout the life of a TIF project is both impractical and not required by state law. Moreover, it would impede the ability to actually implement TIF projects and use tax-exempt bond financing to reduce interest costs and pay off TIFs earlier.

TIF districts have a maximum life of 23 years. During this time, project ownership, tenants, economic conditions and market rates of return will vary significantly. These aspects make it impractical to track specific internal developer performance data for the life of a TIF and relatively meaningless to measure such performance against standards set at the beginning of a TIF project. For example, assume a \$5 million TIF was approved in year 1 and that the project was completed and a TIF note issued to the developer in year 2. In years 3-5, the City's economy is mediocre and at the end of year 5, the developer sells the project for a small profit to a new buyer. In years 6-8, the City's economy worsens, the project loses its anchor tenant and the new buyer sells the project at a loss to another buyer at the end of year 8. In year 10, the City's economy improves and the then-current owner makes improvements to the project (not funded by TIF) and leases anchor space within the project to a stable tenant that produces substantial TIF revenues. Soon after, smaller tenants are paying higher rents to locate near the successful anchor tenant. The then-current owner soon realizes a substantial return on its investment in excess of what the original developer anticipated when the project was first proposed. In this example, obtaining rate of return data from the second and third project owners would be exceedingly difficult because they would likely view that data as confidential, were not involved in the creation of the TIF, and had purchased the project in market transactions years after the TIF had originally been approved (and thus have little incentive to voluntarily cooperate). Moreover, even if such data could be obtained, the second property owner's negative rate of return and the third property owner's high rate of return would not be relevant to the City's decision to initially approve the TIF or the level of TIF assistance needed to cause the project to be completed under Year 1 and Year 2 economic conditions.



Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response

TIFs are routinely used as “gap” financing when private debt and equity are not sufficient to fund the construction of a project. As discussed under Section 2 above, the developer must typically secure a bridge loan using the promise of TIF notes to be issued upon completion of the project as collateral. Projections of future TIF revenues are relevant to a bridge lender’s determination of the collateralized value of the future TIF notes. Potential clawbacks that extend for many years beyond the completion of the project would negatively impact that collateral value, making it harder to secure bridge financing. TIF incentives subject to clawbacks throughout the life of the TIF would also likely make it impossible to refinance TIF notes with low interest tax-exempt bonds because prospective TIF bond purchasers would be unlikely to assume the risk that their investment could be cancelled if the developer over-performs expectations.

5. Fee Structure Creates Appearance of a Conflict of Interest

Auditor Finding: SLDC’s fee structure creates the appearance of a conflict of interest for the agency.

City’s Response: *Despite finding absolutely no evidence that any projects were supported or the amount of the TIF subsidy was increased because of SLDC’s fee structure, the State Auditor claims that the SLDC’s fee structure creates an appearance of a conflict of interest.*

The City and SLDC believe that charging fees for TIF projects is appropriate because of the significant administrative expenses incurred in reviewing and administering projects (which should be borne by the developer and the project, rather than funded with City-wide general tax revenues). Similar to SLDC’s fee structure, several State of Missouri incentive programs base their administrative fees on the size of the incentive (see, for example, Section 620.809.7(2) and Section 620.1900.1, RSMo., which allows the Missouri Department of Economic Development to charge a fee equal to 2.5% of the value of certain state-issued tax credits). Kansas City and Springfield also charge similarly-structured fees in connection with their tax increment financing programs.

The City also notes that for very large TIF projects, such as the St. Louis Innovation District, the City has capped its fees to ensure that the amount of fees generated do not disproportionately exceed the costs of administering the incentive program.

6. Governmental Accounting Standards Board Violation

Auditor Finding: The City did not include the amount of TIF project revenues redistributed for fiscal years 2018 or 2017 in its Comprehensive Annual Financial Reports as required by Governmental Accounting Standards Board (GASB) Statement No. 77.

City’s Response: The State Auditor overstates the GASB No. 77 requirement. Appendix B, Note B5 of GASB No. 77 provides:

Other respondents to the Exposure Draft requested that the Board consider including specific types of programs—such as tax increment

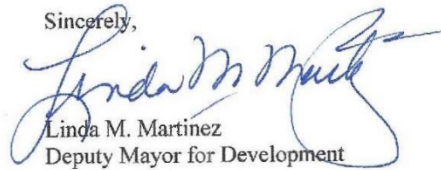


Appendix E
City of St. Louis - Tax Increment Financing
City of St. Louis Response

financings, payments in lieu of taxes, or as-of-right agreements—in the scope of the Statement. The Board believes that some of those transactions may meet the definition of a tax abatement and, therefore, should be disclosed according to this Statement. However, the determination of whether a transaction meets the definition of a tax abatement should be based on the substance of the transaction, rather than on its form or label. Consequently, this Statement's scope does not include or exclude any specifically titled transaction or program in order to avoid inappropriately including transactions that do not meet the definition of a tax abatement or excluding those that do. (emphasis added)

Nonetheless, the City will review GASB No. 77 compliance with its auditors as it relates to the disclosure of TIF project revenues in its future Comprehensive Annual Financial Reports. It is possible that the City's auditors could determine that some, but not all of, the City's TIF projects are subject to GASB No. 77 disclosure.

Sincerely,



Linda M. Martinez
Deputy Mayor for Development



Nicole Galloway, CPA

Missouri State Auditor

Jackson County

No-Bid Contracts and Other Expenditures

Report No. 2020-075

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Jackson County No-Bid Contracts and Other Expenditures

No-Bid and Other Professional Service Contracts	The county did not periodically solicit or reevaluate the services provided by a law firm relating to \$1.3 million spent for federal lobbying services related to rail and mass transit. The contracts with this firm lacked detailed requirements for any specific type of services to be provided, and county management was not transparent in dealings with this law firm as questionable travel expenses of county employees and officials totaling \$162,706 were paid by this firm. Contracts totaling approximately \$2.7 million were not bid for state lobbying, various legal, and investigative services in compliance with county charter. The former County Counselor was responsible for soliciting proposals and signing these contracts, and most legal service contracts were not authorized by the County Legislature. The county also did not ensure compliance with contract terms, enter into contracts timely, or require submission of detailed invoices and supporting documentation prior to payment of these services. The former County Counselor did not solicit proposals for the consulting contract with the former County Executive or seek approval from the County Legislature. The Director of Finance and Purchasing has not prepared an annual purchasing report as required.
Other Expenditures	The county has not established adequate procedures to ensure expenditures were properly allocated or expended only for intended purposes, did not always timely enter into written contracts, and require invoices submitted to detail the services provided and expenses billed. The county lacks adequate controls and procedures to account for fuel use, and the Sheriff's office spent \$9,069 for Christmas parties that was not a reasonable or necessary use of county funds. The county has not established adequate procedures to ensure the Prosecuting Attorney's office credit card bills are paid timely.
Travel Expenditures	An adequate review of travel expense forms and supporting documentation was not always performed, and some employees received reimbursement for travel expenses not in compliance with county policy or not actually incurred. Employees did not always submit travel expense forms timely and sometimes failed to submit them, and supervisors did not always approve submitted travel expense forms. Improvement is needed in the county's travel policies to ensure employee travel costs are obtained in the most economical manner.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Jackson County

No-Bid Contracts and Other Expenditures

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology	6

Management Advisory	
Report - State Auditor's	
Findings	
1. No-Bid and Other Professional Service Contracts	8
2. Other Expenditures	18
3. Travel Expenditures	25

Organization and Statistical	
Information	30

Appendixes	34
A Federal Lobbying Invoices	35
B Federal Lobbying Requests for Proposals	91
C Federal Lobbying Contracts	121
D Former County Executive's Consulting Agreement Invoices	212
E Former County Executive's Consulting Agreement Contract	217
F Auditee Response - County Legislature	221
G Auditee Response - County Executive	222



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Chairman of the Jackson County Legislature
and
Members of the Jackson County Legislature
and
Frank White, Jr., Jackson County Executive
Jackson County, Missouri

We have audited certain operations of Jackson County - No-Bid Contracts and Other Expenditures in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of Jackson County in response to a formal request from the Jackson County Legislature. The county engaged BKD LLP, Certified Public Accountants (CPAs), to audit the county's financial statements for the years ended December 31, 2018, and 2017. To minimize duplication of effort, we reviewed the CPA firm's reports. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2018. The objectives of our audit were to:

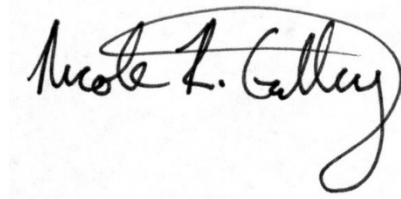
1. Evaluate the county's internal controls over certain management operations and financial functions related to no-bid contracts and other expenditures.
2. Evaluate the county's compliance with certain legal provisions related to no-bid contracts and other expenditures.
3. Evaluate the economy and efficiency of certain management practices and procedures related to no-bid contracts and other expenditures, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of no-bid contracts and other expenditures.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Jackson County - No-Bid Contracts and Other Expenditures.

Additional audit reports of various officials and departments of Jackson County are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	Robert McArthur II, CFE
Audit Staff:	Rex Murdock, M.S.Acct.
	John-Henry T. Jarwood, MBA, CFE
	Amanda G. Flanigan, MAcc

Jackson County

No-Bid Contracts and Other Expenditures

Introduction

Background

The State Auditor was requested on February 26, 2018, by the Jackson County Legislature under Section 29.200.3, RSMo, to conduct a performance audit of Jackson County.

One area of significant concern to the County Legislature was "awarding and administering legal and professional service contracts" that were not bid (i.e., no-bid contracts). We determined that contracts totaling approximately \$2.7 million were not bid. In addition to written findings involving no-bid contracts, our work resulted in other written findings involving bid contracts. In total, the contracts discussed in the report's findings cost the county approximately \$4 million. To support our findings we included invoices at Appendix A, requests for proposals at Appendix B, and contracts at Appendix C, obtained from the county for "federal legislative lobbying, particularly with regard to matters related to rail and mass transit" provided by Polsinelli PC¹ (referred throughout this report as the federal lobbying law firm). We also included the invoices for the consulting services provided by the former County Executive, Michael D. Sanders, at Appendix D and the related contract at Appendix E. Appendix A includes redactions of information considered personal, privileged, or of a sensitive nature.

The following provisions of state law, constitutional home rule charter, and county code are significant to our review and are discussed further in the findings reported in the accompanying Management Advisory Report section.

State Law

Section 67.2555, RSMo, requires competitive bidding for any expenditure made by the County Executive that exceeds \$25,000.

Section 137.555, RSMo, restricts the use of the Special Road and Bridge Fund to disbursements "... to be used for road and bridge purposes and for no other purpose whatever ..."

Section 432.070, RSMo, provides that no county shall enter into a contract unless the contract is "... in writing and dated when made ..."

Constitutional Home Rule Charter

Article II, Section 16.20, authorizes the County Legislature to "Employ such financial, research, legal, or other technical advisors as are necessary."

Article III, Section 6.2, authorizes the County Executive to "Employ experts and consultants in connection with any of the functions of the county, and ensure that all professional services contracts over \$5,000, except in emergency situations, follow a competitive process to determine award of the contract."

¹ Formerly known as Polsinelli Shughart PC, prior to April 22, 2013.



Jackson County
No-Bid Contracts and Other Expenditures
Introduction

County Code

Chapter 10, Section 1000, purchasing code indicates "All contracts for the purchase or lease of supplies, materials, equipment, or services, except as to personal and professional services and as otherwise provided by law, shall be accomplished through the office of the Director of Finance and Purchasing. It shall be the intent of this chapter that, whenever practicable, contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition."

- Section 1030 indicates competitive bidding is not required when (1) the item can only be purchased from a sole source; (2) the purchase can be obtained from an acquisition from another government; (3) it is an emergency purchase; (4) the item is the subject of an existing and current federal, state, or local government fixed price contract; (5) the purchase is less than \$5,000; (6) the item is a proprietary good for resale; or (7) funds are appropriated and a contract is or will be awarded by the County Legislature to a tax exempt organization. However, purchases that exceed \$25,000 of sole source items, items from other governments, fixed price items, or proprietary goods for resale must receive prior approval by the County Legislature, and emergency purchases over \$25,000 must be reported to the County Legislature at the next meeting.
- Section 1040 indicates informal competitive bidding may be used for purchases between \$5,000 and \$25,000. Informal competitive bidding includes soliciting at least 3 bids from vendors through informal means (e.g., telephone, media, bulletin board posting, etc.).
- Section 1050 indicates formal competitive bidding is required for purchases exceeding \$25,000. Formal competitive bidding includes soliciting bids from vendors through more formal means (e.g., direct mail, electronic mail, online listing services, newspaper advertisements, etc.) and for at least 5 days prior to bid closing.
- Section 1054 indicates bids received through formal competitive bidding are to be sealed until opened (if applicable), recorded, evaluated, and a recommendation of award of the contract to the lowest and best bidder made to the County Legislature. Factors to be considered when determining the lowest and best bid include (1) cost and future maintenance, (2) ability to perform, (3) timely performance, (4) character and reputation, (5) quality of prior performance, (6) compliance with laws, (7) quality and availability, (8) conditions on bid, (9) compliance with bid specifications, (10) environmental preference, (11) social responsibility, and (12) local preference.

Chapter 10, Section 1001.6, indicates "In February of each year the Director of Finance and Purchasing shall provide a performance-based annual report regarding formal competitive bids to the County Executive and the County



Jackson County
No-Bid Contracts and Other Expenditures
Introduction

Legislature. The report will describe procedures in place to ensure compliance with section 1054."

Travel and training policies

Administrative policy 12-01, Travel and Training Policy, effective February 2012, includes rules for reimbursement of allowable expenditures in the most economical manner to ensure prudent use of taxpayer dollars including:

- "The County will pay the lowest of air or ground transportation. Authorization will be given for the most economically available flight to and from the event."
- "Lodging generally includes the single-occupancy cost of the room and any applicable taxes and charges at the meeting and/or conference event location. In the case that the event is not being held at a conference center hotel, employees should use discretion in choosing an economical lodging option."
- "Meals and incidental expenses are paid based on the Federal per diem rates, which are based on destination and can be found on the US General Services Administration (GSA) website:. . ."
- "The county will not reimburse per diem for meals included in the registration fee, and the appropriate allotment for the meal will be deducted from the per diem."
- "Unless specifically permitted in this policy no other expenses will be reimbursed by the County. Examples include, but are not limited to the following: Expenses for personal entertainment, including those that are charged or billed as additional registration fees (golf, theater, sporting events, site-seeing tours, etc.); . . . Valet parking;. . ."

On January 3, 2018, the County Executive made a recommendation to the County Legislature to request a comprehensive audit of the county's fiscal and procurement process by the State Auditor's Office (SAO). The County Legislature agreed with this recommendation and passed Resolution 19745 on February 26, 2018, requesting the State Auditor perform an audit of the county. This request was accepted by the SAO and audit fieldwork started in December 2018. This is the second of several audit reports that will be issued as part of the audit of Jackson County.

Scope and Methodology

The scope of this audit included evaluating (1) internal controls, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the 2 years ended December 31, 2018.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; gathering



Jackson County
No-Bid Contracts and Other Expenditures
Introduction

information regarding various contract awards and expenditures through discussions with various current and past county personnel and reviewing the information obtained; and testing selected transactions. To gain an understanding of legal requirements governing contract awards and expenditures, we reviewed applicable state laws; the county charter, county code, and written policies and procedures; and interviewed various individuals.

We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to these provisions.

Jackson County

No-Bid Contracts and Other Expenditures

Management Advisory Report - State Auditor's Findings

1. No-Bid and Other Professional Service Contracts

Significant improvements are needed in Jackson County's processes for selecting professional services, entering into and monitoring contracts, and reviewing and approving documentation to support requests for payment. As noted in the background section, one area of significant concern to the County Legislature was the awarding and administering of legal and professional services contracts that were not bid (i.e., no-bid contracts). Our audit confirmed that contracts totaling at least \$2.7 million were not bid.

The county also did not periodically solicit or reevaluate the services provided by a federal lobbying law firm. The contracts with the firm lacked detailed requirements for any specific type of services to be provided and county officials did not monitor the contracts for compliance or obtain sufficient supporting documentation for more than \$1.3 million in payments to this firm. County management was not transparent in the county's dealings with this law firm for federal lobbying services related to the Rock Island Rail Corridor² because contracts terms did not detail how travel expenses of county management were to be handled or any requirements for compliance with county travel policies and supporting documentation to be submitted. Travel expenses for county management were paid by the law firm and billed to the county as part of the firm's monthly retainer.

The county did not always solicit proposals; ensure compliance with contract terms; enter into contracts timely; or require submission of adequate supporting documentation for various other legal, investigative, and consulting services. The Director of Finance and Purchasing has not prepared an annual purchasing report as required to ensure compliance with county bidding requirements.

1.1 Lobbying, legal, and investigative services

The county's charter does not address the frequency of the selection process for professional services, and the county did not periodically solicit proposals for lobbying services. In addition, the county did not solicit proposals for various legal and investigative services in compliance with the county charter. The former County Counselor, who was appointed by the former County Executive, was responsible for soliciting proposals for legal services and signed these contracts, and most of these legal service contracts were not authorized by the County Legislature. The county also did not ensure compliance with contract terms, enter into contracts timely, or require submission of detailed invoices and adequate supporting documentation prior to payment of these services. In addition, some of the contracts reviewed did not require submission of detailed supporting documentation for payment.

² A federal lobbyist was procured to assist the county in implementing a multimodal transportation plan; including the possibility of commuter rail, light rail, bus enhancements, trails, and streetcars; and to remain apprised of actions and deliberations at the national level regarding transportation funding.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

Federal lobbying services

The county paid the federal lobbying law firm \$1,334,982 for federal lobbying services relating to the Rock Island Rail Corridor from 2011 to 2017. A request for proposals (RFP) was issued for these services in March 2010, and provided for a 12-month contract, with two 12-month renewal options. Another RFP was issued for these services in December 2013, and provided for a 12-month contract, with four 12-month renewal options. See Appendix B for the federal lobbying RFPs. The county entered into contracts with this firm each year from 2011 to 2017, that provided for the firm to bill the county a set monthly rate for its services. The county did not renew the contract in 2018. The following table lists the payments to this firm for federal lobbying services:

Year	Amount Paid
2011	\$ 160,000
2012	205,000
2013	209,994
2014	209,992
2015	210,000
2016	189,996
2017	150,000
Total	\$ 1,334,982

Concerns related to these contracts and services include:

Procurement

The county's charter does not address the frequency of the professional service selection process, and as a result, the county entered into contracts with this firm that provided for renewals over several years without periodic reevaluation of the services provided and amounts paid.

While Article III, Section 6.2 of the county charter provides for professional service contracts over \$5,000, to follow a competitive process, it does not address the frequency of the professional service selection process. Given the magnitude of the amount spent for federal lobbying services in the contract renewal periods, consideration should be given to requiring the professional service selection process to be repeated more frequently. The county also paid this firm an additional \$1,034,816 for other legal services provided from 2011 and 2017 without soliciting proposals (see the Legal services section).

Contract timeliness

The county did not timely enter into a written contract with this firm for services provided for the first 4 months of 2017. The contract was entered into on April 27, 2017. The contract indicated "This agreement shall be effective as of January 1, 2017, and continue until December 31, 2017," and provided for the firm to bill the county at a rate of \$12,500 monthly for its services. The county was billed \$50,000 on April 27, 2017, the date the contract was signed, for services provided for the first 4 months of 2017.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

Contract compliance

The contracts with the federal lobbying law firm lacked detailed requirements for any specific type of services to be provided in return for the payments made by Jackson County that ranged from \$12,500 per month to \$17,500 per month during 2011 through 2017. The services were generally defined as "federal legislative lobbying, particularly with regard to matters related to rail and mass transit."

In addition, the county did not require the firm to provide weekly reports of proposed legislation of county interest and the activities the lobbyist had engaged in to further the legislative priorities of the county in compliance with the contracts. County personnel could not provide any weekly reports from 2011 to 2017, and at our request, they provided us county email messages related to lobbying services. The messages only showed the firm provided monthly or periodic updates. The contracts and the original RFPs required weekly reports be provided.

Supporting documentation

The county did not require invoices submitted to the county by the firm to provide sufficient documentation of the details of the services provided and expenses billed to the county. See Appendix A for federal lobbying invoices paid by the county.

For 19 (totaling \$327,086) of the 20 federal lobbying services invoices submitted for payment during 2016 and 2017, the invoice only indicated a total dollar amount for "current professional services." The invoices did not provide dates of hours worked, cost per hour, services performed, or expenses incurred. Only one invoice submitted included more than just "current professional services." The invoice for July 2016 included travel expenses of \$12,910, and summarized airfare, lodging, meals, and out-of-pocket expenses for county officials and employees of the firm for trips taken. Concerns about the appropriateness and transparency of these employee travel expenses and similar ones are discussed in the next section.

In addition, while the contract for the year ended December 31, 2016, indicated the firm "shall be responsible for all of the expenses of its work under this agreement and costs relating to educational and fact-finding activities engaged in by County officials pursuant to the goals of the scope of work;" it did not require the firm to submit any documentation of the costs relating to the activities engaged in by county officials or require their travel expenses to comply with county policy. It is not clear why only the 2016 contract included this wording. See Appendix C for the federal lobbying contracts and amendments from 2011 to 2017.

Transparency of travel expenses

Besides the \$12,910 discussed previously, additional travel expenses of county employees and officials totaling \$149,796 are questionable and were not transparent. All of these travel expenses were (1) not paid directly by the county and were instead paid by the federal lobbying law firm, (2) paid through the monthly invoices as "current professional services," and not listed



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

as expenses, (3) improperly recorded in the county's financial system as professional services, instead of travel, and (4) not provided to the audit staff when requested. The purpose or necessity of these travel expenses was also not always documented, and most of these travel costs for county management and officials were excessive and not obtained in compliance with county policy.

The engagement letter issued by the firm to the county on April 30, 2010, indicated "The firm prefers that you pay directly any significant outside expense items related to your work and, when possible, we will direct such expenses to you for payment. Therefore, we often ask our vendors to bill our clients directly rather than having us incur the expense and then including the amount on our statement."

Audit staff requested the county to provide supporting documentation for all payments made to the federal lobbying law firm from 2011 to 2017 on February 6, 2019, and July 18, 2019. They also asked for specific information pertaining to travel expenses of the former Chief Economic Development Officer on August 26, 2019. However, the county did not provide this information until August 20, 21, and 24, 2020, when we received a summary of travel expenses. The summary listed professional services expenses totaling \$149,796 paid by the firm during the period of June 2010 through April 2016.

The summary showed airfare, lodging, meals, seminar registration fees, and out-of-pocket expenses for various county management employees and officials were paid by the firm and billed to the county as "current professional services." Travel expenses were incurred for the following individuals: the former County Executive, the current County Executive, the former Chief Economic Development Officer, the Director of Economic Development, the Director of Public Works, the Director of Communications, the former Director of Assessment, a former Development Manager, a Program Manager of the Rock Island Rail Corridor, a former Development Incentive Administrator, 2 former Incentive Specialists of the Economic Development department, a Senior Advisor of the Engineering department, a Director of Transportation Planning for the Mid-America Regional Council, and employees of the firm for trips to Washington D.C., Denver, Omaha, Portland, Los Angeles, Seattle, Salt Lake City, Austin/Dallas, Oklahoma City, Columbia, Independence, and St. Louis.

The Chief of Staff told us on August 19, 2020, that sometime in 2016, the county became aware of the travel costs of county employees and requested the firm to discontinue paying these travel costs and provide supporting documentation of past travel costs incurred. It is unclear why this documentation was not provided to audit staff sooner.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

In addition, the purpose or necessity of these travel expenses was not always documented, and some of these travel costs for county management and officials was likely excessive and not obtained in compliance with county policy (see MAR finding number 3.2). For example:

- The former Chief Economic Development Officer, the Director of Economic Development, and a former Tax Incentive Specialist of the Economic Development department attended conferences in August 2015 in St. Louis and incurred hotel costs (\$329 per night) exceeding federal per diem rates by \$1,284 or (\$214 per night per person).
- The former County Executive, the former Chief Economic Development Officer, and Director of Economic Development traveled to Washington D.C. in May 2015, and incurred hotel costs (\$512, \$554, and \$499, respectively per night) exceeding federal per diem rates by \$878 or (an average of \$292.66 per night per person).
- The former Chief Economic Development Officer and another former Tax Incentive Specialist of the Economic Development department traveled to Dallas in March 2016, and incurred hotel costs (\$565 per night) exceeding federal per diem rates by \$854 or (\$427 per night per person).
- At a conference in Dallas in October 2015, the former Chief Economic Development Officer, Director of Economic Development, and former Development Incentive Administrator of the Economic Development department, incurred hotel costs (an average of \$294.50 per night) that exceeded the federal per diem rate by \$1,436 or \$159.50 per night.
- Additional travel costs were also incurred for pool service, room service meals, valet parking, and hotel gift shop charges that may not have been in compliance with county policy.

As a result, the county has no assurance these travel costs were obtained in compliance with county policy or were reasonable. The lack of transparency surrounding these contracts and the related payments is concerning.

State lobbying services

The county has contracted with the same state lobbyist for 12 years, and paid this lobbyist \$620,800 from 2007 to 2018.

Procurement

These services were solicited in 2007, and while the contract has been renewed annually and approved by the County Legislature, it has never been



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

resolicited and formally evaluated. The county paid this lobbyist for state lobbying services during 2007 through 2018 as follows:

Year	Amount Paid
2007	\$ 20,000
2008	28,300
2009	25,000
2010	25,000
2011	35,000
2012	35,000
2013	35,000
2014	45,000
2015	50,000
2016	107,500 (1)
2017	107,500 (1)
2018	107,500 (1)
Total	\$ 620,800

(1) Contracts provided for the lobbyist to pay subcontractors \$47,500.

Given the significant increase of the annual contracted amounts, consideration should be given to requiring the professional service selection process to be repeated more frequently.

Contract timeliness

The county did not timely enter into a written contract with this lobbyist for services provided for the first 2 months of 2018. The contract was entered into on February 23, 2018. The contract indicated "The term of this Agreement shall be effective as of January 1, 2018, and extend until December 31, 2018." The contract provided for the lobbyist to bill the county at a rate of \$8,958 monthly for its services. The county was billed \$17,916 on February 27, 2018, for services provided the first 2 months of 2018.

Legal services

Improvements are needed over legal fees paid by the county.

As previously discussed, between 2011 and 2017 the county did not solicit proposals for various legal services. The county had 25 contracts with the federal lobbying law firm and paid the firm \$1,031,864 for legal services during this period. Eighteen of these contracts were amendments to previous contracts at significant additional costs to the county. These legal services related to various asbestos litigation cases, the formation of a railway company, the right-of-way maintenance and management of the Rock Island Rail Corridor, labor matters, county facility issues, and a health and welfare plan. In addition, the county entered into some of these contracts after services had already been provided and billed by the law firm. For example:



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

- The county entered into a contract for the right-of-way maintenance and management of the Rock Island Rail Corridor after almost half the services had already been provided. The contract indicated the firm would "bill a fee not to exceed \$30,000, together with reasonable expenses not to exceed \$2,500. This fee shall include costs of \$14,001 for work on ROW [Right-of-Way] Agreements previously charged to another matter, but not submitted to 'the County'."
- The county was invoiced \$6,930 on September 10, 2016, and \$10,929 on October 10, 2016, for asbestos litigation services prior to the related contract being signed on October 28, 2016.

Procurement of other legal services

The county also did not solicit proposals for some other legal services provided by other law firms totaling \$970,190 during the years ended December 31, 2017, and 2018, as follows:

Service Provided	Amount
Litigation of employment discrimination case	\$ 301,870
Litigation of employment discrimination case	235,749
Litigation of cases regarding the condition of the detention center	178,662
Legal advisor to the County Legislature	156,146
Negotiations for the acquisition of real estate for commuter corridor project	97,763
Total	\$ 970,190

While the county solicited requests for statements of qualifications and interest (RFQ) from law firms in December 2016, some of the contracts for legal services were for existing engagements that had been amended several times at significant additional costs to the county. In addition, 3 of the law firms provided no response to the RFQ.

One of the contracts involving litigation of employment discrimination services costing \$301,870 had been amended 7 times since February 2016 increasing the contract value from \$19,995 to approximately \$393,000. The other contract involving litigation of employment discrimination services costing \$235,749 had been amended 9 times since September 2015 increasing the contract value from \$50,000 to approximately \$352,000. Also, the contract involving the negotiations for the acquisition of real estate for the commuter corridor project had been amended 9 times since March 2013 increasing the contract value from \$20,000 to approximately \$544,000.

Contract/contract amendment timeliness

The county did not timely enter into or amend some of these contracts for legal services with other law firms.

- The county was billed \$40,086 on May 31, 2018, for legal services (relating to county officeholders' exercise of power) provided by a law



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

firm prior to the related contract being signed on August 20, 2018. The county subsequently paid for these services on August 30, 2018.

- The county was billed \$5,621 on November 30, 2017, and \$1,202 on December 22, 2017, totaling \$6,823 for legal services (relating to county officeholders' exercise of power) provided by another law firm from November 9, 2017, through December 13, 2017, prior to the related contract being signed on December 14, 2017. The county subsequently paid for these services on December 28, 2017.
- The county was billed \$101,911 on July 31, 2017, for legal services (relating to an employment discrimination case) provided from April 4, 2017, through June 30, 2017, prior to the related contract amendment being signed on October 3, 2017. The county subsequently paid for these services on October 5, 2017.
- The county was billed \$61,304 on April 30, 2018, for legal services (relating to another employment discrimination case) provided prior to the related contract amendment being signed on May 22, 2018. The county subsequently paid for these services on May 31, 2018.
- The county was billed \$78,608 for legal services (related to providing a legal advisor to the County Legislature) provided prior to the related contract amendment being signed. The county was billed \$20,557 on June 19, 2018, \$38,480 on September 17, 2018, \$11,929 on September 19, 2018, and \$7,642 on October 11, 2018, for services provided from March 2018 to September 2018. A contract amendment was signed by the County Legislature on October 24, 2018, at the time it was provided by the former County Counselor, to increase the contract amount from \$75,000 to \$171,000; however, \$153,608 in services had already been provided. The county paid this firm \$78,608 on October 25, 2018.

Supporting documentation

An invoice (totaling \$40,086) submitted by a law firm providing legal services related to Community Backed Anti-Crime Tax (COMBAT) Administration only indicated "Total Incurred to Date" and a total dollar amount; providing no description of services performed, date of hours worked, the hours worked, an hourly rate, or an itemized list of expenses incurred. The county paid this law firm \$57,427 during 2018.

Employment complaint
investigative services

The county also has not solicited proposals for employment complaint investigative services. The county paid one vendor \$49,533 and another vendor \$52,887 for these services in 2017 and 2018.

In addition, the county did not timely enter into written contracts with those vendors for these services. The county was billed \$29,488 for services provided by one vendor from January 1, 2018, to January 31, 2018, prior to



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

the contract being signed on March 1, 2018. The county subsequently paid for these services on March 15, 2018. The county was billed \$6,504 for services provided by another vendor from May 12, 2018, through May 25, 2018, prior to the contract being signed on June 7, 2018. The county subsequently paid for these services on June 14, 2018.

Conclusion

Article III, Section 6.2 of the county charter requires all professional services contracts over \$5,000, except in emergency situations, be selected through a competitive process, and Section 67.2555, RSMo, also requires competitive bidding for any expenditure greater than \$25,000. Further, soliciting proposals for professional services is a good business practice, and county officials should periodically evaluate the services provided to ensure they are acceptable to justify continuation. Clear, detailed and timely written contracts are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure county money is used appropriately and effectively. Also, closely monitoring compliance with contract terms is important to ensure county resources and assets are used wisely. Section 432.070, RSMo, provides that no county shall enter into a contract unless the contract is ". . . in writing and dated when made . . ." To ensure prudent and proper use of county funds, payments should only be approved when adequate supporting documentation is submitted. Only by receiving detailed supporting documentation can the county ensure invoices for payment of professional services are legitimate and accurate, and comply with county disbursement policies.

1.2 Former County Executive consulting contract

The former County Counselor did not solicit proposals for the consulting contract with the former County Executive (see Appendix E) or seek approval from the County Legislature (if the contract was considered sole source) in compliance with the county code.

The former County Counselor entered into a contract with the former County Executive in January 2016 to "make himself available to consult with the County, . . . on an as-needed basis regarding matters within the usual scope of his employment as of December 31, 2015, including transition of his responsibilities. However, the parties agree that nothing in this Agreement shall obligate the County to utilize Sander's services." The contract required compensation to be "payable regardless of whether the County utilizes Sanders services" and provided for payments of \$10,000 per month to be made for 6 months.

On January 25, 2016, the former County Counselor sent a letter to the former County Executive clarifying the contract, indicating the former County Executive would "be an important part of the legal team and the negotiating team as we move toward closing the transaction [Rock Island Rail Corridor (RIRC) project] and finalizing the relationship with the KCATA [Kansas City Area Transportation Authority]." The letter further indicated "There is also



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

litigation that developed while you served as County Executive. You are a witness with regard to some of that litigation. I look forward to working with you and the counsel assigned to handle those cases as those cases move toward resolution."

The Chief Deputy County Counselor indicated this contract was executed and enforced by former county employees, but he had "no reason to believe that Mr. Sanders [former County Executive] did not fulfill the role described in the letter . . ."

Procurement and/or Legislative approval

The former County Counselor did not solicit proposals for these services or seek approval from the County Legislature (if the contract was considered sole source) in compliance with the county code.

Article III, Section 6.2 of the county charter provides for professional service contracts over \$5,000, except in emergency situations, be selected through a competitive process, and Section 67.2555, RSMo, also requires competitive bidding for any expenditure greater than \$25,000. Section 1030.1 of the county code states "Competitive bidding shall not be required when the items to be purchased can be obtained from only one source. Before a purchase is made pursuant to this subsection which has a purchase price of over twenty-five thousand dollars (\$25,000), the Director of Finance and Purchasing shall submit said purchase to the County Legislature for approval and the purchase shall only be effective upon legislative approval. In the recommendation to the Legislature, the director shall set out the reason for the decision not to seek competitive bids."

Supporting documentation

The former County Executive did not submit an invoice to the county for the first \$10,000 monthly payment made on January 21, 2016. In addition, 5 invoices submitted by a law firm for the former County Executive (see Appendix D) during February 2016 through June 2016, only listed the amount due (\$10,000) and indicated "For professional services rendered." The invoices did not provide dates of hours worked or the services performed. Four of these invoices (February 2016 through May 2016) directed the county to make the check payable to the former County Executive, and the last invoice (June 2016) directed the county to make the check payable to the law firm.

It is unclear what if any value the county received from this contractual agreement or why it was necessary. Clear and detailed written contracts are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure county money is spent appropriately and effectively.

1.3 Annual purchasing report

The Director of Finance and Purchasing has not prepared an annual purchasing report required by the county code to ensure compliance with



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

bidding requirements. When we asked the Director of Finance and Purchasing when this report had been prepared, he indicated, "We are not aware of a specific singular Annual Purchase Report having been requested or generated." If this report had been prepared, the concerns discussed in this finding may have been brought to the attention of the County Executive and County Legislature earlier and corrective action possibly taken.

Chapter 10, Section 1001.6, of county code indicates "In February of each year the Director of Finance and Purchasing shall provide a performance-based annual report regarding formal competitive bids to the County Executive and the County Legislature. This report will describe procedures in place to ensure compliance with section 1054." Section 1054 of county code describes procedures for formal bid opening, recording, evaluation, analysis, recommendation, and award.

Recommendations

The County Legislature and County Executive:

- 1.1 Ensure professional services are properly solicited and periodically formally evaluated; enter into clear, detailed, and timely written contracts; establish procedures to properly monitor contract requirements; and ensure invoices received are adequately detailed to support the county's review.
- 1.2 Ensure professional services are properly solicited or if sole source, are approved by the County Legislature. In addition, county officials should enter into clear and detailed written contracts that ensure county money is spent appropriately and effectively.
- 1.3 Ensure the Director of Finance and Purchasing prepares an annual purchasing report in compliance with county code.

Auditee's Response

The County Legislature provided a written response. See Appendix F.

The County Executive provided a written response. See Appendix G.

2. Other Expenditures

County expenditure, procurement, and contracting procedures and practices need improvement. In addition to the expenditures tested in MAR finding number 1, we tested 62 expenditures totaling approximately \$2.1 million for the 3 years ended December 31, 2018.

2.1 Allocation

The county has not established adequate procedures to ensure expenditures were properly allocated or expended only for intended purposes.

Federal lobbying services

The county did not document the reason some of the costs of federal lobbying services for the Rock Island Rail Corridor were allocated from the Health Fund.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

During 2017, county management allocated \$24,750 of the \$150,000 paid for federal lobbying services for the Rock Island Rail Corridor to the Health Fund. The remaining \$125,250 came from the Special Road and Bridge Fund (\$100,500) and the Park Fund (\$24,750). County management maintained no documentation explaining why the Health Fund was responsible for any of the costs or how they determined the costs allocated to each fund. According to notations made on each contract by the Finance and Purchasing department, lobbying services were paid from the General Fund and/or the Special Road and Bridge Fund during 2011 through 2016.

State lobbying services

The allocation of costs of state lobbying services was not adequately supported and not reasonable, and county management maintained no documentation explaining why the costs were allocated to these funds.

- During 2017 and 2018, state lobbying services (noted in MAR finding number 1) costing \$107,500 annually were allocated to 5 county funds, including \$47,849 (General Fund), \$34,815 (Health Fund), \$10,798 (Special Road and Bridge Fund), \$9,908 (Park Fund), and \$4,130 (Assessment Fund).
- During 2016 and 2017, lobbying contracts signed by the current County Executive, for services totaling \$80,500, were allocated to 5 county funds, including \$40,320 (General Fund), \$8,375 (Health Fund), \$16,775 (Special Road and Bridge Fund), \$10,060 (Park Fund), and \$4,970 (Assessment Fund). County management maintained no documentation explaining why the amount allocated differed from year to year. The county allocated 24 percent of these costs to the Special Road and Bridge Fund in 2016 and 17 percent in 2017.
- During 2016 and 2017, additional lobbying services contracts signed by the former or current County Executive, totaling \$282,000, were allocated to 5 county funds, including \$141,000 (General Fund), \$28,200 (Health Fund), \$81,780 (Special Road and Bridge Fund), \$22,560 (Park Fund), and \$8,460 (Assessment Fund).

Other professional services

The allocation of costs of other professional services was not adequately supported and not reasonable, and county management maintained no documentation explaining why the costs were allocated to these funds.

- Legal services costing \$34,310, related to county officeholders' exercise of power, were allocated to the Health Fund in 2018.
- During 2016 and 2017, consulting services totaling \$56,695 related to human resources and organizational development were allocated to 4 funds, including \$34,023 (General Fund), \$5,669 (Health Fund), \$8,501 (Special Road and Bridge Fund), and \$8,502 (Park Fund).



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

- During 2018, consulting services totaling \$285,000 related to the criminal justice system feasibility study and master plan were allocated to 3 funds, including \$210,900 (General Fund), \$37,050 (Health Fund), and \$37,050 (COMBAT Fund).
- Audit costs totaling \$4,950 incurred each year for "the Schedule of Employer Allocations related to the Jackson County Revised Pension Plan," were inconsistently allocated to various county funds. County management maintained no documentation explaining why the amounts allocated differed from year to year.

Sheriff's office expenses

The county and the Sheriff's office inappropriately paid \$16,013 of Sheriff's office expenses from the Special Road and Bridge Fund during the 3 years ended December 31, 2018. These expenses did not relate to highway patrol functions and included \$8,052 for employee travel and expenses, \$6,547 for Christmas parties (see section 2.5), and \$1,414 for tuition reimbursements to a former Sheriff's office employee for a health and wellness course and various tuition-related fees.

Applicable county officials maintained no documentation explaining why the county charged these expenditures to the Special Road and Bridge Fund. Personnel in the County Counselor's office indicated the office has periodically provided guidance regarding the use of the Special Road and Bridge Fund. The guidance has advised county officials that a proposed expenditure of the Sheriff's office "must have a reasonable nexus to the 'highway patrol' functions of the office."

Prior to 2019, the county annually budgeted a significant portion of the Sheriff's office expenditures, including payroll, to be paid from the Special Road and Bridge Fund. For example, of the \$10.2 million in Sheriff's office expenditures in 2018, \$9.1 million were paid from the Special Road and Bridge Fund. In 2019, all of these expenses were moved to the General Fund. Findings and recommendations regarding county budgets and allocation of payroll will be included in subsequent audit reports.

Section 137.555, RSMo, restricts the use of the Special Road and Bridge Fund to disbursements for road and bridge purposes only.

Conclusion

To ensure restricted money is used for its intended purpose, the allocation of expenditures to county funds should occur only for allowable and specific purposes and reasons for the allocation should be adequately documented. The proper allocation of expenses is necessary to accurately determine the results of operations of specific activities, thus enabling the county to establish the level of taxation necessary to meet all operating costs.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

2.2 Contract timeliness

As similarly noted in MAR finding number 1, the county did not always timely enter into written contracts. The county was billed \$35,625 for services provided (related to the MyARTS program) for the first 3 months of 2016, prior to the contract being signed on March 14, 2016. The county subsequently paid for these services on March 16, 2016.

On March 14, 2016, the county signed a cooperative agreement with a company for the "MyARTS program which provides youth with apprenticeship training followed by a part-time paid entrepreneurial position in which the youth produce a marketable arts product." The term of the contract was from January through December 2016, at \$11,875 monthly for a total cost of \$142,500.

Section 432.070, RSMo, provides that no county shall enter into a contract unless the contract is "dated when made." Clear, detailed, and timely written contracts are necessary to ensure all parties are aware of the services to be performed and the compensation to be paid for the services.

2.3 Supporting documentation

As similarly noted in MAR finding number 1, the county did not require invoices submitted to provide sufficient documentation of the details of the services provided and expenses billed to the county, limiting the county's ability to review them for reasonableness, compliance with bids/contracts, and accuracy.

- The county could not provide an invoice to support payment for consulting work related to the criminal justice system feasibility study and master plan. As a result, it is unclear what services were performed or expenses incurred. While we reviewed only one payment totaling \$34,654, the county paid this consultant \$285,000 during 2018.
- Invoices for doors and restroom partitions did not include an itemized cost of the items purchased and work completed. The 3 invoices totaling \$167,602 we reviewed only listed a total dollar amount for "furnish and install." While there was a description of items purchased included on the invoice, prices of "\$0.00" and discounts of "\$0.00" were listed for each item. Because of the lack of detail included on the invoice, we could not verify the costs complied with the applicable bid and contract. As a result, the Finance and Purchasing department also would not have been able to ensure contract compliance. While we only reviewed these 3 invoices, the county paid this vendor \$418,655 during 2017 and 2018.
- The Finance and Purchasing department did not retain documentation indicating how the bulk unit price listed on a fuel invoice dated February 6, 2017, totaling \$14,236 was in compliance with the related fuel contract. While we only reviewed one invoice, the county paid this vendor \$1,415,197 during 2017 and 2018.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

- Fuel card statements for purchases of fuel for the Sheriff's office are not itemized. The November 2017 fuel card statement only indicated \$1,969 for current fuel card purchases and \$3,238 for prior period fuel card purchases. There was no documentation the summary fuel card statement was reconciled to itemized fuel receipts or an itemized fuel card statement or mileage logs. While we only reviewed one invoice, the county paid this vendor \$261,001 during 2017 and 2018 for fuel card purchases made by various county offices/departments.
- Invoices for Sheriff's prisoner transportation services were not adequately detailed to ensure contract compliance. Our review of a \$6,586 payment to the prisoner transportation service provider in September 2017 included separate invoices for transportation of each prisoner; however, the invoices only showed a total dollar amount due, the name of the prisoner, the pickup and drop off location. The invoices do not provide any documentation of the number of miles driven or the rate per mile. While we only reviewed one payment, the county paid this vendor \$203,345 during 2017 and 2018 for Sheriff prisoner transportation services.
- An invoice submitted by a consultant performing human resources and organizational development services only indicated "payment for contract services RFP NO. 32-14 - Human Resources Services." The invoice provided no description of services performed, dates of hours worked, or an itemized list of expenses incurred. While we reviewed only one invoice totaling \$3,335, the county paid this consultant \$56,695 during 2016 and 2017.
- An invoice submitted by another consultant performing county lobbying services, related to a contract signed by the current County Executive, only indicated "Services." The invoice provided no description of services performed, dates of hours worked, or an itemized list of expenses incurred. While we reviewed only one invoice totaling \$3,500, the county paid this consultant \$80,500 during 2016 and 2017.
- An invoice submitted by a different consultant providing county lobbying services, related to a contract signed by the current County Executive, only indicated \$9,250 was due for "professional fees - legislative consulting agreement" and \$2,500 was due "for additional consultant." The invoice provided no description of services performed, dates of hours worked, or an itemized list of expenses incurred. While we reviewed only one invoice totaling \$11,750, the county paid this consultant \$282,000 during 2016 and 2017.

To ensure prudent and proper use of county funds, requests for payments should only be approved when adequate supporting documentation is



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

submitted with the requests. Only by receiving detailed supporting documentation for payments can the county ensure the amounts claimed for payment are legitimate, accurate, and comply with county disbursement policies and contract provisions.

2.4 Fuel use

The county lacks adequate controls and procedures to account for fuel used compared to bulk fuel purchased. During the 2 years ended December 31, 2018, the county purchased approximately \$843,000 in fuel for the use/sale by the Parks and Recreation department and the Sheriff's office. Two bulk tanks are maintained at each of the 6 fueling locations. A diesel tank and an unleaded tank are maintained at 3 locations for use by the Parks and Recreation department and the Sheriff's office, and 2 unleaded tanks are maintained at 3 other locations for the resale of marina fuel.

At one of the 3 locations used by the Parks and Recreation department and the Sheriff's office, a personal identification number (PIN), the vehicle license number, the date, amount of fuel pumped, and mileage of the vehicle is recorded in an electronic fueling system. At the other 2 locations, this same information is manually recorded and then manually entered into the electronic fueling system after fuel reports are reconciled to fuel tickets. According to Parks and Recreation supervisors, reports of fuel pumped are reviewed for unusual fuel usage and investigated, however, the Parks and Recreation Superintendent indicated a formal reconciliation of fuel use to bulk fuel purchases is not prepared.

Procedures for reconciling fuel usage to bulk fuel purchased are necessary to prevent paying vendors for improper amounts and decrease the risk of loss, theft, or misuse of fuel occurring and going undetected.

2.5 Christmas parties

The Sheriff's office spent \$9,069 for Christmas parties held in 2017 and 2018, that was not a prudent, reasonable, or a necessary use of county funds. In addition, a list of attendees was not maintained for these parties, the business purpose/benefit to the county was not documented, and the related invoices were not approved by the Sheriff or another official prior to payment.

The cost of the 2017 Christmas party, held by the former Sheriff, was \$5,487. One vendor handled all of the party costs and no bids were obtained as required by the county code for purchases exceeding \$5,000. Also, \$2,965 of the 2017 party and \$3,582 of the 2018 party was inappropriately paid from the Special Road and Bridge Fund (see section 2.1). The 2017 Christmas party included 125 meals at \$32 each (prime rib \$22, lobster \$6, and fried shrimp \$4); a \$800 service charge on the food, \$300 for a DJ, \$195 for servers, a \$75 bartender fee, and \$117 for napkins and tablecloths. The 2018 Christmas party, held by the current Sheriff, included 130 meals at \$19 each, a \$494 service charge on the food, \$300 for a DJ, \$210 for servers, and \$108 for napkins and tablecloths.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

Taxpayers have placed a fiduciary trust in the county to spend public funds only on items necessary and beneficial to the county. These expenditures are not a necessary use of county resources. In addition, Chapter 10, Section 1040, of county code indicates informal competitive bidding is required for purchases between \$5,000 and \$25,000. Informal competitive bidding includes soliciting at least 3 bids from vendors through informal means (e.g., telephone, media, bulletin board posting, etc.).

2.6 Late fees and finance charges

The county has not established adequate procedures to ensure the Prosecuting Attorney's office credit card bills are paid timely. Our review of the office's credit card disbursements for 2017 and 2018 showed assessment of late fees of \$273 and finance charges of \$508. To prevent unnecessary late fees and finance charges, procedures should be in place to ensure office credit card bills are paid timely.

Recommendations

The County Legislature and County Executive:

- 2.1 Ensure costs are allocated from the appropriate funds, and supported by adequate documentation, which is retained. The County Legislature and County Executive should also reimburse the Special Road and Bridge Fund for costs inappropriately paid from that fund, determine if additional reimbursement is necessary, and ensure all future expenditures from the Special Road and Bridge Fund comply with state law.
- 2.2 Enter into timely written contracts with vendors.
- 2.3 Ensure adequate supporting documentation is submitted and maintained to support payment of all expenditures.
- 2.4 Document reconciliations of fuel usage to fuel purchases. Any significant discrepancies should be promptly investigated.
- 2.5 Discontinue paying for Christmas parties, and ensure all disbursements are necessary and prudent use of public funds.
- 2.6 Ensure credit card bills are paid timely to avoid late fees and finance charges.

Auditee's Response

The County Legislature provided a written response. See Appendix F.

The County Executive provided a written response. See Appendix G.



3. Travel Expenditures

Our review of travel expenditures identified several concerns. Travel expenditures total approximately \$840,000 for the 3 years ended December 31, 2018.

Administrative Policy 12-01, Section IV, indicates "A travel advance is not required; however, if the employee desires an advance prior to travel, a Travel Advance Request (TAR) form must be completed and approved by the appropriate supervisor and Department Director prior to the travel occurring. The TAR should be submitted along with documentation explaining the purpose of the trip, including detailed conference advertisements, seminar schedules or letters pertaining to the meeting." TAR forms require the employee, the employee's department head, the county's Chief Operating Officer, the Director of Finance and Purchasing, and the Budget Administrator to sign the form to indicate their review and approval of the travel advance.

This policy also indicates, "The employee may upfront the costs of the trip; however, the same documentation is required for reimbursement. For reimbursement, a Travel Expense Form (TEF) should be completed by the employee. Employees should submit a reconciliation of their actual travel expenses with appropriate documentation within two weeks of returning from business travel." The TEF requires the employee, the employee's department head, the Division Chief/Manager, the Director of Finance and Purchasing, and the Budget Administrator to sign the form to indicate their review and approval of the travel expense reimbursement.

3.1 Travel advances and expenses

An adequate review of TEFs and supporting documentation was not always performed. As a result, some employees received reimbursement for travel expenses not in compliance with county policy or not actually incurred. In addition, management did not attempt to recover lodging costs charged to the county's credit card by the former Sheriff, when he failed to cancel his hotel reservation. Employees did not always submit TEFs timely and sometimes failed to submit them. Supervisors did not always approve submitted TEFs.

- The former Sheriff improperly claimed and received reimbursement of \$376 of travel expenses, including \$330 of travel expenses for a trip taken in April 2017 to Jefferson City, where adequate documentation (detailed conference advertisements and seminar schedules) was not provided, and \$46 in per diems claimed when meals were provided at a conference in August 2016. In addition, the former Sheriff reserved a hotel room costing \$126 in February 2017, using the county's credit card and did not show up or cancel the reservation, and the county subsequently paid these costs.
- A former employee was improperly reimbursed \$285 for a 6 night stay in New Orleans. The costs included improper reimbursement of \$208



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

(approximately \$35 a night) for a room upgrade without documenting the reason for the upgrade, a \$28 per diem claimed when a meal was provided at the conference, \$39 of taxes and fees charged on days when a rental car³ was only used for personal travel (the base rental car rate for days of personal travel was not claimed for reimbursement), and \$10 for rental car fuel (no supporting documentation submitted for the expense).

- Another employee improperly claimed and received reimbursement of \$228 of travel expenses related to a trip taken to Las Vegas in September 2016, including \$200 of lodging costs refunded to the employee's personal credit card on his last day of stay according to the hotel invoice, and a \$28 per diem claimed when a meal was provided at the conference. The employee did not submit the portion of his personal credit card statement reflecting the \$200 refund of lodging costs, and he also did not submit his TEF and supporting documentation within 2 weeks of returning from the trip.
- Four other employees were reimbursed meal per diems for different trips totaling \$77 in excess of county policy. In these instances, the county reimbursed the employee the full meal per diem rate on the first or last day of the trip, when rates are reduced on these days.
- The former Chief of Staff failed to submit TEFs for 4 of 6 expense reimbursements, from September 2015 through December 2016, reviewed, totaling \$318. In addition, he submitted no documentation for part (\$47) of one reimbursement without a TEF submitted. In addition, one of the 2 TEFs submitted did not have approval signatures.

We also noted several other concerns with travel expenses charged to the county credit card by the former Chief of Staff, including unsupported, non-allowed, and questionable travel expenses.

For example, our review of 5 trips made by the former Chief of Staff in 2016 noted missing invoices for hotel charges (\$1,198) for a February 2016 trip to Washington D.C., and rental car charges (\$179) for an April 2016 trip to Portland. In addition, we noted excessive room service meal charges during the trip to Portland (\$130 for 4 meals), as well as trips to Phoenix (\$88) and Dallas (\$75). Also, we noted valet parking charges, which are specifically prohibited by Administrative Policy 12-01, Section VIII, for trips to Portland (\$123), Phoenix (\$116), and San Francisco (\$198). In addition, in-room movie rental charges (\$19) during the San Francisco trip appear questionable.

³ The rental car was used some days for business travel and other days for personal travel during the trip.



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

- The Director of Finance and Purchasing did not submit a TEF and supporting documentation within 2 weeks of returning from business travel for a trip taken in September 16, 2018.

Administrative Policy 12-01, Section VII, indicates meal and incidental expenses are paid based on federal per diems, and "The County will not reimburse per diem for meals included in the registration fee, and the appropriate allotment for the meal will be deducted from the per diem." Administrative Policy 12-01, Section VI, indicates "The County will pay for lodging accommodations for the nights the employee is on County business, based on travel days. Lodging generally includes the single-occupancy cost of the room and any applicable taxes and charges at the meeting and/or conference event location." Administrative Policy 12-01, Section V, indicates "In the event that a rental car is approved, the County . . . will reimburse the employee for gasoline purchases with receipts." Administrative Policy 12-01, Section VIII, specifically prohibits expenses for valet parking and personal entertainment.

3.2 Travel policies

Improvement is needed in the county's travel policies to ensure employee travel costs are obtained in the most economical manner in accordance with the purpose of Administrative Policy 12-01.

Administrative Policy 12-01, Section I, states "As a general rule, employees should take advantage of training, professional development opportunities, or off-site business meetings in the most economical manner for the County." Section VI, indicates "In the case that the event is not being held at a conference center hotel, employees should use discretion in choosing an economical lodging option."

- During our review of travel expenditures, we noted instances where price comparisons or other procedures performed were not documented when an event was not at a conference hotel to ensure the most economical lodging option was chosen. As a result, the county paid excessive lodging costs.

For example, the former Sheriff attended a conference in Philadelphia in October 2017, obtained lodging at a location separate from the conference, and incurred hotel costs exceeding federal per diem rates by \$930 or \$310 per night. The cost of the former Sheriff's hotel room was \$524 per night.

The former Chief of Staff similarly attended conferences in 2016 and incurred hotel costs exceeding federal per diem rates. At a conference in Portland in April 2016, hotel costs (\$329 per night) exceeded the federal per diem rate by \$534 or \$178 per night. At a conference in Phoenix in



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

June 2016, hotel costs (\$149 per night) exceeded the federal per diem rate by \$240 or \$60 per night.

No explanation was documented for the higher lodging costs.

In addition, current travel policies do not require employees to use federal per diem rates to limit lodging costs when the event is not at a conference hotel. In cities where multiple hotels or motels are located, lodging can often be procured at rates less than federal per diem rates.

In comparison to county policies, the state of Missouri Office of Administration's policy SP-6 III (C) requires that "In areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher priced lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The state's travel portal lists the federal per diem for lodging to be used as a benchmark when evaluating lodging costs in specific areas. Procedures requiring performing price comparisons and ensuring rates do not exceed federal per diems for lodging are necessary to demonstrate compliance with county policies to ensure the most economical lodging option when an event was not at a conference hotel is chosen. Documentation should also be maintained to support any lodging expenses exceeding federal per diem rates.

- Current county travel policies do not require employees to purchase airline tickets well in advance of the expected travel to obtain better rates. For example, a County Assessor's office employee purchased airline tickets costing \$974 only 6 days prior to travel for non-stop flights between Kansas City and Las Vegas departing on Sunday, September 18, 2016, and returning Thursday, September 22, 2016. In addition, the former Chief of Staff purchased airline tickets costing \$1,148 only 7 days prior to travel for non-stop flights between Kansas City and Portland departing on Wednesday, April 13, 2016, and returning Saturday, April 16, 2016. According to the Bureau of Transportation Statistics domestic airfares averaged \$345 from Kansas City, \$223 from Las Vegas, and \$313 from Portland during the third quarter of 2016.⁴

⁴ <https://www.transtats.bts.gov/AIRFARES/>

Average fares are based on the total ticket value, which consists of the price charged by the airlines plus any additional taxes and fees levied by an outside entity at the time of purchase. Fares include only the price paid at the time of the ticket purchase and do not include fees for optional services, such as baggage fees. Averages do not include frequent-flyer or "zero fares."



Jackson County
No-Bid Contracts and Other Expenditures
Management Advisory Report - State Auditor's Findings

In comparison to county policy, the state of Missouri Office of Administration policy SP-6 III (B) requires the lowest reasonable logical airfare should be obtained at least 21 days in advance of travel, and the reason documented when this is not possible.

Recommendations

The County Legislature and County Executive:

- 3.1 Ensure an adequate review of travel advances and expenses is performed; and seek reimbursement from employees for (1) expenses claimed and reimbursed in violation of county policy, (2) expenses not incurred, and (3) lodging costs charged to the county's credit card, for canceled reservations. The County Legislature and County Executive should also ensure all employees comply with established travel policies.
- 3.2 Consider revisions to current travel policies to include documentation of price comparisons of lodging costs when an event was not at a conference hotel and requirements for the timely purchase of airline tickets to obtain better rates.

Auditee's Response

The County Legislature provided a written response. See Appendix F.

The County Executive provided a written response. See Appendix G.

Jackson County

No-Bid Contracts and Other Expenditures

Organization and Statistical Information

Jackson County voters adopted a Constitutional Home Rule Charter in 1970. Prior to the new charter, Jackson County government was governed by a three-seat legislative body called the "Jackson County Court." From January 1973 through December 1986 the County Legislature consisted of 15 members elected by the voters from 11 districts and 4 districts-at-large. Beginning January 1987, the County Legislature has consisted of 9 members, elected by the voters from 6 districts and 3 districts-at-large. County Legislators are elected to 4-year terms. The Charter also established positions of the County Executive, Prosecuting Attorney, and Sheriff who are also elected by the voters to 4-year terms.

The Charter provides for a separation of the legislative and executive functions. The County Legislature is given broad legislative power, introducing and enacting all county resolutions and ordinances. The County Executive oversees the day-to-day operations of the county government and has the power to appoint administrative officers and directors to head up various departments.

In addition, county operations include more than 20 boards and commissions, including the Board of Equalization, Ethics, Human Relations, Citizen Complaints Commission, Housing Resources Commission, and Merit System Commission.

Charter revisions

The charter form of government provides the opportunity for the citizens of Jackson County to make changes to the Charter. On August 3, 2010, county voters approved a revised Charter that focused on ethical reforms and called for an automatic Charter review every 10 years. The revised Charter took effect August 23, 2010.

On November 6, 2018, county voters again approved a variety of amendments to the Charter effective January 1, 2019, including:

- Providing term limits for the Prosecuting Attorney and Sheriff.
- Granting the County Legislature the power to (1) remove the County Counselor, and (2) restrict the County Counselor's authority to (a) enter into contracts for legal services without legislative approval and (b) file lawsuits involving the County Legislature.
- Granting the (1) Sheriff the duty and authority to operate the county detention center and other detention facilities and (2) Prosecuting Attorney authority over the county anti-crime sales tax.

Elected Officials

The elected officials, their term and compensation paid for the year ended December 31, 2018 (except as noted), are indicated below:



Jackson County
No-Bid Contracts and Other Expenditures
Organization and Statistical Information

Elected Official	Term	Compensation at December 31, 2018
Scott Burnett, 1st District	01/01/15 - 12/31/18 ¹	\$ 38,481 ⁴
Alfred Jordan, 2nd District	01/01/15 - 12/31/18	38,481 ⁴
Garry J. Baker, 1st District At-Large	01/01/15 - 12/31/18	38,481 ⁴
Crystal J. Williams, 2nd District At-Large	01/01/15 - 12/31/18 ¹	34,881
Dennis R. Waits, 3rd District	01/01/15 - 12/31/18	41,181 ⁴
Tony Miller, 3rd District At-Large	01/01/15 - 12/31/18 ¹	40,481 ⁴
Dan Tarwater III, 4th District	01/01/15 - 12/31/18 ¹	38,481 ⁴
Gregory Grounds, 5th District	01/01/15 - 12/31/18	38,481 ⁴
Theresa Galvin, 6th District ⁵	01/01/15 - 12/31/18 ¹	38,481 ⁴
Frank White Jr., County Executive	01/11/16 - 12/31/18 ²	157,960 ⁴
Jeanne Peters Baker, Prosecuting Attorney	01/01/17 - 12/31/20	142,892 ⁴
Darryl Forte, County Sheriff	05/10/18 - 12/31/20 ³	64,532

¹ Reelected November 6, 2018.

² Appointed by the County Legislature to replace former County Executive Mike Sanders who resigned January 5, 2016. Elected November 8, 2016, to finish unexpired term. Reelected November 6, 2018.

³ Appointed by the County Executive to replace Sheriff Mike Sharp who resigned April 19, 2018. Elected November 6, 2018, to finish unexpired term.

⁴ Regular salary plus car allowance, county vehicle usage, phone allowance, and/or other miscellaneous compensation.

⁵ Selected as Chairman effective January 1, 2019.



Jackson County
No-Bid Contracts and Other Expenditures
Organization and Statistical Information

Administrative Officers,
Directors, and Other
Officials

Administrative officers, directors, and other officials and their compensation paid for the year ended December 31, 2018 (except as noted), are indicated below:

Appointed Official	Compensation ¹
Caleb J. Clifford, Chief of Staff	\$ 151,628
Angela S. Jeffries, Director of Communications	90,325
W. Stephen Nixon, County Counselor	159,349
Crissy L. Wooderson, Legislative Auditor	127,191
Mary Jo Spino, Clerk of the County Legislature	116,473
V. Edwin Stoll, Chief Administrative Officer	147,743
Whitney S. Miller, Director of Collections ²	101,714
E. Gail McCann-Beatty, Director of Assessment ³	48,965
Robert D. Murphy, Director of Assessment ³	63,733
Robert Kelly, Director of Records	117,943
John M. Sweeney Jr., Director of Economic Development ⁴	21,151
Bob G. Crutsinger, Director of Finance and Purchasing ⁵	62,706
Dennis Dumovich, Director of Human Resources	121,066
Michael S. Erickson, Director of Information Technology	119,460
Jamie D. Masters, Chief of Health Services	127,117
Dr. Diane C. Peterson, Medical Examiner	226,280
Gary L. Panethiere, Chief Operating Officer	154,561
C. Michele Newman, Director of Parks and Recreation	126,396
Brian D. Gaddie, Director of Public Works	125,396
Diana L. Turner, Director of Corrections ⁶	113,057

¹ Regular salary plus car allowance, county vehicle usage, phone allowance and/or other miscellaneous compensation.

² John M. Sweeney, Jr., Director of Economic Development, also served as the acting Director of Collections from October 26, 2017, through March 7, 2018, for no additional compensation. Whitney S. Miller was appointed March 8, 2018, by the County Executive.

³ Robert D. Murphy resigned in July 2018. E. Gail McCann-Beatty was appointed July 9, 2018, by the County Executive.

⁴ John M. Sweeney, Jr. resigned in March 2018. The position remained vacant for the remainder of 2018.

⁵ Mark Trosen, Deputy Chief Operating Officer, also served as the acting Director of Finance and Purchasing from October 26, 2017, through January 11, 2018, for no additional compensation. The position was vacant until Bob G. Crutsinger was appointed June 15, 2018, by the County Executive.

⁶ Appointed March 9, 2018, by the County Executive. Diana L. Turner had served as acting Director of Corrections since November 30, 2017.



Jackson County
No-Bid Contracts and Other Expenditures
Organization and Statistical Information

Other County Employees

In addition to elected officials, administrative officers, directors and other officials listed above, the county employed the following staff at December 31, 2018:

Employment Type	Number of Staff
Regular Full-Time	1,019
Regular Part-Time	111
Permanent Part-Time	9
Seasonal/Temporary	124
Elections Board	22
Union	21
Circuit Court Full-Time	415
Sports Complex Authority	3
Total	1,724

Jackson County

No-Bid Contracts and Other Expenditures

Appendixes

The following appendixes provide supporting documentation for the federal lobbying services and former county executive consulting contracts discussed in MAR finding number 1, and the county's responses to the audit recommendations. The appendixes are summarized in the following table.

Appendix	Type of Supporting Documentation
A	Federal Lobbying Invoices
B	Federal Lobbying Requests for Proposals
C	Federal Lobbying Contracts
D	Former County Executive's Consulting Agreement Invoices
E	Former County Executive's Consulting Agreement Contract
F	Auditee Response - County Legislature
G	Auditee Response - County Executive

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

Handwritten text was added by county employees. Redactions were made of information of a sensitive nature (e.g. bank account information).

RL 51042016001000



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

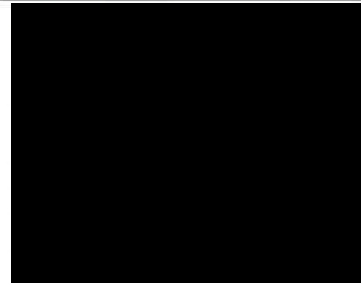
Jackson County, Missouri
The Honorable Mike Sanders
County Executive
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

January 9, 2016
Invoice No: 1243475
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	0.00
Total Current Invoice - Due Upon Receipt	\$15,833.00



29.16 > Leann : Jan 2016

Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California



For Professional Services Through 12/31/15
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
January 9, 2016
Invoice No: 1243475

Professional Services

Description	
Federal Contract Lobbying Fee	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 5104 2016 001000



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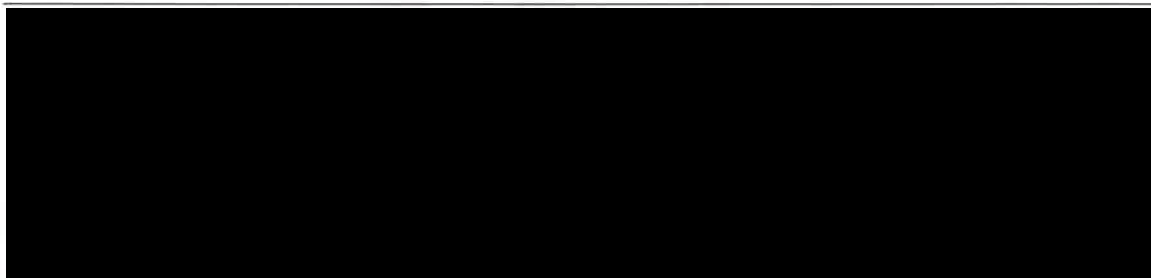
Jackson County, Missouri
The Honorable Mike Sanders
County Executive
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

January 9, 2016
Invoice No.: 1243475
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices



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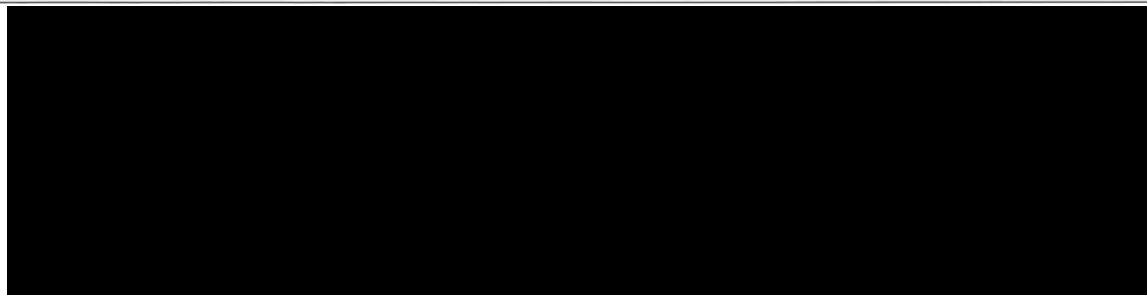
Jackson County, Missouri
The Honorable Frank White, Jr.
County Executive
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

February 18, 2016
Invoice No: 1257690
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016001001



Invoice Detail

For Professional Services Through 2/18/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
February 18, 2016
Invoice No: 1257690

Professional Services

Description	
Federal Contract Lobbying Fee	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016 001001



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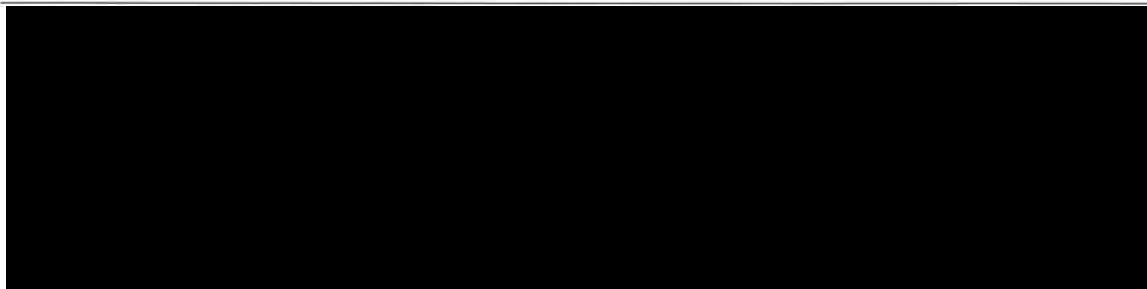
Jackson County, Missouri
The Honorable Frank White, Jr.
County Executive
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

February 18, 2016
Invoice No.: 1257690
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016001002 Pg. 2 of 4



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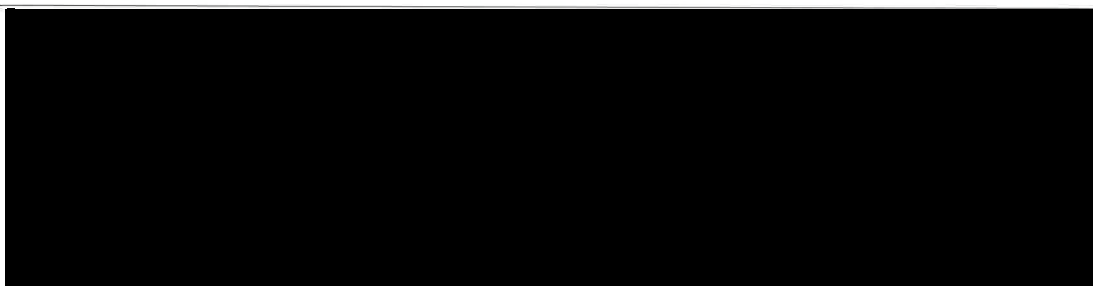
Jackson County, Missouri
The Honorable Frank White, Jr.
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

March 18, 2016
Invoice No: 1266018
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016001002 pg. 3 of 4



For Professional Services Through 3/16/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
March 18, 2016
Invoice No: 1266018

Professional Services

Description	
Federal Contract Lobbying Fee	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

RL 51042016001002 Pg. 4 of 4



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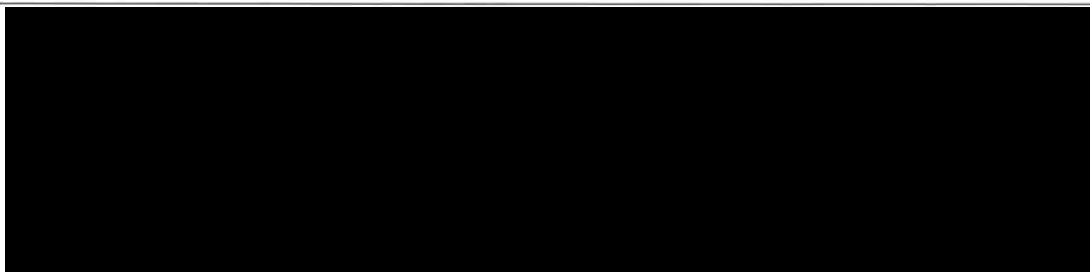
Jackson County, Missouri
The Honorable Frank White, Jr.
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

March 18, 2016
Invoice No.: 1266018
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016001003



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

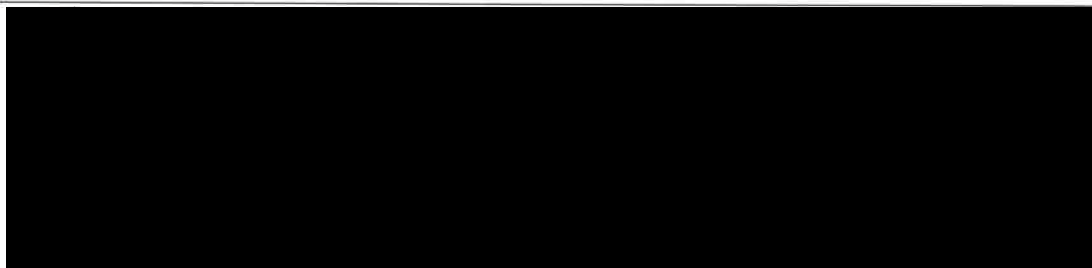
Jackson County, Missouri
The Honorable Frank White, Jr.
County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

April 12, 2016
Invoice No.: 1272499
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 5104 2016 001 003



Invoice Detail

For Professional Services Through 4/12/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
April 12, 2016
Invoice No: 1272499

Professional Services

Description

Monthly Retainer Amount	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016001004



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

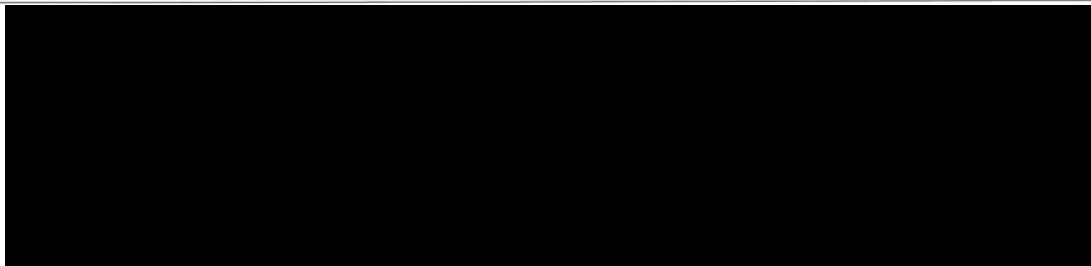
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

May 6, 2016
Invoice No: 1280084
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016001004



Invoice Detail

For Professional Services Through 4/30/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
May 6, 2016
Invoice No: 1280084

Professional Services

Description

Monthly Retainer Amount	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016001004



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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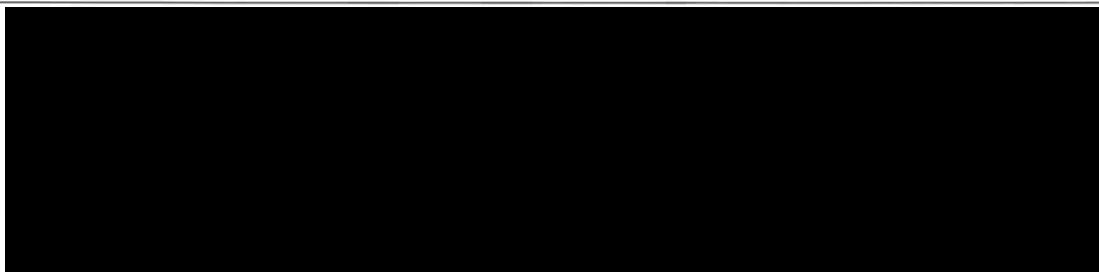
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

May 6, 2016
Invoice No.: 1280084
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016 001005



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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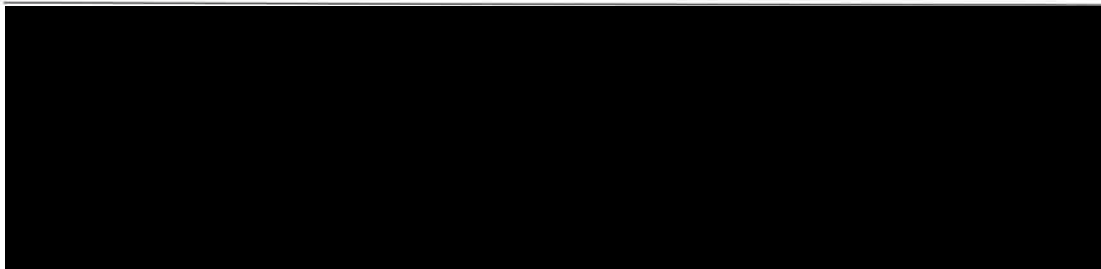
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

June 14, 2016
Invoice No: 1294316
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California



For Professional Services Through 5/31/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
June 14, 2016
Invoice No: 1294316

Professional Services

Monthly Retainer Amount

Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u>\$15,833.00</u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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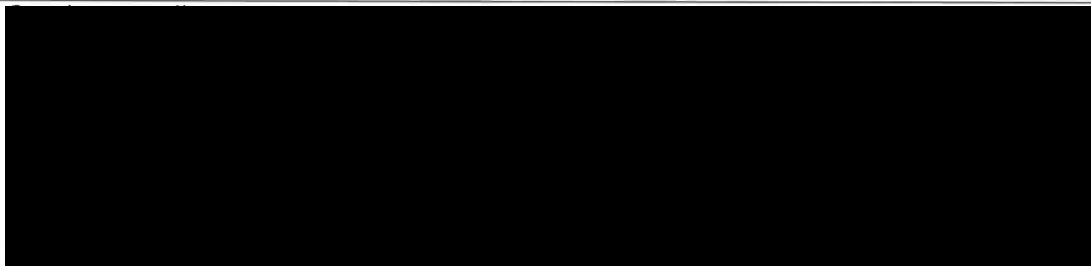
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

June 14, 2016
Invoice No.: 1294316
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	0.00
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

AL51042016001006



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

July 13, 2016
Invoice No: 1303249
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California



Invoice Detail

For Professional Services Through 6/30/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
July 13, 2016
Invoice No: 1303249

Disbursements

Date		Amount
05/10/16	Lodging Peter S. Levi Lodging expense for Frank White, Jr. re: trip to DC May 10-12 for meeting between Jackson County delegation and DC office	\$1,083.18
05/17/16	Airfare Peter S. Levi Kansas City/Denver Airfare for Calvin Williford; re: trip to Denver, CO regarding Federal Lobbying matter	691.96
05/17/16	Airfare Peter S. Levi Kansas City/Denver Airfare for John Sweeney, Joshua Boehm and Donald Davis; re: trip to Denver, CO regarding Federal Lobbying matter	1,979.88
05/17/16	Lodging Peter S. Levi Combined hotel expense for John Sweeney, Joshua Boehm, Calvin Williford and Matt Davis; re: trip to Denver, CO regarding Federal Lobbying matter	901.04
05/18/16	Lodging Peter S. Levi Lodging expense for Calvin Williford re: trip to Omaha, NE on Federal Lobbying matter; May 18-19,2016	199.70
05/18/16	Meals Peter S. Levi In-room meal expense for Calvin Williford re: trip to Omaha, NE on Federal Lobbying matter; May 18-19,2016	31.94
05/24/16	Lodging Peter S. Levi Lodging expense at Aloft Dallas for Calvin Williford; re: trip to Dallas/Austin on May 24-27 for Federal Lobbying matter	228.85
05/24/16	Lodging Peter S. Levi Combined lodging expense at Sheraton Dallas for Calvin Williford, Johnny Sweeney, Josh Boem and Matt Davis; re: trip to Dallas/Austin on May 24-27 for Federal Lobbying matter	1,078.84
05/24/16	Meals Peter S. Levi Meal expense at Sheraton Dallas for Calvin Williford; re: trip to Dallas/Austin on May 24-27 for Federal Lobbying matter	40.72
05/24/16	Lodging Peter S. Levi Combined lodging expense at Westin Austin Downtown for Calvin Williford, Johnny Sweeney, Josh Boem and Matt Davis; re: trip to Dallas/Austin on May 24-27 for Federal Lobbying matter	1,197.64
05/24/16	Meals Peter S. Levi In room meal expense at Westin Austin Downtown for Calvin Williford; re: trip to Dallas/Austin on May 24-27 for Federal Lobbying matter	35.93
05/24/16	Meals Peter S. Levi Pool service expense at Westin Austin Downtown for Calvin Williford; re: trip to Dallas/Austin on May 24-27 for Federal Lobbying matter	6.33
05/24/16	Airfare Peter S. Levi Kansas City to Dallas, TX Combined airfare expense for Calvin Williford, Johnny Sweeney, Josh Boehm and Matt Davis; re: trip to Dallas/Austin on May 24-27 for review of bike and rail system	1,059.92
05/26/16	Airfare Peter S. Levi Dallas to Austin, TX Combined airfare expense for Calvin Williford, Josh Boehm and Matt Davis; re: trip to Dallas/Austin on May 24-27 for review of bike and rail system	584.94
05/27/16	Airfare Peter S. Levi Austin to Dallas, TX Combined airfare expense for Calvin Williford, Johnny Sweeney, Josh Boehm and Matt Davis; re: trip to Dallas/Austin on May 24-27 for review of bike and rail system	843.92
05/27/16	Airfare Peter S. Levi Dallas, TX to Kansas City Combined airfare expense for Calvin Williford, Johnny Sweeney, Josh Boehm and Matt Davis; re: trip to Dallas/Austin on May 24-27 for review of bike and rail system	1,107.92

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices



Invoice Detail

For Professional Services Through 6/30/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 3
July 13, 2016
Invoice No: 1303249

06/13/16	Travel Out of pocket expenses for trip to Denver, CO on May 17-18, 2016	308.97
06/13/16	Travel Out of pocket expenses for trip to Omaha, NE re: Union Pacific on May 18-19, 2016	39.20
06/13/16	Travel Out of pocket expenses for trip to Dallas/Austin, TX May 24-27, 2016	418.88
06/13/16	Travel Out of pocket expenses for trip to Denver, CO on May 17-18, 2016	112.05
06/13/16	Travel Out of pocket expenses for trip to Omaha, NE regarding Union Pacific on May 18-19, 2016	8.51
06/13/16	Travel Out of pocket expenses for trip to Dallas/Austin, TX May 24-27, 2016	624.22
06/13/16	Travel Out of pocket expenses for trip to Denver, CO on May 17-18, 2016	91.73
06/13/16	Travel Out of pocket expenses for trip to Omaha, NE regarding Union Pacific on May 18-19, 2016	7.15
06/13/16	Travel Out of pocket expenses for trip to Dallas/Austin, TX May 24-27, 2016	32.44
06/13/16	Travel Out of pocket parking expense for trip to Denver, CO on May 17-18, 2016	15.00
06/13/16	Travel Out of pocket expenses for trip to Omaha, NE regarding Union Pacific on May 18-19, 2016	72.97
06/13/16	Travel Out of pocket expenses for trip to Dallas/Austin, TX May 24-27, 2016	105.90
	Total Disbursements	\$12,909.73
Total Professional Services		\$2,923.27
Total Disbursements		<u>12,909.73</u>
Total Current Charges Due		<u>\$15,833.00</u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 5104 2016 001 006



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

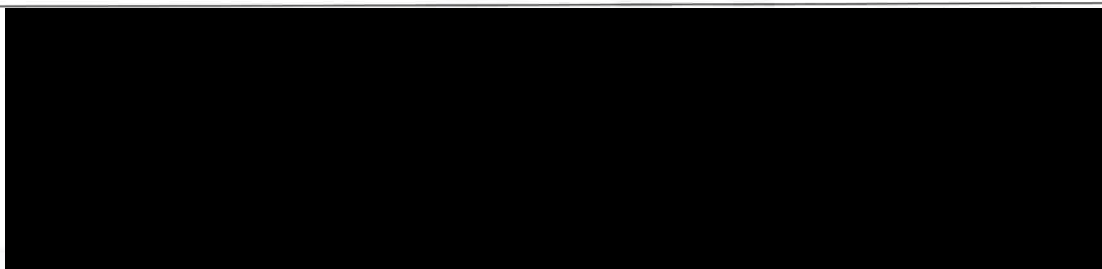
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

July 13, 2016
Invoice No.: 1303249
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$2,923.27
Current Disbursements	<u>12,909.73</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 5104 2016001008



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

August 15, 2016
Invoice No: 1316482
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016 001008



Invoice Detail

For Professional Services Through 7/31/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
August 15, 2016
Invoice No: 1316482

Professional Services

Description	
Monthly Retainer Amount	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

RL 51042016001008



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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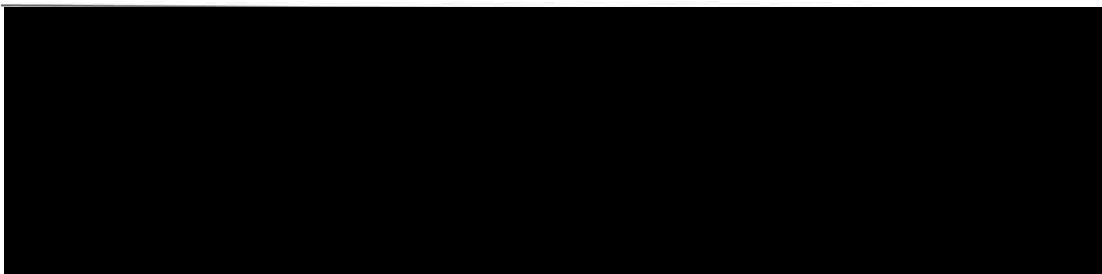
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

August 15, 2016
Invoice No.: 1316482
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	0.00
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 5104 2016 001 009



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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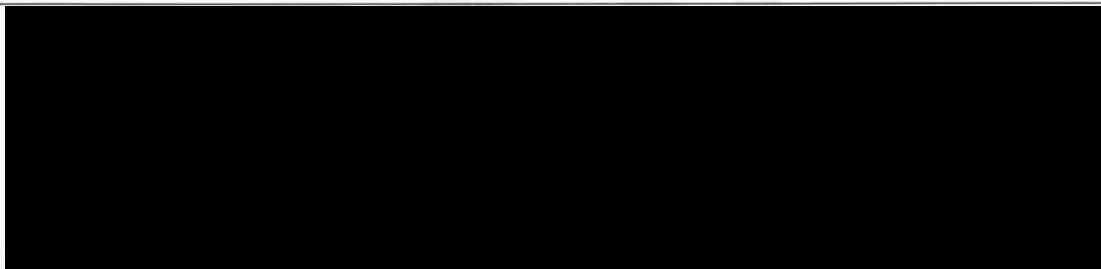
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

September 12, 2016
Invoice No.: 1327322
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016001009



Invoice Detail

For Professional Services Through 8/31/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
September 12, 2016
Invoice No: 1327322

Professional Services

Description

Monthly Retainer Amount	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016 001009



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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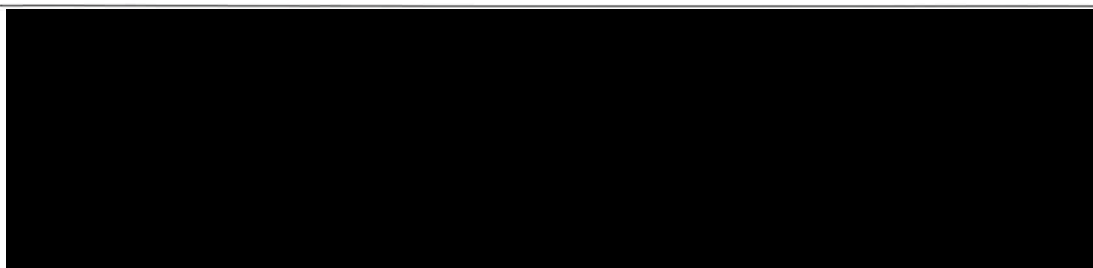
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

September 12, 2016
Invoice No: 1327322
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016 001010



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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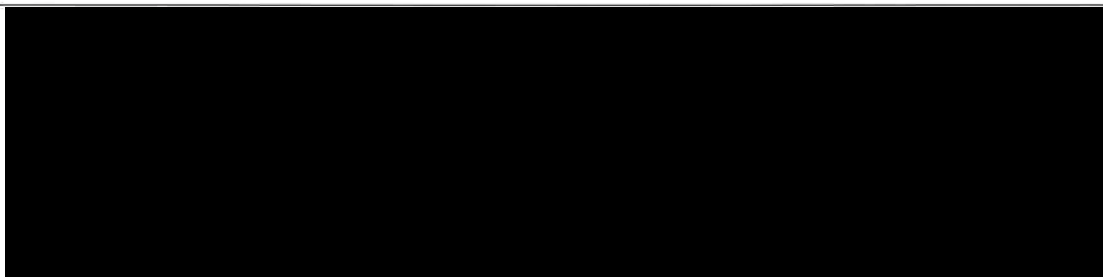
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

October 1, 2016
Invoice No: 1327405
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California



For Professional Services Through 9/30/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
October 1, 2016
Invoice No: 1327405

Professional Services

Description	
Monthly Retainer Amount	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

RL 51042016 001010



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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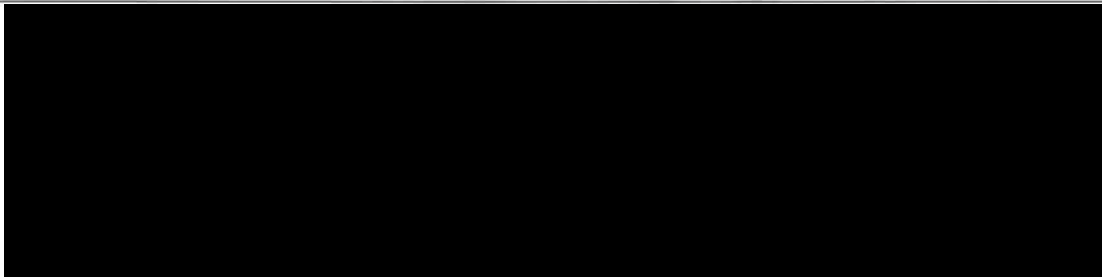
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

October 1, 2016
Invoice No.: 1327405
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	0.00
Total Current Invoice - Due Upon Receipt	\$15,833.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016 001 011



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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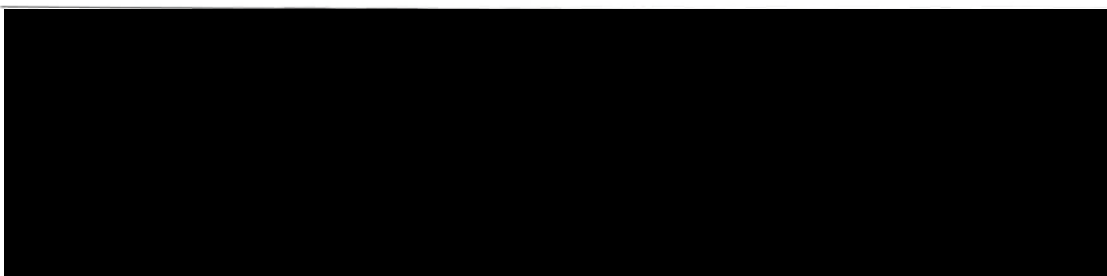
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

November 15, 2016
Invoice No.: 1345975
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	0.00
Total Current Invoice - Due Upon Receipt	\$15,833.00
Total Amount Due Upon Receipt	<u>\$15,833.00</u>



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016 001 011



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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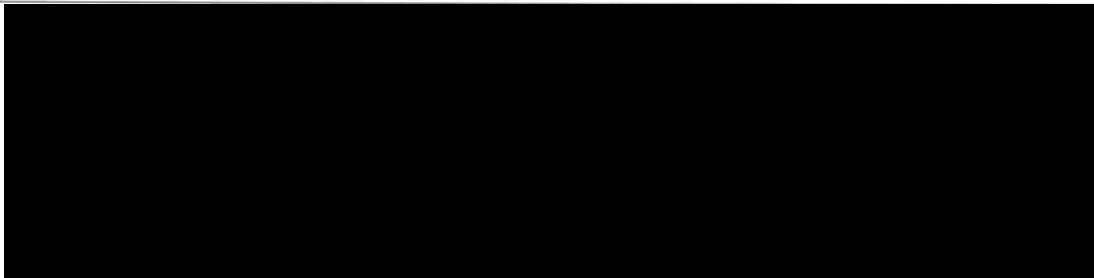
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

November 15, 2016
Invoice No: 1345975
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00
Total Amount Due Upon Receipt	<u>\$15,833.00</u>



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Rh 51042016 001 011



For Professional Services Through 10/31/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
November 15, 2016
Invoice No: 1345975

Professional Services

Description	
Monthly Retainer Amount	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	0.00
Total Current Charges Due	\$15,833.00

RL 5104 2016 001011



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

December 15, 2016
Invoice No: 1359723
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00
Previous Unpaid Invoices (PLEASE DISREGARD IF ALREADY PAID)	15,833.00
Payments Received	<u>0.00</u>
Total Amount (All unpaid balances are Due Immediately)	<u>\$31,666.00</u>



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 51042016 001 011



For Professional Services Through 11/30/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
December 15, 2016
Invoice No: 1359723

Professional Services

Description

Monthly Retainer Amount	\$15,833.00
Total Professional Services	\$15,833.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u><u>\$15,833.00</u></u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 5104 2016 001011



For Professional Services Through 11/30/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 3
December 15, 2016
Invoice No: 1359723

Date	Inv#	Amount	Credit	Payments	Balance*
11/15/16	1345975	\$15,833.00	\$0.00	\$0.00	\$15,833.00
Total of Prior Balance Due					\$15,833.00

*If a payment has already been made, thank you.

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51042016001011



Invoice Detail

For Professional Services Through 11/30/16
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 4
December 15, 2016
Invoice No: 1359723

Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Hadler, County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

December 15, 2016
Invoice No.: 1359723
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$15,833.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$15,833.00
Previous Unpaid Invoices (PLEASE DISREGARD IF ALREADY PAID)	15,833.00
Payments Received	<u>0.00</u>
Total Amount (All unpaid balances are Due Immediately)	<u>\$31,666.00</u>



Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 5102 017 003 000



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

April 27, 2017
Invoice No: 1401471
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$50,000.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$50,000.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

RL 5102017003000



Invoice Detail

For Professional Services 1/1/17 Through 4/30/17
File No. 062440-412245

Re: Federal Legislative Lobbying

Page 2
April 27, 2017
Invoice No: 1401471

Professional Services

Description

Monthly Retainer Balance for period 1/1/17 through 4/30/17.

\$50,000.00

Total Professional Services

\$50,000.00

Total Disbursements

0.00

Total Current Charges Due

\$50,000.00

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 5102 017 003 000



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

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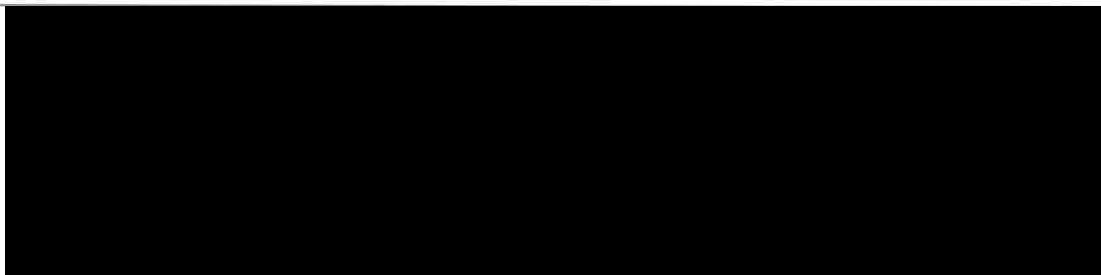
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

April 27, 2017
Invoice No.: 1401471
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$50,000.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$50,000.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51022 017003001



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

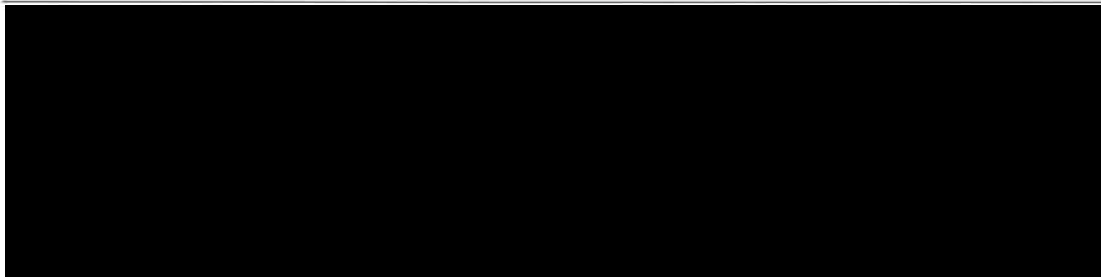
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

May 10, 2017
Invoice No: 1404304
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51022017003001



Invoice Detail

For Professional Services Through 4/30/17
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
May 10, 2017
Invoice No: 1404304

Professional Services

Description

Monthly Retainer Amount- May 2017	\$12,500.00
Total Professional Services	\$12,500.00
Total Disbursements	<u>0.00</u>
Total Current Charges Due	<u>\$12,500.00</u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL51022017003001



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

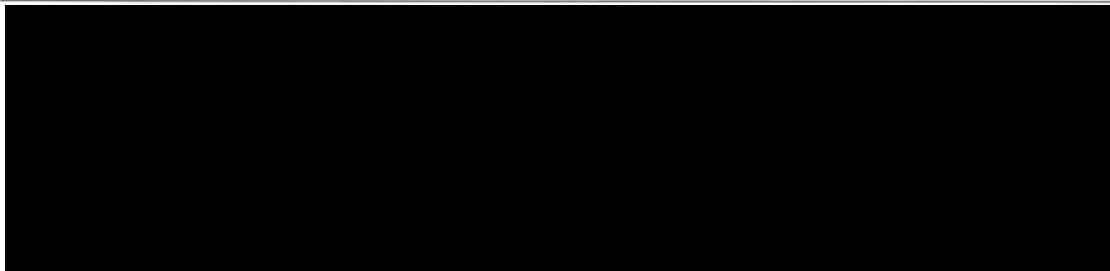
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

May 10, 2017
Invoice No.: 1404304
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51022017003002



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

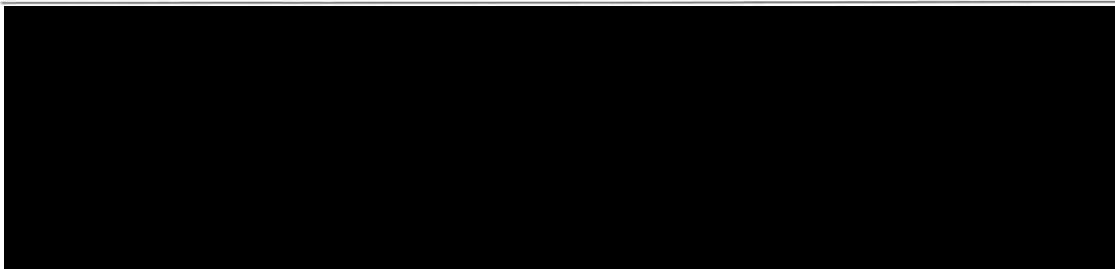
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

June 12, 2017
Invoice No: 1413626
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices



For Professional Services Through 6/12/17
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
June 12, 2017
Invoice No: 1413626

Total Professional Services	\$12,500.00
Total Current Charges Due	<u>\$12,500.00</u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51022017003003



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

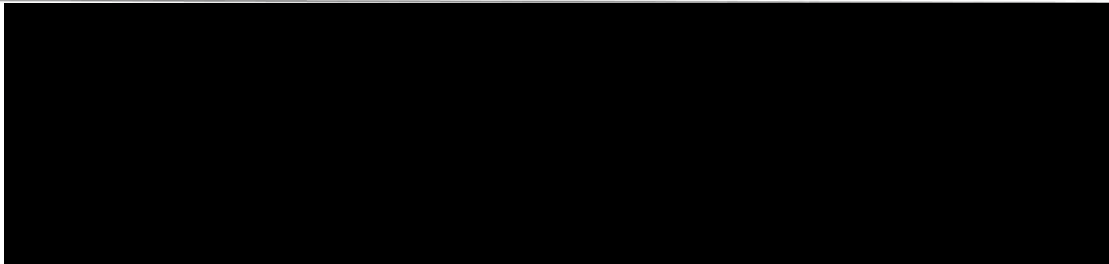
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

July 18, 2017
Invoice No: 1427685
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices



For Professional Services Through 7/18/17
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
July 18, 2017
Invoice No: 1427685

Professional Services

Description	
Monthly Retainer Amount- July	\$12,500.00
Total Professional Services	\$12,500.00
Total Current Charges Due	<u>\$12,500.00</u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51022017 003004



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

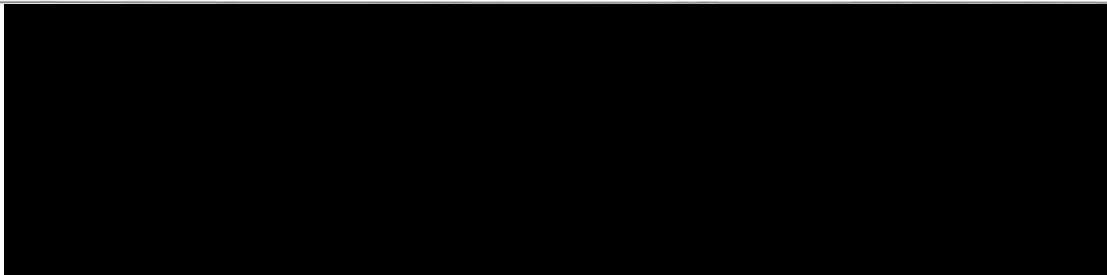
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

August 10, 2017
Invoice No: 1436298
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 5102017 003005



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

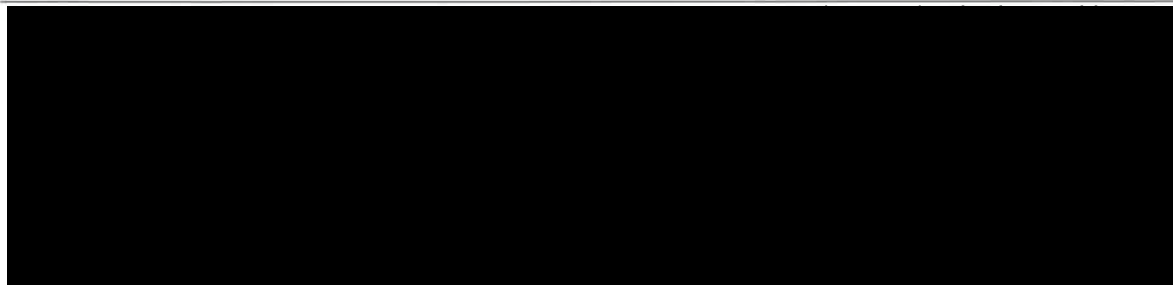
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

September 15, 2017
Invoice No: 1450355
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California



For Professional Services Through 9/15/17
File No. 062440-412245
Re: Federal Legislative Lobbying

Invoice Detail

Page 2
September 15, 2017
Invoice No: 1450355

Professional Services

Description	
Monthly Retainer Amount-September	\$12,500.00
Total Professional Services	\$12,500.00
Total Current Charges Due	<u>\$12,500.00</u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

R2 5102017 003 005



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

September 15, 2017
Invoice No.: 1450355
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	0.00
Total Current Invoice - Due Upon Receipt	\$12,500.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51022017 003006



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

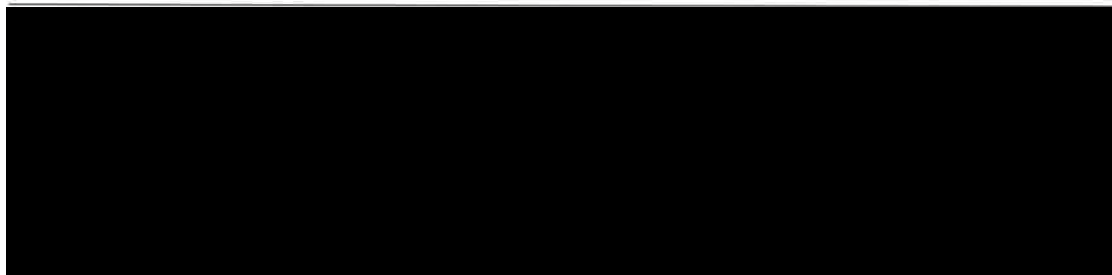
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

October 1, 2017
Invoice No: 1452211
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California



Invoice Detail

For Professional Services Through 10/31/17
File No. 062440-412245
Re: Federal Legislative Lobbying

Page 2
October 1, 2017
Invoice No: 1452211

Professional Services

Description

Monthly Retainer Amount-October	\$12,500.00
---------------------------------	-------------

Total Current Charges Due

<u>\$12,500.00</u>

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 51022017003006



900 W. 48th Place, Suite 900, Kansas City, MO 64112 | Phone: (816) 753-1000 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

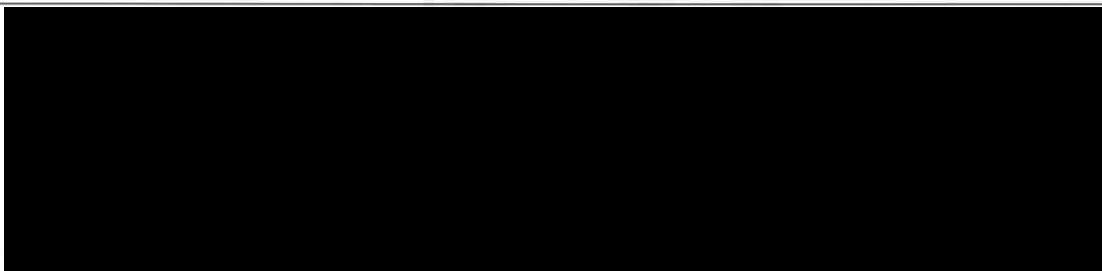
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

October 1, 2017
Invoice No.: 1452211
File No.: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$12,500.00
Current Disbursements	<u>0.00</u>
Total Current Invoice - Due Upon Receipt	\$12,500.00



Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

Appendix A
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Invoices

RL 81022017003007



1401 Eye Street, N.W., Suite 800 Washington, D. C. 20005 | Phone: (202) 783-3300 www.polsinelli.com

This invoice reflects services performed and expenses incurred on your behalf. Your prompt attention is appreciated. Please contact us immediately to discuss any questions you may have. Thank you for this opportunity to serve you.

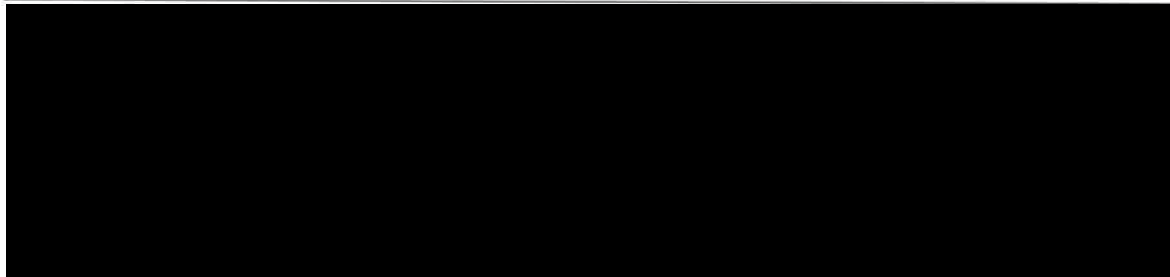
Jackson County, Missouri
The Honorable Frank White, Jr.
c/o Jay Haden, Deputy County Counselor
415 E. 12th Street
2nd Floor
Kansas City, MO 64106

January 9, 2018
Invoice No: 1483760
File No: 062440-412245

Re: Federal Legislative Lobbying

Invoice Summary

Current Professional Services	\$25,000.00
Current Disbursements	0.00
Total Current Invoice - Due Upon Receipt	\$25,000.00



Due Upon Receipt

Late Payment Charge: 1% per month may be charged on outstanding balances
Polsinelli PC, Polsinelli LLP in California

(Front & back)

RLS1022017 003007



For Professional Services Through 12/31/17
File No. DUN012-441007
Re: DC Advocacy

Invoice Detail

Page 2
January 9, 2018
Invoice No: 1483761

Professional Services

Description		
Monthly Retainer Amount- November	\$12,500.00	
Monthly Retainer Amount- December	\$12,500.00	
Total Professional Services		\$25,000.00
Total Disbursements		<u>0.00</u>
Total Current Charges Due		<u><u>\$25,000.00</u></u>



PURCHASING DEPARTMENT

JACKSON COUNTY COURTHOUSE
415 EAST 12TH STREET ROOM G1
KANSAS CITY, MISSOURI 64106

816-881-3267
Fax 816-881-3268

Request for Proposal No. 14-10
Issued: March 16, 2010
Page One of Twelve

Jackson County, Missouri is seeking Proposals from Legislative and Governmental Consultants to perform Federal Legislative Lobbying Services for the Jackson County, Missouri County Executive's Office.

Enclose your response/proposal in a sealed opaque envelope with this Request for Proposal Number written on the face of the envelope and deliver it to the **PURCHASING DEPARTMENT**, Room G-1, Ground Floor of the Jackson County Courthouse, 415 East 12th Street, Kansas City, Missouri 64106 no later than **2:00 PM, CDT on April 6, 2010**; OTHERWISE YOUR PROPOSAL WILL BE REJECTED. There will be a Public Proposal Opening at 2:05 PM, CDT on April 6, 2010 in Conference Room A, Second Floor of the Jackson County Courthouse at the above address.

Disabled persons wishing to participate in the Proposal Opening and who require a reasonable accommodation may call the Jackson County Purchasing Department at 816-881-3267 or 1-800-735-2466 (Missouri Relay). A forty-eight (48) hour notice is required.

Point of Contact for this Request for Proposal is Barbara Casamento @ 816-881-3253.

By submitting a Proposal, you offer to enter into a Contract with the County, and your offer is not revocable for Ninety (90) Days following the Response Deadline indicated above.

Jackson County, Missouri reserves the right to waive any defect in the offer of any bidder and to reject any or all offers.

Your returned Proposal MUST consist of: (1) all pages of this Request for Proposal, including the Affidavit on Page 2, fully executed and notarized; (2) **Compliance**: If you do not have a Jackson County, MO Certificate of Compliance, the Compliance Report Form, Page 3 hereof, must be fully completed and signed by you OR if you have a **current** (issued within the last 12 months and Mandatory Annual Reports turned in) Certificate of Compliance from Jackson County, MO, a copy of that certificate can be attached to your report. Failure to complete this report OR attach a current certificate may result in the **REJECTION OF YOUR PROPOSAL**; (3) the Statement of "No Bid" if you DO NOT intend to submit a Proposal on Page 5 hereof, completed and signed by you; (4) the Acknowledgment of Receipt of Addendum, Page 4, completed and signed; (5) Respondent's Exceptions to General Conditions, Specifications, Requirements and Provisions on Page 12, fully completed and signed; and (6) your Proposal as detailed on Page 10 hereof.

Jackson County, Missouri reserves the right to request corrections, clarifications, and/or additional information pertaining to the response to Items 01, 02, 03, 04, 05, and 06. Such information must be received in the Purchasing Department within forty-eight (48) hours immediately following notification to the Respondent or the Respondent's Proposal will be deemed NON-RESPONSIVE.

Q. Troy Thomas
Director of Finance and Purchasing

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County, Missouri Request for Proposal No.14-10, Page 2 of 12

AFFIDAVIT

STATE OF _____)
) SS.
COUNTY OF _____)

_____ of the City of _____,
County of _____ State of _____

being duly sworn on her or his oath, deposes and says;

1. That I am the _____ (Title of Affiant) of _____ (Name of Bidder) and have been authorized by said Bidder to make this affidavit on its behalf; that I make this Affidavit upon my best information and belief, after reasonable inquiry as to the representations herein.
2. No Officer, Agent or Employee of Jackson County, Missouri is financially interested directly or indirectly in what Bidder is offering to sell to the County pursuant to this Invitation (though no representation is made regarding potential ownership of publicly traded stock of bidder).
3. If Bidder were awarded any contract, job, work or service for Jackson County, Missouri, no Officer, Agent or Employee of the County would be interested in or receive any benefit from the profit or emolument of such.
4. Either Bidder is duly listed and assessed on the tax rolls of Jackson County, Missouri and is not delinquent in the payment of any taxes due to the County or Bidder did not have on December 31, 2009 any property subject to taxation by the County and if bidder is duly listed and assessed on the tax rolls of Jackson County, Missouri, bidder agrees to permit an audit of its records, if requested by the Jackson County Director of Assessment, as they relate to the assessment of Business Personal Property.
5. Bidder has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to the Invitation.
6. Bidder certifies and warrants that Bidder or Bidder's firm/organization is not listed on the General Services Administration's Report of Debarred and/or Suspended Parties.
7. Bidder certified and affirms its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.
8. Bidder certifies and affirms that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

_____ (Name of Respondent)

By: _____ (Signature of Affiant)

_____ (Title of Affiant)

Subscribed and sworn to before me this _____ day of _____, 20____

NOTARY PUBLIC in and for the County of _____

(SEAL) State of _____

My Commission Expires: _____

COMPLIANCE REPORT FORM

DIRECTIONS FOR COMPLETION: Please fill out this form completely. If a question refers to "past reports" and is the first one, place "1st Report" in the blank. If a question addresses an area which does not apply to your company (such as subcontractors) place "N/A" in the blank.

PLEASE BE SURE THIS REPORT IS SIGNED AND DATED BELOW

I COMPANY DESCRIPTION:

A. Name of Company _____

B. Street Address _____

City _____ State _____ Zip Code _____ Telephone # _____

II COMPANY STATISTICS:

A. Total Number of Employees _____

B. Total Number of Employees Who are: Women _____ Black _____ Hispanic _____ Oriental _____ American Indian _____
YES NO

C. Has your company advertised for applicants since your last report? _____
If so, attach a list of publications in which ads appeared, the dates of advertising and copies of such ads.

D. Has there been an effort since your last report to further orientate supervisors and key personnel to the spirit and intent of your program? _____
If so, please attach a detailed report of such changes.

E. Has there been adjustments in your job prerequisites of your recruiting and intake procedures? _____
If so, please attach a detailed report of such changes.

F. Has any effort been made since your last report in disseminating your policy to all employees or in encouraging them to refer minority or female applicants? _____
If so, please attach a narrative description of such efforts.

G. Are you attaching any other comments or concerns which you would like to have reviewed as part of determining your compliance with your program? _____

List all MBE/WBE contractors/suppliers with whom you have contracted during this reporting period.

NAME OF MBE/WBE FIRM: _____

ADDRESS: _____

TELEPHONE #: _____

PRODUCT, SERVICE, AREA OR SCOPE OF WORK: _____

Figures for Employment Analysis section of this report were obtained from:

a. Available Employment records - Yes _____ No _____
OR

b. _____

c. _____

I certify that all answers and information herein contained are true to the best of my knowledge, and I understand that any misstatement of fact may subject this company to noncompliance procedures.

Signature: _____

Name and Title (typed or printed): _____

Date: _____

Jackson County, Missouri Request for Proposal No. 14-10, Page 4 of 12

ACKNOWLEDGMENT OF RECEIPT OF ADDENDA

The undersigned acknowledges receipt of Addenda through and including numbers _____ and this bid is submitted in accordance with information, instructions and stipulations set forth therein.

Signature of Bidder:	Date:
Company Name:	Phone:
Company Address:	Fax:
City, State and Zip:	

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County, Missouri Request for Proposal No. 14-10, Page 5 of 12

STATEMENT OF NO BID

TO: Jackson County Purchasing Department
Jackson County Courthouse, Room G-1
415 E. 12th St.
Kansas City, MO 64106

NOTE: Please use a single envelope when returning this page.

We, the undersigned, have declined to submit a bid in response to Request for Proposal No. 14-10 for the following reasons:

- _____ Specifications too "tight", i.e., geared toward one brand or supplier.
- _____ Insufficient time to respond to the bid.
- _____ We do not offer this product or service.
- _____ Our schedule would not permit us to perform.
- _____ We are unable to meet specifications.
- _____ We are unable to meet bond requirements.
- _____ Specifications are not clear (explain).
- _____ We are unable to meet insurance requirements.
- _____ Remove us from your list for this commodity or service.
- _____ Other (explain). _____

REMARKS _____

Company
Name: _____
Signature: _____
Telephone: _____
Date: _____

Jackson County, Missouri Request for Proposal No. 14-10, Page 6 of 12

GENERAL CONDITIONS

The General Conditions which follow apply to and are a part of this Request For Proposal unless otherwise specified herein. Subject to State and County laws and all rules, regulations and limitations imposed by legislation of the Federal Government, responses on all advertisements, and invitations issued by the Jackson County Purchasing Department will bind Respondents to applicable conditions and requirements herein set forth unless otherwise specified in the Request For Proposals. Respondents or their authorized representatives are expected to fully inform themselves as to the conditions, requirements, and scope of services before submitting Request for Proposal; failure to do so will be at the respondent's own risk and he cannot secure relief on the plea of error.

1. **Withdrawal of Request for Proposal:** A written request for the withdrawal of a Request for Proposal or any part thereof may be granted if the request is received in the Office of the Director of Finance and Purchasing prior to the specified time of opening.
2. **Completeness:** All information required by the Request For Proposal must be supplied to constitute a proper response. Respondents shall not alter the Request For Qualifications documents except upon instruction by receipt of addendum. Respondents shall furnish information required by the Request for Qualifications in the form requested. The County reserves the right to reject responses with incomplete information or which are presented in a form other than that requested in this Request For Proposal. Responses must be submitted in "hard copy" format. Responses submitted electronically, on computer diskette, or by FAX will not be considered by the County.
3. **Request for Proposal Binding For 90 Days:** Unless otherwise specified all responses submitted shall be binding for ninety (90) calendar days following the Request for Qualifications opening date, unless the Respondent(s), upon request of the Director of Finance and Purchasing, agrees to an extension.
4. **Conditional Responses:** Conditional or qualified responses are subject to rejection in whole or in part. All exceptions to the requirements, conditions, scope of services, or other provisions of this Request For Proposal must be made in writing and attached as Exhibit F to the response when it is submitted by the Respondent. Exceptions made in any other manner or form whether by omission or by inclusion in any other manner other than as specifically entered and described in full on Exhibit F shall not be made a part of the resulting contract. Exceptions which are made by the Respondent and entered on Exhibit F and are determined to be acceptable to the County shall be made a part of the resulting contract by inclusion as a provision of a mutually executed Amendment to the contract. Exceptions which are not made a part of said Amendment shall not be included in the contract nor be binding upon the County and the requirements, conditions, scope of services and provisions of the Request For Proposal shall prevail.
5. **Questions Regarding General Conditions, Scope of Services or any other provision of this Request for Proposal:** Any information relative to interpretation of General Conditions, Scope of Services or any other provisions shall be requested of the Purchasing Supervisor, in writing, in ample time before the opening of responses. All questions must be received by the Purchasing Supervisor seven (7) business days before the date set for the opening of proposals. Any interpretation made to prospective Respondents will be expressed in the form of an addendum to the Request For Proposal which, if issued, will be no later than three (3) business days before the date set for the opening of proposals. Addendums to this Request for Proposal will be posted on the County's website @ www.jacksongov.org. Oral answers will not be binding on the County. Each Respondent shall ascertain prior to submitting his response that he has received all Addenda issued, and shall acknowledge the receipt of such on the form provided herein.
6. **The County reserves the right to reject any or all responses, to waive technical defects in responses, and to select the response(s) deemed most advantageous to the County.**
7. **Applicable State Law:** The contract shall be construed according to the laws of the State of Missouri. The Contractor must be registered and maintain good standing with the Secretary of State, of the State of Missouri and other regulatory agencies as may be required by law or regulation.
8. **Communications and Notices:** Any written notice to the Contractor shall be deemed sufficient when deposited in the United State Mail postage prepaid; delivered to a telegraph office fee prepaid; or hand-carried and presented to an authorized employee of the Contractor at the Contractor's address as listed on the signature page of the contract, or at such address as the contractor may have requested in writing.

Jackson County, Missouri Request for Proposal No. 14-10, Page 7 of 12

GENERAL CONDITIONS, CONTINUED

09. **Bankruptcy or Insolvency:** Upon filing for any bankruptcy or insolvency proceeding by or against the Contractor, whether voluntary or involuntary, or upon the appointment of a receiver, trustee, or assignee for the benefit of creditors, the Contractor must notify Jackson County's Director of Purchasing immediately in writing. Upon learning of the actions herein identified, Jackson County reserves the right at its sole discretion to either affirm the contract, or, cancel the contract and hold the Contractor responsible for damages.

10. **Tax Clearance Required:** No person, firm or corporation, resident in Jackson County, or otherwise legally within the taxing jurisdiction of the County, shall be eligible to provide any goods, contractual services or anything covered by the County Purchasing Ordinance, unless said person, firm or corporation is duly listed and assessed on the County tax rolls, and is in no way delinquent on any taxes payable to the County.

Where any individual, firm or corporation is a resident of Jackson County, or it otherwise appears that such firm is legally within the taxing jurisdiction of the County, and has made an offer, bid, or quotation for any County purchase, or has submitted an application to be given an opportunity to make quotations for County purchases, the Director of Purchasing shall cause a search to be made of the County tax rolls, to determine the eligibility of that person, firm or corporation under this section.

When the lowest/highest responsible bidder for a given Purchase Order or Contract is ineligible under this section, the Director of Purchasing may, where time is not of the essence to the County, notify the bidder and allow three (3) days for the bidder to correct the deficiency or pay up any delinquency involved. If the bidder fails, after such notice, to comply within three (3) days, or if the Director of Purchasing deems time to be of the essence, he shall proceed as though the next lowest/highest responsible bidder who is eligible under this section had entered the lowest/highest bid.

11. Except for the furnishing and transportation of materials, the Contractor shall not sublet, sell, transfer, assign, or otherwise dispose of any portion of any resulting contract to any individual, firm, or corporation without written consent of Jackson County. This consent of the County will not be given unless, and until the Contractor has submitted satisfactory evidence that the proposed subcontractor is qualified to execute the work and has an Affirmative Action Plan acceptable to the County, together with a complete copy of the subcontract if so requested by the County. The subcontract shall bind the subcontractor to comply with all requirements of this contract including but not limited to wage rates, equal employment opportunity regulations, submittal of payrolls, etc. Assignment of the entire contract may be made only upon written consent of the County.

No assigning, transferring, or subletting, even though consented to, shall relieve the Contractor of his liabilities under this contract. The Contractor shall give his personal attention to any portion of this contract which has been sublet and he shall be responsible for its proper completion.

The Contractor, as a condition of this contract, is responsible for assuring submission of proof or documentation regarding Affirmative Action Compliance by his subcontractors and for the subsequent Affirmative Action performance by such subcontractors.

Jackson County reserves the right to approve or reject the Respondent's proposed subcontractors in accordance with these and any other requirements of this Request For Proposals.

12. **Equal Opportunity:** The Contractor shall maintain policies of employment as follows:

a) The Contractor and the Contractor's Subcontractor(s) shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, disability, or national origin. The Contractor shall take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, religion, color, sex, disability, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the policies of non-discrimination and affirmative action programs.

Jackson County, Missouri Request for Proposal No. 14-10, Page 8 of 12

GENERAL CONDITIONS, CONTINUED

12. Equal Opportunity: The Contractor shall maintain policies of employment as follows, Continued:

b) The Contractor and the Contractor's Subcontractor(s) shall, in all solicitations or advertisements for employees placed by them or on their behalf, state that all qualified applicants will receive consideration for employment without regard to race religion, color, sex, disability or national origin.

13. Foreign Corporations: Firms submitting proposals as corporations which are not incorporated in the State of Missouri must include with their proposal a copy of a properly executed **Certificate of Authority of a Foreign Corporation** authorizing their firm to do business in the State of Missouri.

14. Omissions in Responses: Omission in the response of any provision herein prescribed shall not be construed as to relieve the Contractor of any responsibility or obligation requisite to the complete and satisfactory operation of any and all equipment/items and services. Any exception to the proposal must be in writing (Exhibit F) and not be omission.

15. Contractor and every subcontractor or person performing or contracting to perform any duty contemplated by this Request For Proposal shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the performance of its contract, and shall at all times comply with such laws, ordinances and regulations.

16. Conflict of Interest: Respondent warrants that no officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of this contract.

No official or employee of Jackson County or its governing body and no other public official in Jackson County who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of the project covered by this contract shall voluntarily acquire any personal interest, directly or indirectly, in this contract.

The Contractor covenants that he/she presently has no interest and shall not acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of the services hereunder. The Contractor further covenants that no person having any such known interest shall be employed or conveyed an interest, directly or indirectly, in this contract.

17. It shall be the responsibility of all Respondents to warrant that all goods, services and/or work to be procured and/or performed under any resulting contract shall conform to and/or be performed in compliance with all applicable Federal, State and Local Statutes, Ordinances and Codes including but not limited to the Americans With Disabilities Act of 1990. Failure to comply in any manner with applicable Statutes, Ordinances or Codes shall result in said Contractor replacing the goods, services and/or work performed in order to effect compliance or in liquidated damages in the amount required to effect compliance with said Statutes, Ordinances and Codes together with any costs associated with collection of said damages.

18. Fund Allocation: Continuance of any resulting agreement, contract or issuance of purchase orders after December 31st of the current calendar year is contingent upon the allocation of County funds for the next proceeding calendar year.

19. Applicable Laws and Courts: Any contract or agreement resulting from this Request for Proposal shall be governed in all respects by the laws of the State of Missouri and any litigation with respect thereto shall be brought in the courts of the State of Missouri. The Respondent shall comply with applicable federal, state and local laws and regulations.

Jackson County, Missouri Request for Proposal No. 14-10, Page 9 of 12

INTRODUCTION

Jackson County, Missouri is seeking proposals from Legislative and Governmental Consultants to perform Federal Legislative Lobbying Services for the Jackson County, Missouri County Executive's Office.

SCOPE OF SERVICES

Consulting, advising and lobbying services to the County on an "As Needed" basis, as the County shall deem appropriate. Among the services to be provided

- (1) Acting as advocates for and representing the County before Congress and other federally elected and appointed officials and standing committees;
- (2) Assisting the County in finalizing its federal program to include pursuing the passage and/or defeat of federal legislation, policies, programs or directives that may directly impact Jackson County;
- (3) Providing weekly reports of bills of County interest in formats acceptable to the County prioritized beginning with bills of general County interest;
- (4) Providing weekly reports of the activities the Lobbyist has engaged in to further the Legislative priorities of Jackson County;
- (5) Providing advice and assistance on special projects that may arise during the year that entails Lobbying or access to federal officials;
- (6) Confer with the County Executive and County Legislature at least twice during the Contract year and more often as the County sees fit for such briefings and dialogue as are necessary and; monitoring and analyzing legislation that affects the County's interests.

This Contract will be for Twelve Months with two Twelve Month renewal options. This Contract may be cancelled by either party with Thirty Days written notice to the other party.

The successful Respondent understands and agrees that they will be rendering all services hereunder as an independent Contractor and not as an employee of Jackson County. The successful Respondent shall not be eligible for coverage under any County benefit plan as a result of any agreement or Contract. The successful Respondent shall supply their own office space, equipment, materials, etc. as needed and shall have sole responsibility for determining the manner in which they perform the services hereunder. The County understands and agrees that the successful Respondent shall not be subject to supervision by the County in the performance of such services. The County shall not set work schedules.

The successful Respondent understands that the County is entering into this Agreement/Contract relying on their special and unique abilities with respect to performing the scope of services specified herein. Accordingly, any attempted or purported assignment of this Agreement/Contract shall be null and void unless the County has given its prior written consent to assignment, which may be conditioned, as the County deems appropriate.

Except with the County's permission, the successful Respondent agrees not to represent or lobby on behalf of any group with interests which the County deems to conflict with that of the County's. If the successful Respondent wishes to act as a consultant for such a company or group, they must first seek and receive the County Executive's written permission to do so, such permission being given at the discretion of the County. Any such request and any such permission may be conditioned and specific to certain issues, bills and/or time periods. Due to the County's sensitivity to conflicts of interest, the successful Respondent shall include in their proposal an explanation including how they would address conflict of interest issues.

The successful Respondent shall fully comply with all applicable federal and state laws, rules, regulations, including those governing conflict of interest and lobbying and the Missouri Ethics Commission. Without limiting the foregoing, the successful Respondent shall file in a complete and timely manner all registrations and reports required by Missouri conflict of interest/lobbying laws.

Jackson County, Missouri Request for Proposal No. 14-10, Page 10 of 12

PROPOSAL FORMAT

Respondent's proposal shall be an original document **plus five copies**. To facilitate the evaluation of proposals, proposal shall be organized in the following manner:

- (1) Cover Letter
- (2) All forms contained within this Request for Proposal package, filled out, signed and notarized where necessary.
- (3) Executive Summary of Respondent's Company to include the following information:
 - (A) Firm Experience and Resumes of Key Personnel: submit a brief description of the firm, including a list of clients for whom the same or similar work has been performed within the last five years. The name and telephone number of a representative for each of the identified clients must be included so references can be checked. Include resumes of key personnel.
 - (B) The names and qualifications for those members of the firm who will be directly involved with or responsible for the proposed services including the name(s) of additional firms, if any, to which along with each firm's experience, the contact(s), and the proposed charge rates. Elaborate on how the Respondent proposes to provide the service identified with the "Scope of Service".
 - (C) Describe the depth, understanding, experience and knowledge of the federal grant making and appropriation process and with the federal contracting and procurement requirements.
 - (D) State experience in working with various federal agencies and with elected members of Congress.
 - (E) Characterize the advise and direction regarding long term planning and project development together with the assistance provided to advance civic or business goals with the federal legislative or executive legislative branches
 - (F) Relate actions regarding long term planning and project development together with assistance with public relations and message development; provide educational, advocacy and outreach assistance.
- (4) Proposed Minority-Owned/Women Owned Business Enterprise (MBE/WBE) participation. Firms should indicate the proposed scope and extent of a Minority-Owned/Women-Owned Business Enterprise.
- (5) Pricing: Compensation for work to be provided shall be on a time and expense basis with a maximum amount specified. Respondent shall identify the time for which each of the quoted prices are valid. **Provide pricing in a separate sealed envelope within the proposal package.**

EVALUATION PROCESS

All Proposal received that are responsive to the Terms, Conditions and Specifications of this Request for Proposal will be evaluated. A determination will be made based upon firm experience, personnel, ability to perform, additional services and price. The County reserves the sole right to determine whether a Proposal is responsive and to waive any minor technicalities contained therein, and to reject any and all Proposals.

CONTRACT NEGOTIATIONS

Upon selection of the successful Proposal, a Contract incorporating the Terms, Conditions and Specifications of this Request for Proposal and acceptable to both parties will be prepared and executed by both parties. Should the parties, within a reasonable time frame, as determined by Jackson County, Missouri, fail to develop and execute and mutually agreeable Contract, and upon a three (3) business day written notification to the selected respondent, the County may reject the proposal and proceed to award the Contract to the next "best" respondent.

The County does not generally use standard contract forms which may be provided by the Respondent. The contract documents used by the County will include both the Request for Proposal and the Respondent's proposal. In the event that conflicts in language exist between the Request for Proposal and the Respondent's proposal, the provisions of the Request for Proposal, the provisions of the Request for Proposal shall govern. The Respondent shall list any and all exceptions as instructed under General Conditions, Item Number Five of this Request for Proposal. Please note that Respondent's Proposal is subject to Rejection if Exceptions to the County's Standard Agreement are requested.

Jackson County, Missouri Request for Proposal No. 14-10, Page 11 of 12

CONTRACT NEGOTIATIONS, CONTINUED

Respondent must agree to the following standard provisions:

Indemnification: (Contractor) agrees, to the fullest extent permitted by law, to indemnify and hold the County harmless from damages and losses arising from the negligent acts, errors or omissions of (Contractor) in the performance of the work under this Agreement, to the extent that (Contractor) is responsible for such damages and losses on a comparative basis of fault and responsibility between (Contractor) and the County. (Contractor) is not obligated to indemnify the County for the County's own negligence.

Independent Contractor: (Contractor) shall work as an independent contractor and not as an employee of the County. (Contractor) shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. (Contractor) shall report all earnings received hereunder as gross income, and shall be responsible for its own Federal, State and City withholdings taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

Confidentiality: (Contractor) acknowledges and agrees that all County information and records are confidential and will not disclose or make available this information or records to anyone outside the County organization unless authorized to do so in writing by the County.

Complete Agreement: Parties agree that this Agreement together with Jackson County, Missouri Request for Proposal No. 2-07 and (Contractor's) response thereto constitute the complete and exclusive statement of the agreement between the Parties which supercedes all prior proposals or understandings or agreements, oral or written, and all other communications between Parties relating to the subject matter of this Agreement.

Notices: Any notice which either Party shall be required by this Agreement to give the other shall be in writing and delivered by mail addressed to the respective Parties as follows, or to such other addresses, as the respective Parties may designate from time to time:

County:	Jackson County, Missouri 415 East 12 th Street, Room 105 Kansas City, Missouri 64106
Contractor:	_____ _____ _____

QUESTIONS

All questions regarding this Request for Proposal must be in writing or emailed as detailed under General Conditions, Item Number Five on Page Six of this Request for Proposal. Point of Contact for the Purchasing Department is Barbara Casamento, email address is bcasamento@jacksongov.org. All questions will be answered in the form of Addenda.



PURCHASING DEPARTMENT

JACKSON COUNTY COURTHOUSE
415 EAST 12TH STREET
KANSAS CITY, MISSOURI 64106

816-881-3267
Fax 816-881-3268

Request for Proposal No. 14-10
Addendum No. 1
Issued: March 24, 2010
Page 1 of 1

This Addendum hereby changes, modifies and amends the previously issued Request for Proposal as follows:

Answers to Questions received as of March 23, 2010:

- (1) Could you please clarify the preferred method of inclusion of proposed fees in responses to RFP 14-10 for Federal Lobbyist Services? On page 10 of the RFP, in the Proposal Format, section 3(b) requests the inclusion of "proposed charge rates", yet section 5 requests that proposed pricing be provided in a separate sealed envelope. If appropriate, please clarify the difference between proposed charge rates and proposed pricing.

Answer: Section 3B is requesting the names and qualifications for the members of the Respondent's firm who will be directly involved with or responsible for the proposed services of the RFP; AND the names and information on additional firms, if any, the Respondent will utilize on this RFP. IF the Respondent is utilizing additional firms, Respondent will need to include information in their proposal on the additional firms experience, contacts and proposed rates/pricing. The proposed rates/pricing of additional firms, if any, should be included with Respondent's pricing for this RFP in the separate sealed envelope within the proposal package.

Please Note: The Proposal Closing Date and Time of **April 6, 2010 at 2:00 PM, CDT** remains intact. If you have any questions concerning this Addendum, please contact Barbara Casamento at bcasamento@jacksongov.org.

There are no further changes, modifications or amendments.


Q. Troy Thomas
Director of Finance and Purchasing



PURCHASING DEPARTMENT

415 East 12th Street
Kansas City, Missouri 64106

816-881-3267
Fax 816-881-3268

REQUEST FOR PROPOSAL NO. 78-13
ISSUED: DECEMBER 3, 2013
PAGE 1 OF 17

Jackson County, Missouri is seeking Proposals from Legislative and Governmental Consultants to perform Federal Legislative Lobbying Services for the Jackson County, Missouri County Executive's Office.

Enclose your proposal in a sealed opaque envelope with the above Request for Proposal number written on the face of the envelope and deliver it to the **Office of the Jackson County Purchasing Department, Room G-1, Ground Floor, Jackson County Courthouse, 415 East 12th Street, Kansas City, Missouri 64106** no later than **2:00pm CST on December 31, 2013**, otherwise your Proposal will be **REJECTED**. There will be a public opening of proposals at 2:05pm CST on December 31, 2013, in the Dutch Newman Conference Room, Second Floor of the Jackson County Courthouse at the above address.

Disabled Persons wishing to participate in the Proposal Opening and who require a reasonable accommodation may call Jackson County Purchasing Department at 881-3267 or 1-800-735-2466 (Missouri Relay). Forty-eight (48) hour notice is required.

Point of Contact for this Request for Proposal is Barbara Casamento @ 816-881-3253. All questions must be emailed to the Buyer @ bcasamento@jacksongov.org as detailed under General Conditions, Item Five on Page 7, and Section 6.0 on Page 15 of this Request for Proposal.

By submitting a Proposal, you offer to enter into a Contract with the County, and your offer is not revocable for Ninety (90) Days following the Response Deadline indicated above.

Jackson County, Missouri reserves the right to: (1) waive any defect in the offer of any Respondent; and (2) to reject any or all offers.

Your returned Proposal shall be an original **plus five copies** as detailed in Section 3.0 Proposal Format, Pages 12 and 13 of this Request for Proposal.

If you have a current (issued within in the last 12 months and Mandatory Annual Report turned in) Certificate of Compliance from **Jackson County, Missouri**, a copy of that certificate may be included in your proposal instead of the Compliance Report Form on Pages 3 and 4 of this Request for Proposal.

Jackson County, Missouri reserves the right to request corrections, clarifications, and/or additional information pertaining to Respondent's proposal. Such information must be received in the Office of the Director of Finance and Purchasing within forty-eight (48) hours immediately following notification to the Respondent or the Respondent's proposal will be deemed NON-RESPONSIVE.

PLEASE NOTE: The Successful Respondent will have to provide a Certificate of Insurance as outlined in Item Thirteen of the General Conditions and Exhibit A, Page 16 of this Request for Proposal.

Q. TROY THOMAS
Director of Finance and Purchasing

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 2 of 17

AFFIDAVIT

STATE OF _____)
) SS.
COUNTY OF _____)

_____ of the City of _____
County of _____ State of _____ being duly sworn on her or his oath, deposes and says;

1. That I am the _____ (Title of Affiant) of _____ (Name of Respondent) and have been authorized by said Respondent to make this Affidavit upon my best information and belief, after reasonable inquiry as to the representations herein.

2. No Officer, Agent or Employee of Jackson County, Missouri is financially interested directly or indirectly what Respondent is offering to sell to the County pursuant to this Invitation (though no representation is made regarding potential ownership of publicly traded stock of respondent).

3. If Respondent were awarded any contract, job, work or service for Jackson County, Missouri, no Officer, Agent or Employee of the County would be interested in or receive any benefit from the profit or emolument of such.

4. Either Respondent is duly listed and assessed on the tax rolls of Jackson County, Missouri and is not delinquent in the payment of any taxes due to the County or Respondent did not have on December 31, 2012 any property subject to taxation by the County and if respondent is duly listed and assessed on the tax rolls of Jackson County, Missouri, respondent agrees to permit an audit of its records, if requested by the Jackson County Director of Assessment, as they relate to the assessment of Business Personal Property.

5. Respondent has not participated in collusion or committed any act in restraint of trade, directly or indirectly, which bears upon anyone's response or lack of response to the Invitation.

6. Respondent certifies and warrants that Respondent or Respondent's firm/organization is not listed on the General Services Administration's Report of Debarred and/or Suspended Parties.

7. Respondent certifies and affirms its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

8. Respondent certifies and affirms that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

_____ (Name of Respondent)

By: _____ (Signature of Affiant)

_____ (Title of Affiant)

Subscribed and sworn to before me this _____ day of _____, 20____

NOTARY PUBLIC in and for the County of _____ (SEAL)

State of _____

My Commission Expires: _____

Jackson County Missouri Request for Proposal No. 78-13
Page 3 of 17

**JACKSON COUNTY, MISSOURI
COMPLIANCE REVIEW FORM**

Report Date: _____ (All reports expire annually on December 31st)

DIRECTIONS FOR COMPLETION:

Please fill out form completely. If a question refers to "past report" and this is your first one, place "1st Report" in the blank. If a question addresses an area which does not apply to your company, such as (subcontractors), place "N/A" in the blank. Please be sure this and subsequent reports are SIGNED AND DATED. If you have any questions, please call our office at (816) 881-3467.

Mail/Fax or Email reports to:

Tom Wyrsh
Contract Compliance Review Director
415 East 12th Street - 2nd Floor
Kansas City, Missouri 64106

EMAIL: cro@jacksongov.org

FAX: (816) 881-1223

1. COMPANY DESCRIPTION:

Name of Company _____
Street Address _____
City _____ State _____ Zip _____
Email Address: _____
Website Address: _____
Area Code _____ Telephone Number _____
Representative Name _____

2. COMPANY STATISTICS:

- A. Total number of Employees _____
B. Total Number of Employees who are:
1. Women _____ 4. Asian _____
2. Hispanic _____ 5. American Indian _____
3. Black _____ 6. Other _____

YES NO N/A

3. Has your company advertised for applicants since your report? _____
If so, please attach a list of publications in which ads appeared, the dates of advertising, and copies of such advertisement
4. Has there been an effort since your last report to further orientate supervisors and key personnel to the spirit and intent of the program? _____
If so, please attach a detailed report of such efforts
5. Have there been any adjustments in your job prerequisites or your recruiting and intake procedures? _____
If so, please attach a narrative of such efforts.

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 4 of 17

	YES	NO	N/A
6. Has any effort been made since your last report in disseminating your policy to all your employees or in encouraging them to refer Minority or Female applicants? <u>If so, please attach a narrative of such efforts.</u>	_____	_____	_____
7. Are you attaching any other comments or concerns which you would like to have reviewed as part of determining compliance with your programs?	_____	_____	_____

List all minority contractors/suppliers (Minority Owned Business Enterprises MBE or Women Owned Business Enterprises WBE) with which you have contracted during this reporting period.

NAME OF COMPANY _____
STREET ADDRESS _____
REPRESENTATIVE NAME _____
TELEPHONE NUMBER _____
EMAIL ADDRESS _____
WEBSITE ADDRESS _____
PRODUCTS, SERVICE, AREA OF SCOPE OF WORK:

DURATION OF CONTRACT _____
AMOUNT OF CONTRACT _____

REPEAT THE ABOVE INFORMATION ON A SEPARATE SHEET FOR ADDITIONAL MBE/WBE FIRMS WITH WHOM YOU HAVE CONTRACTED.

Figures of Employment Analysis section of this report was obtained from:

	YES	NO
1. Available employment	_____	_____
2. Visual check	_____	_____
3. Other (specify) _____	_____	_____

This Compliance Review Form was prepared and submitted by:

Signature

Name and Title

Date

I certify that all answers and information herein contained are true to the best of my knowledge, and I understand that any mis-statement of fact may subject this company to non-compliance procedures.

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 5 of 17

STATEMENT OF NO BID

TO: Jackson County Purchasing Department
Jackson County Courthouse
415 East 12th Street, Room G1
Kansas City, MO 64106

We, the undersigned, have declined to submit a proposal in response to the above Request for Proposal for the following reasons(s):

- ☐ Specifications too "tight", i.e., geared toward one brand or supplier.
- ☐ Insufficient time to respond to the proposal.
- ☐ We do not offer this product or service.
- ☐ Our schedule would not permit us to perform.
- ☐ We are unable to meet specifications.
- ☐ We are unable to meet bond requirements.
- ☐ Specifications are not clear (explain).
- ☐ We are unable to meet insurance requirements.
- ☐ Remove us from your list for this commodity or service.
- ☐ Other (explain). _____

REMARKS _____

Company Name: _____

Signature: _____

Telephone: _____

Date: _____

Jackson County Missouri Request for Proposal No. 78-13
Page 6 of 17

ACKNOWLEDGMENT OF RECEIPT OF ADDENDA

The undersigned acknowledges receipt of Addenda through and including numbers _____ and that this Proposal is submitted in accordance with information, instructions, and stipulations set forth therein.

Signature of Respondent

Date

Company Name

Address

City, State, and Zip

Phone

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 7 of 17

GENERAL CONDITIONS

The General Conditions which follow apply to and are a part of this Request for Proposal unless otherwise specified herein. Subject to State and County laws and all rules, regulations and limitations imposed by legislation of the Federal Government, responses on all advertisements, and invitations issued by the Jackson County Purchasing Department will bind Respondents to applicable conditions and requirements herein set forth unless otherwise specified in the Request for Proposal. Respondents or their authorized representatives are expected to fully inform themselves as to the General Conditions, Requirements, and any other provisions before submitting proposals; failure to do so will be at the Respondent's own risk and he cannot secure relief on the plea of error.

1. **Withdrawal of Proposals:** A written request for the withdrawal of a proposal or any part thereof may be granted if the request is received in the Office of the Director of Finance and Purchasing prior to the specified time of opening.

2. **Completeness:** All information required by the Request for Proposal must be supplied to constitute a proper proposal. Respondents shall not alter the Request for Proposal documents except upon instruction by receipt of addendum. Respondents shall furnish information required by the Proposal in the form requested. The County reserves the right to reject proposals with incomplete information or which are presented in a form other than that requested in this Request for Proposals. Proposals must be submitted in "hard copy" form. Proposals submitted electronically, on computer diskettes, or by FAX will not be considered by the County.

3. **Proposals Binding For 90 Days:** Unless otherwise specified all proposals submitted shall be binding for ninety (90) calendar days following the proposal opening date, unless the Respondent(s), upon request of the Director of Finance and Purchasing, agrees to an extension.

4. **Exceptions:** Conditional or qualified proposals are subject to rejection in whole or in part. All exceptions to the requirements of this Request for Proposal must be made in writing and attached as Exhibit F to the proposal when it is submitted by the Respondent. The County will consider minor exceptions to its requirements. A minor exception is one which is a matter of form, not substance. The minor exception is considered immaterial and inconsequential when its significance to price, quantity, quality, or delivery is trivial or negligible when contrasted with total scope of the Request for Proposal (ex: comparable manufacturer or alternate proposals where allowed by the Request for Proposal). The County will not consider exceptions to its General Conditions, Forms or Insurance Requirements. The County reserves the right in its sole discretion to accept or reject any exceptions included in Exhibit F. Exceptions made in any other manner or form whether by omission or by inclusion in any other manner other than as specifically entered and described in full on Exhibit F shall not be made a part of the resulting contract. Exceptions which are made by the Respondent and entered on Exhibit F and determined to be acceptable to the County shall be made a part of the resulting contract by inclusion as a provision of a mutually executed Amendment to the contract. Exceptions which are not made a part of said Amendment shall not be included in the contract nor be binding upon the County and the specifications of the Request for Proposal shall prevail.

5. **Questions Regarding General Conditions, Requirements or any other provision of this Request for Proposal:** Any information relative to interpretation of General Conditions, Requirements or any other provision of this Request for Proposal shall be requested of the Purchasing Supervisor, in writing, in ample time before the opening of proposals. All questions must be received by the Purchasing Supervisor by **December 23, 2013**. Any interpretation made to prospective respondents will be expressed in the form of an addendum to the Request for Proposal which, if issued, will be sent no later than three (3) business days before the date set for opening of proposals. Addendums to this Request for Proposal will be posted on the County's website @ www.jacksongov.org. Oral answers will not be binding on the County. Each respondent shall ascertain prior to submitting his proposal that he has received all Addenda issued, and shall acknowledge the receipt of such on the form provided herein. Failure to adhere to this policy may cause your proposal to be REJECTED.

6. **Applicable Law:** The contract shall be construed according to the laws of the State of Missouri. The Contractor must be registered and maintain good standing with the Secretary of State, of the State of Missouri and other regulatory agencies as may be required by law.

7. **Communications and Notices:** Any written notice to the Contractor shall be deemed sufficient when deposited in the United States Mail postage prepaid; faxed; e-mailed; delivered to a telegraph office fee prepaid; or hand-carried and presented to an authorized employee of the Contractor at the Contractor's address, or at such address as the contractor may have requested. County may also post communications and notices to the County's internet site. Respondents are responsible for checking the County's website for communications and notices.

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 8 of 17

8. Bankruptcy or Insolvency: Upon filing for any bankruptcy or insolvency proceeding by or against the Contractor, whether voluntary or involuntary, or upon the appointment of a receiver, trustee, for assignee of the benefit of creditors, the Contractor must notify Jackson County's Director of Finance and Purchasing immediately in writing. Upon learning of the actions herein identified, Jackson County reserves the right as its sole discretion to either affirm the contract, or, cancel the contract and hold the Contractor responsible for damages.

9. Patents: Respondent agrees to defend, indemnify, protect, and save harmless, Jackson County, Missouri, against all claims for royalties for patents or suit for infringement thereon which may be involved in the manufacture or use of the materials or items to be furnished.

10. By virtue of statutory authority, the Director of Finance and Purchasing shall give preference to all commodities manufactured, mined, produced or grown within the State of Missouri and to all firms, corporations or individuals doing business as Missouri firms, corporations or individuals, when quality is equal or better and delivered price is same or less.

11. Material Standards: All material or equipment furnished shall meet the minimum requirements of the Occupational Safety & Health Standard (OSHA) published in the Federal Register.

12. Tax Clearance Required: No person, firm or corporation, resident in Jackson County, or otherwise legally within the taxing jurisdiction of the County, shall be eligible to provide any goods, contractual services or anything covered by the County Purchasing Ordinance, unless said person, firm or corporation is duly listed and assessed on the County tax rolls, and is in no way delinquent on any taxes payable to the County.

Where any individual, firm or corporation is a resident of Jackson County, or it otherwise appears that such firm is legally within the taxing jurisdiction of the County, and has made an offer, proposal, or quotation for any County purchase, or has submitted an application to be given an opportunity to make quotations for County purchases, the Director of Finance and Purchasing shall cause a search to be made of the County tax rolls, to determine the eligibility of that person, firm or corporation under this section.

When the lowest/highest responsible respondent for a given purchase order is ineligible under this section, the Director of Finance and Purchasing may, where time is not of the essence to the County, notify the respondent and allow three (3) days for the respondent to correct the deficiency or pay up any delinquency involved. If the respondent fails, after such notice, to comply within three (3) days, or if the Director of Finance and Purchasing deems time to be of the essence, he shall proceed as though the next lowest/highest responsible respondent who is eligible under this section had entered the lowest/highest proposal.

13. Insurance and Indemnification: The Successful Contractor shall defend, indemnify, and hold harmless Jackson County and any of its agencies, officials, officers, or employees from and against all claims, damages, liability, losses, costs and expenses, including reasonable attorney's fees, arising out of or resulting from any acts or omissions in connection with the operations or work included or undertaken in the performance of this contract, caused in whole or in part by Contractor, its employees, agents, or subcontractors, or caused by others for whom Contractor is liable, regardless of whether or not caused in part by any act or omission of Jackson County, its agencies, officials, officers, or employees. Contractor's obligations under this section with respect to indemnification for acts or omissions of Jackson County, its agencies, officials, officers, or employees shall be limited to the coverage and limits of insurance that Contractor is required to procure and maintain under this Contract. Insurance shall be procured and maintained by Contractor as described in Exhibit A of this Request for Proposal. Contractor shall file Certificates of Insurance with Jackson County Purchasing Department in the form described in Exhibit A within the time limit also described in the Exhibit.

14. Equal Opportunity: The Contractor shall maintain policies of employment as follows:

a) The Contractor and the Contractor's Subcontractor(s) shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, disability, or national origin. The Contractor shall take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, religion, color, sex, disability, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the policies of non-discrimination.

b) The Contractor and the Contractor's Subcontractor(s) shall, in all solicitations or advertisements for employees placed by them or on their behalf, state that all qualified applicants will receive consideration for employment without regard to race religion, color, sex or national origin.

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 9 of 17

15. Foreign Corporations: Firms submitting proposals as corporations which are not incorporated in the State of Missouri must include with their proposal a properly executed **Certificate of Registration for Foreign Corporation** authorizing the firm to do business in the State of Missouri.

16. Errors in Proposals: Respondent shall be bound by its proposal even though the proposal is based on an erroneous calculation, and Respondent shall have no right to withdraw its proposal after the Response Deadline on the basis of an error in calculation of its proposal. Carelessness in quoting prices, or in preparation of proposal, will not relieve the Respondent in case of errors. Erasures or changes in proposals must be initialed.

17. Omission in Proposals: Omission in the proposal of any provision herein prescribed shall not be construed as to relieve the contractor of any responsibility or obligation requisite to the complete and satisfactory operation of any and all equipment and services. Any exception to the provision of the Request for Proposals must be in writing and not by omission.

18. No lowest/highest Respondent shall receive a business expectancy merely because his proposal is the lowest/highest one received; until the contract has been awarded, no business expectancy exists.

19. Conflict of Interest: Respondent warrants that no officer or employee of the County, whether elected or appointed, shall in any manner whatsoever be interested in or receive any benefit from the profits or emoluments of this contract.

No official or employee of Jackson County or its governing body and no public official in Jackson County who exercises any functions or responsibilities in the review or approval of the undertaking of carrying out of the project covered by this contract shall voluntarily acquire any personal interest, directly or indirectly, in this contract.

The Contractor covenants that he/she presently has no interest and shall not acquire any interest, directly or indirectly, which would conflict in any manner or degree with the performance of this services hereunder. The Contractor further covenants that no person having such known interest shall be employed or conveyed an interest, directly or indirectly, in this contract.

20. Respondent certifies that all goods to be supplied to the County as a result of contracts awarded under this Request for Proposal were produced in compliance with all applicable requirements of section 6, 7, and 12 of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued under section 14 thereof.

21. It shall be the responsibility of all Respondents to warrant that all goods, services, and/or work to be procured and/or performed under this contract shall conform to and/or be performed in compliance with all applicable Federal, State, and Local Statutes, Ordinances and Codes including but not limited to the American with Disabilities Act of 1990. Failure to comply in any manner with applicable Statutes, Ordinances or Codes shall result in said Contractor replacing the goods, services and/or work performed in order to effect compliance or in liquidated damages in the amount required to effect compliance with said Statutes, Ordinances and Codes together with any costs associated with collection of said damages.

22. Fund Allocation: Continuance of any resulting contract or issuance of purchase orders after December 31 of the current calendar year is contingent upon the allocation of County funds for the next proceeding calendar year.

23. As a condition for the award of any contract or grant in excess of five thousand dollars by the County to a business entity, the business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Every such business entity shall also sign an affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. Any entity contracting with the state or any political subdivision of the state shall only be required to provide the affidavits required in this subsection to the state and any political subdivision of the state with which it contracts, on an annual basis.

24. Qualifications of Respondents: The County may make such reasonable investigations as deemed proper and necessary to determine the ability of the respondent to perform the work and the respondent shall furnish to the County all such information and data for this purpose, as may be requested. The County reserves the right to inspect respondent's physical plant prior to award to satisfy questions regarding the respondent's capabilities. The County further reserves the right to reject any proposal if the evidence submitted by or investigations of such respondent fails to satisfy the County that such respondent is properly qualified to carry out the obligations of the contract and to complete the work contemplated herein.

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 10 of 17

25. Except for the furnishing and transportation of materials, the Contractor shall not sublet, sell, transfer, assign, or otherwise dispose of any portion of this contract to any individual, firm, or corporation without written consent of Jackson County. This consent of the County will not be given unless, and until the Contractor has submitted satisfactory evidence that the proposed subcontractor is qualified to execute the work and has an Affirmative Action Plan acceptable to the County, together with a complete copy of the subcontract if so requested by the County. The subcontract shall bind the subcontractor to comply with all requirements of this contract including but not limited to wage rates, equal employment opportunity regulations, submittal of payrolls, etc. Assignment of the entire contract may be made only upon written consent of the County.

No assigning, transferring, or subletting, even though consented to, shall relieve the Contractor of his liabilities under this contract.

The Contractor shall give his personal attention to any portion of this contract which has been sublet and he shall be responsible for its proper completion.

The Contractor, as a condition of this contract, is responsible for assuring submission of proof or documentation regarding Affirmative Action Compliance by his subcontractors and for the subsequent Affirmative Action performance by such subcontractors.

Jackson County reserves the right to approve or reject the Respondent's proposed subcontractors in accordance with these and any other requirements of this Request for Proposal.

26. This contract shall be construed according to the laws of the State of Missouri, including Missouri Revised Statute Chapter 610.111.1, which requires that all records of Jackson County, Missouri will be open to the public, unless subject to statutory exception, as Jackson County, Missouri is a public governmental body. Pursuant to Missouri Revised Statute Chapter 610.021(12), sealed proposals and related documents, once the proposal documents have been opened, along with any related documents, are considered public records subject to disclosure upon request. Missouri Revised Statute Chapter 610.021(12) also requires, upon request, disclosure of any negotiated contract and documents related to such contract once the contract has been executed or until all proposals have been rejected.

27. Discussions and Negotiations: The County, in its sole discretion, may do any or all of the following:

- a) evaluate proposals and award a contract with or without discussions or negotiations with any or all Respondents;
- b) discuss and negotiate anything and everything with any Respondent or Respondents at any time;
- c) request additional information from any Respondent;
- d) request a Respondent or Respondents to submit a new Proposal;
- e) request one or more best and final offers from any or all Respondents;
- f) accept any Proposal in whole or part;
- g) require a Respondent to make modifications to their initial Proposal;
- h) make a partial award to any or all Respondents;
- i) make multiple awards to any or all Respondents;
- j) terminate this RFP and reissue an amended RFP.

1.0 INTRODUCTION

Jackson County, Missouri is seeking proposals from Legislative and Governmental Consultants to perform Federal Legislative Lobbying Services for the Jackson County, Missouri County Executive's Office.

2.0 SCOPE OF SERVICES

- 2.1** Consulting, advising and lobbying services for the County on an "as needed" basis, as the County shall deem appropriate. Services will include, but not be limited to, the following:
- 2.1.1** Acting as advocates for and representing the County before Congress and other federally elected and appointed officials and standing committees;
 - 2.1.2** Assisting the County in finalizing its federal program to include pursuing the passage and/or defeat of federal legislation, policies, programs or directives that may directly impact Jackson County;
 - 2.1.3** Providing weekly reports of bills of County interest in formats acceptable to the County prioritized beginning with bills of general County interest;
 - 2.1.4** Providing weekly reports of the activities the Lobbyist has engaged in to further the Legislative priorities of Jackson County;
 - 2.1.5** Providing advice and assistance on special projects that may arise during the year that entails Lobbying or access to Federal Officials;
 - 2.1.6** Confer with the County Executive and County Legislature at least twice during the contract year and more often as the County sees fit for such briefings and dialogue as are necessary;
 - 2.1.7** Monitoring and analyzing legislation field in the General Assembly that affects the County's interests.
- 2.2** This Contract will be for Twelve Months with four Twelve Month renewal options. This contract may be cancelled by either party with Thirty Days written notice to the other party.
- 2.3** The Successful Respondent understands and agrees that they will be rendering all services hereunder as an independent contractor and not as an employee of Jackson County, Missouri. The Successful Respondent shall not be eligible for coverage under any County benefit plan as a result of any agreement. The Successful Respondent shall supply their own office space, equipment, materials, etc. as needed and shall have sole responsibility for determining the manner in which they perform the services hereunder. The County understands and agrees that the Successful Respondent shall not be subject to supervision by the County in the performance of such services. The County shall not set work schedules.
- 2.4** The Successful Respondent understands that the County is entering into this Agreement/Contract relying on their special and unique abilities with respect to performing the Scope of Services specified herein. Accordingly, any attempted or purported assignment of this Agreement/Contract shall be null and void unless the County has given its prior written consent to assignment, which may be conditioned, as the County deems appropriate.

- 2.5 Except with the County's permission, the Successful Respondent agrees not to represent or lobby on behalf of any group with interests which the County deems to conflict with that of the County's. If the Successful Respondent wishes to act as a consultant for such a company or group, they must first seek and receive the County Executive's written permission to do so, such permission being given at the discretion of the County. Any such request and any such permission may be conditioned and specific to certain issues, bills and/or time periods. Due to the County's sensitivity to conflicts of interest, the Successful Respondent shall include in their proposal an explanation including how they would address conflict of interest issues.
- 2.6 The Successful Respondent shall fully comply with all applicable federal and state laws, rules, regulations, including those governing conflict of interest and lobbying and the Missouri Ethics Commission. Without limiting the foregoing, the Successful Respondent shall file in a complete and timely manner all registration and reports required by Missouri Conflict of Interest/Lobbying Laws.

3.0 PROPOSAL FORMAT

Respondent's proposal shall be an **original document plus five copies**. To facilitate the evaluation of proposals, proposal shall be organized in the following manner:

- 3.1 Cover Letter including the Respondent's Name, Firm Name, Address, Telephone Number and Email Address;
- 3.2 All forms contained in this Request for Proposal Package;
- 3.3 The balance of the Request for Proposal Package;
- 3.4 Executive Summary of Respondent's Firm to include the following:
- 3.4.1 Firm Experience: submit a brief description of the firm, including a list of clients for whom the same or similar work has been performed within the last five years. The name, telephone and email address of a representative for each of the identified clients must be included so references can be checked.
 - 3.4.2 The names and qualifications for those members of the firm who will be directly involved or responsible for the proposed services.
 - 3.4.3 Ability to Perform: the Respondent is required to provide a description of how the Respondent proposes to provide the services identified within the "Scope of Services".
 - 3.4.4 Additional Services: the Respondent shall provide a description of any services the Respondent proposes to provide that are in addition to those services specifically requested by this Request for Proposal.
- 3.5 Proposed Minority-Owned/Women-Owned Business Enterprise (MBE/WBE) participations: Respondent should indicate the proposed scope and extent of a Minority-Owned/Women-Owned Business Enterprise.
- 3.6 Explanation of how Respondent would address conflict of interest issues.

Jackson County Missouri Request for Proposal No. 78-13
Page 13 of 17

- 3.7 Pricing: Compensation for work to be provided shall be on a time and expense basis with a maximum amount specified. Respondent shall identify the time for which each of the quoted prices are valid. **Pricing shall be provided in a separate, sealed envelope within the Request for Proposal package.**

4.0 EVALUATION PROCESS

- 4.1 All proposals received that are responsive to the Terms, Conditions and Scope of Services will be evaluated.
- 4.2 A determination will be made based upon firm experience, personnel, ability to perform, additional services and prices.
- 4.3 The County will consider MBE/WBE ownership and/or participation as a component of the "experience" evaluation criteria.
- 4.4 The County reserves the right to determine whether a proposal is responsive and to waive any minor technicalities contained therein, and to reject any and all proposals.
- 4.5 The County shall be the sole judge of the proposals submitted for this Request for Proposal and its decision shall be final.

5.0 CONTRACT NEGOTIATIONS

- 5.1 Upon the selection of the successful Proposal, a contract incorporating the General Conditions, Scope of Services and any other provisions of this Request for Proposal and acceptable to both parties will be prepared and executed by both parties. Should the parties, within a reasonable time frame, as determined by Jackson County, Missouri fail to develop and execute a mutually agreeable Contract, and upon a three (3) business day notification to the selected respondent, the County may reject the proposal and proceed to award the Contract to the next "best" respondent.
- 5.2 Pursuant to Section 610.021 RSMo, proposals and related documents shall not be available for public review until a contract has been awarded or all proposals are rejected.
- 5.3 In no event will the following be considered confidential or exempt from the Missouri Sunshine Law:
- Respondent's entire proposal;
 - Respondent's pricing;
 - Respondent's proposed method of performance, including schedule of events and/or deliverables;
 - Respondent's experience information including customer lists or references;
 - Respondent's product specifications unless specifications disclose scientific and technological innovations in which the owner has a proprietary interest.

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 14 of 17

5.4 The County does generally use standard contract forms which may be provided by the Respondent. The contract documents used by the County will include both the Request for Proposal and the Respondent's proposal. In the event that conflicts in language exist between the Request for Proposal and the Respondent's proposal, the provisions of the Request for Proposal shall govern. The Respondent shall list any and all exceptions as instructed under General Conditions, Item Number Five of this Request for Proposal. Please note that the Respondent's Proposal is subject to rejection if Exceptions to the County's Standard Contract/Agreement are requested.

5.5 Respondent must agree to the following standard provisions:

Indemnification: (Contractor) agrees, to the fullest extent permitted by law, to indemnify and hold the County harmless from damages and losses arising from the negligent acts, errors or omissions of (Contractor) in the performance of the work under this Agreement, to the extent that (Contractor) is responsible for such damages and losses on a comparative basis of fault and responsibility between (Contractor) and the County. (Contractor) is not obligated to indemnify the County for the County's own negligence.

Independent Contractor: (Contractor) shall work as an independent contractor and not as an employee of the County. (Contractor) shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for its own Federal, State and City withholdings taxes and all other taxes, and operate it's business independent of the business of the County except as required by this Agreement.

Confidentiality: (Contractor) acknowledges and agrees that all County information and records are confidential and will not disclose or make available this information or records to anyone outside the County organization unless authorized to do so in writing by the County.

Complete Agreement: Parties agree that this Agreement together with Jackson County, Missouri Request for Proposal No. 78-13 and (Contractor's) response thereto constitute the complete and exclusive agreement between the parties which supercedes all prior proposals or understandings or agreements, oral or written, and all other communications between parties relating to the subject matter of this Agreement.

Notices: Any notice which either party shall be required by this Agreement to give the other shall be in writing and delivered by mail addressed to the respective parties as follows, or to such other addresses, as the respective parties may designate from time to time:

County: Jackson County, Missouri
415 East 12th Street, Room 105
Kansas City, Missouri 64106

Contractor: _____

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 15 of 17

6.0 QUESTIONS

All questions regarding this Request for Proposal must be emailed as detailed under General Conditions, Item Number Five on Page Seven of this Request for Proposal by **December 23, 2013**. Point of Contact for this Request for Proposal is Barbara Casamento, email address bcasamento@jacksongov.org . All questions will answered in the form of Addenda and posted on the County's website.

Appendix B
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Requests for Proposals

Jackson County Missouri Request for Proposal No. 78-13
Page 16 of 17

EXHIBIT A, INSURANCE

Contractor shall procure and maintain in effect throughout this duration of the contract insurance coverages not less than the types and amounts specified in this section. If due to the nature of the goods and/or services provided by the contractor are such that they may be excluded from coverage listed below, an addendum shall be made to the contract requesting coverage and limits required (Professional Liability, Work on bodies of water, Garage or tow services, Liquor liability are some examples).

All subcontractors of the contractor are required to carry the same coverages and limits as the contractor. All Liability policies required are to be written on an "occurrence" basis unless an agreement, in writing, is made with Jackson County.

1. COMMERCIAL GENERAL LIABILITY

Commercial General Liability Insurance: with limits of not less than \$1,000,000 per occurrence and \$2,000,000 Annual Aggregate (both General and Products-Completed Operations). Aggregate shall be on a "per project" basis where more than one project is to be performed by the contractor under this contract. Policy shall include Severability of Interests coverage applying to Additional Insureds and also include Contractual Liability with no limitation endorsements. Policy shall include \$100,000 limit each occurrence for Damage to Rented Premises, \$1,000,000 limit each occurrence for Personal & Advertising injury liability, \$5,000 Medical Expense (any one person), and Employee Benefits Liability coverage with a \$1,000,000 limit.

2. COMMERCIAL AUTOMOBILE LIABILITY

Commercial Automobile Liability Insurance: with a limit not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage Limit (each accident), covering owned, hired, borrowed, and non owned vehicles. Coverage shall be provided on a "any auto" basis and be on a Commercial Business Auto form, or acceptable equivalent, and will protect against claims arising out of the operation of motor vehicles in connection with this contract.

3. WORKERS COMPENSATION AND EMPLOYERS LIABILITY COVERAGE

Contractor shall provide coverage for Workers Compensation and Employers Liability for all claims by employees of the contractor or by anyone for whose acts it may be liable under the statutes of the State of Missouri with limits of:

-Workers Compensation	Statutory
-Employers Liability	\$500,000 each accident
	\$500,000 Disease-each employee
	\$500,000 Disease-Policy limit

4. EXCESS/UMBRELLA LIABILITY COVERAGE

Contractor shall provide Excess/Umbrella liability, on an occurrence basis, with \$10,000 Retention, to provide coverage limits over all liability coverages listed above, at a limit not less than \$1,000,000 each occurrence and \$1,000,000 Aggregate.

5. ADDITIONAL INSURED & CERTIFICATE OF INSURANCE

The Commercial General and Automobile Liability Insurance specified above shall provide that Jackson County Missouri and its agencies, officials, officers, and employees, while acting within the scope of their authority, will be named as additional insured for the services performed under this contract.

A Certificate of Insurance shall be filed with the County's Director of Finance and Purchasing within 10 calendar days of the date when requested or before commencement of the work that are acceptable to the Director that the insurance requirements have been satisfied. Should any of the required insurances be cancelled before the expiration date, a notice shall be filed with the County's Director of Finance and Purchasing in accordance with policy provisions. In the case of multi-year, renewable, or extended term on the contract; Contractor must supply the Director with current Certificate(s) on any coverage mentioned above within Thirty (30) days prior to the expiration date of coverage(s). The Director of Finance and Purchasing may request copies of the Contractor's insurance policies for verification of coverage(s).

6. QUALIFICATIONS INSURANCE CARRIERS

All insurance coverage must be written by companies that have an A. M. Best's rating of "B+ V" or better or Lloyd's of London, and are licensed and approved by the State of Missouri to do business in Missouri.

7. FAILURE TO MAINTAIN INSURANCE COVERAGE

Regardless of any approval by Jackson County, it is the responsibility of the contractor to maintain the required insurance coverage in force at all times; its failure to do so will not relieve it of any contractual obligation or responsibility. In the event of Contractor's failure to maintain the required insurance in effect, Jackson County may order Contractor to stop work immediately and, upon 10 days notice and an opportunity to cure, may pursue its remedies for breach of this contract as provided for herein and by law.

Jackson County Missouri Request for Proposal No. 78-13
Page 17 of 17

EXHIBIT F
RESPONDENT'S EXCEPTIONS
TO
SCOPE OF SERVICES
OF
JACKSON COUNTY, MISSOURI REQUEST FOR PROPOSAL NO. 78-13

Respondent's attention is directed to Paragraph 4 of the General Conditions of this Request for Proposal. **READ THIS PARAGRAPH CAREFULLY.**

The following exceptions to the Scope of Services of Request for Proposal No. 78-13 are requested by the undersigned Respondent: (Use additional pages as necessary.)

REFERENCE PARA # & PAGE #	EXCEPTION REQUESTED

Name of Firm: _____

Signature of Respondent: _____

Handwritten text and/or stamps were added by county employees.

Some of the contracts also include exhibits and the original engagement letter.

For 2011
appropriation.

CT- 51012011008

LEGAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on this 7 day of December, 2011, by and between JACKSON COUNTY, MISSOURI, hereinafter called "the County" and POLSINELLI SHUGHART PC, 700 W. 47th Street – Suite 1000, Kansas City, Missouri 64112, hereinafter called "Legal Counsel."

WITNESSETH:

WHEREAS, Legal Counsel has agreed to provide specialized legal advice and representation to the County in accordance with the terms, conditions, and covenants as set forth in this Agreement; and,

WHEREAS, Legal Counsel and the County have agreed to be bound by the provisions hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, County and Legal Counsel respectively promise, covenant and agree with each other as follows:

1. Legal Counsel shall provide specialized legal advice and representation to the County through lead counsel Anita Estell specifically relating to federal legislative lobbying in accordance with Request for Proposals No. 14-10, and as more specifically described in the engagement letter dated November 23, 2010, attached hereto as Exhibit A.

2. Legal Counsel shall work as an independent contractor and not as an employee of the County. Legal Counsel shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. Legal Counsel shall report all earnings received hereunder as gross income, and be responsible for its

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own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. The County shall pay Legal Counsel for services rendered under this Agreement, a fee of \$160,000. Legal Counsel shall bill County at the rate of \$13,333.33 monthly for its services, and County shall pay Legal Counsel promptly upon receipt of Legal Counsel's statement.

4. Legal counsel shall be responsible for all of the expenses of its work under this Agreement.

5. This Agreement shall commence January 1, 2011, and continue until December 31, 2011, unless sooner terminated. Legal Counsel or the County may terminate this Agreement by giving five (5) days' written notice to the other party, except as otherwise provided in Paragraph 6 of this Agreement. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Legal Counsel may be entitled to receive or be obligated to perform under this Agreement. Should this Agreement terminate, all books, brochures, fliers, lists, and all other County materials must be delivered and returned by the Legal Counsel to the County within three (3) days of the demand of the County.

6. Legal Counsel promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Legal Counsel shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;
- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

In the event Legal Counsel breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Legal Counsel as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Legal Counsel as a result of said breach.

7. Legal Counsel promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Legal Counsel's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Legal Counsel consents and agrees as follows:

- (a) The County may without prior notice to Legal Counsel immediately terminate this Agreement; and,
- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Legal Counsel; and,
- (c) In addition to all of the foregoing, the County shall be entitled to collect from Legal Counsel all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

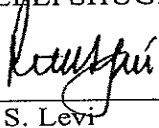
8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

9. This Agreement incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

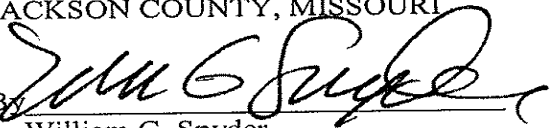
POLSINELLI SHUGHART PC

By


Peter S. Levi
Shareholder

JACKSON COUNTY, MISSOURI

By


William G. Snyder
Acting County Counselor

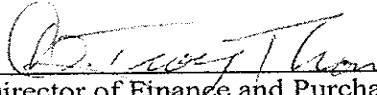
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Federal I.D. #

REVENUE CERTIFICATE

Funds sufficient for this expenditure are subject to appropriation in the County's 2011 annual budget.

Date

December 7, 2011

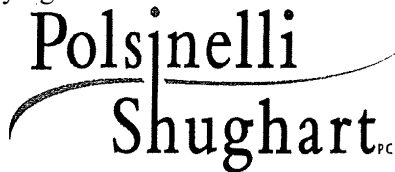

Director of Finance and Purchasing

001-~~6000~~ 5101 - 56020

51012011008

150,453

Contract for 160,000



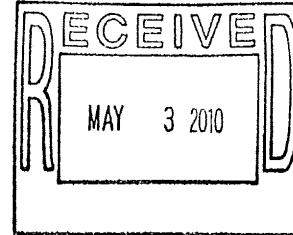
Peter S. Levi
(816) 360-4165
plevi@polsinelli.com

700 West 47th Street, Suite 1000
Kansas City, MO 64112
(816) 753-1000
Facsimile: (816) 753-1536
www.polsinelli.com

April 30, 2010

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

Mr. Michael Sanders
County Executive
Jackson County, Missouri
415 E. 12th Street, 2nd Floor
Kansas City, MO 64106



Re: Engagement Letter

Dear Mr. Sanders:

We are pleased and honored that you have chosen Polsinelli Shughart PC to represent Jackson County, Missouri (the "County") in connection with the matter described below. We thank you for your expression of confidence in us.

This letter is intended to describe the scope of the services our firm has been retained to provide during this engagement as well as the terms and conditions of the engagement. To that end, we have attached our standard **Terms of Representation** which sets forth our firm's established general policies and practices regarding representation of clients and the payment of our fees.

1. **Client.** We understand that the County will be our client. In that regard, while we will report to the County Executive from time to time and while we will work with you and other members of your team on a frequent basis, we understand that no officer, director or employee of the County will be our client.

2. **Scope of Representation.** Regarding the scope of our representation, we understand that we are being retained to represent the County and to perform the following legal services:

Provide legal advice and representation relating to the federal legislative lobbying in accordance with Request for Proposal No. 14-10 and the response submitted by Polsinelli Shughart on April 6, 2010.

3. **Responsibilities.** We will provide legal counsel and assistance in accordance with this letter and will rely upon information and guidance you provide to us. We will keep you reasonably informed of progress and developments, and respond to your inquiries.

In order to enable us to provide the services set forth in this letter, you will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. You will also cooperate fully with us and be available to attend meetings, conferences, hearings and other

EXHIBIT A

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 2

proceedings on reasonable notice, and stay reasonably informed on all developments relating to this matter.

4. **Fees and Expenses.** We will provide these services on a retainer basis at a cost of Ninety Three Thousand Three Hundred Thirty Three and 28/100 Dollars (\$93,333.28), including expenses, for the period commencing May 1, 2010 and ending December 31, 2010. Anita Estell, a Shareholder in our Public Policy Group, will be your lead counsel in our Washington, D.C. office and I will be your lead counsel in Kansas City. In accordance with the terms of Request for Proposal No. 14-10, this engagement shall be for eight months, a four month and two twelve month renewal options.

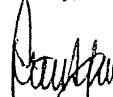
We look forward to representing the County in this matter. When you advise us otherwise, we will give you a new file or files and issue a new engagement letter for assignments which are different from this assignment.

Because this engagement is solely limited to our efforts for the County in Washington, D.C. and our representation of the County before the United States Congress, we hereby request that any potential conflict of interest between any client of our law firm and the County that would arise because of this engagement be waived by the County. By your signature below, you confirm that we can continue to represent any current clients who may now be adverse to the County and any future clients who may be adverse to the County. As a method to confirm this waiver, your counter-signature on this letter will also extend the conflict waiver contained in the earlier correspondence dated March 1, 2010, signed by William Snyder as Acting County Counselor, through the term of the engagement described herein and expand its coverage to match the "Scope of Representation" outlined herein. A copy of the March 1 letter signed by Mr. Snyder is attached as a reference.

We hope this letter and the attached Terms of Representation adequately explain the scope of our services as well as the payment terms of our fees. If they do and you are in agreement with them, please indicate your affirmation by signing the enclosed copy of this letter and returning it to me for our file.

We appreciate the opportunity to work with you and the County and look forward to a mutually beneficial relationship.

Sincerely,




Peter S. Levi

PSL:cew

On behalf of the County, the undersigned hereby accepts the terms of the foregoing engagement letter and the attached Terms of Representation.

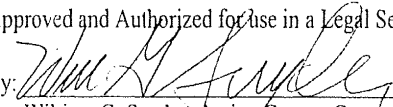
By:



Michael Sanders, County Executive

Approved and Authorized for use in a Legal Services Agreement

By:



William G. Snyder, Acting County Counselor

2670574.1

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 3

TERMS OF REPRESENTATION

Confirmation of Services. Polsinelli Shughart PC is pleased to have this opportunity to serve you. The letter accompanying these Terms of Representation sets forth the scope of our representation. If what is set forth in the accompanying letter or in these Terms of Representation does not accurately describe your understanding of the services we are to perform or the terms for billing fees and expenses, please advise the attorney sending you the letter. Unless the attorney is notified promptly, we will assume that these Terms of Representation and the accompanying letter are acceptable to you.

Scope of Representation. The scope of our representation at this time is limited to providing only those services that are described in the accompanying letter. Unless otherwise noted, we will render those legal services that are necessary to the representation. No other services are intended to be provided without our mutual agreement. Later, if you determine to change materially the scope of our representation, we will need to document that in additional correspondence. Our representation is also limited to working on behalf of the client identified in the accompanying letter. The firm does not represent any other entity or individuals unless specifically stated in the accompanying letter.

Fees Not Contingent and Due Within 30 Days. Our fees are not contingent, and payment is due within 30 days of the receipt of the statement. If the firm has not received any comment about the statement within 30 days of its receipt, we will assume that you found it acceptable. As a means of encouraging timely payment of our statements, we reserve the right to add a late charge of 1.5% per month to bills that are past due, i.e., statements that remain unpaid for more than 30 days. Payment is to be made by check or draft payable to "Polsinelli Shughart PC."

If any of our statements remain unpaid for more than 90 days, we may, consistent with our ethical and court-imposed obligations, cease to perform services until satisfactory arrangements have been made for the payment of the unpaid statements and future fees. In fairness to our many clients who promptly pay their statements each month, we reserve the right to take appropriate action with respect to such delinquent accounts.

Methods of Communication. We are mindful of our obligation to preserve the client's confidential information. To that end, it is important that we agree from the outset what kinds of communications technology we will employ in the course of this engagement. The exchange of documents using the Internet, or even direct computer-to-computer data transfer, may involve some risk that information will be retrieved by third parties. Even the use of fax machines can cause problems if documents are sent to numbers where the documents sit in open view. As part of these general issues, please be aware that (1) e-mail communication is not a secure method of communication in all circumstances, (2) any e-mail that is sent to the client or by the client may be copied and held by various computers that it passes through as it goes from the sender to the recipient, (3) persons not participating in our communication may intercept such messages by improperly accessing the client's computer or the lawyer's computer, or even some computer not related to either the client or the law firm which the e-mail passes through. However, it has been our experience that most current business communications are accomplished by electronic means. The Polsinelli Shughart Law Firm will assume that you have no objections to such communications and consent to receive communications via electronic means unless you notify us in writing to the contrary.

Attorney-Client Communication. Our statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 4

than the client sees the privileged material, we recommend that you keep all of our statements in a separate file marked "Attorney-Client Privileged Materials," and keep the file in a secure place.

Payment of Third-Party Expenses. The firm prefers that you pay directly any significant outside expense items related to your work and, when possible, we will direct such expenses to you for payment. Therefore, we often ask our vendors to bill our clients directly rather than having us incur the expense and then including the amount on our statement.

Termination of Services and Representation. You may terminate our services at any time. Termination of our representation does not, however, relieve you from the responsibility of paying those fees and expenses incurred through the date we were notified of such termination. Similarly, we may withdraw from this representation for a number of reasons, including failure to promptly pay the amounts indicated in our statements; failure to disclose all facts material to our representation; failure to act in accordance with our advice; or development of one or more circumstances which, in our judgment, impair our ability to maintain an effective attorney-client relationship. Upon termination of our services and representation by the client or our withdrawal from representation of the client, we will be entitled to be paid for all services rendered and costs and expenses paid or incurred on behalf of the client to the date of termination or withdrawal. We also will be entitled to payment at our standard billing rates for any work required of us in connection with the turnover of files to the client or new counsel and the orderly transition of pending matters to new counsel, and we also will be entitled to reimbursement of all expenses incurred by us in connection with such work. We will return to the client all papers and property belonging to the client, upon payment of all amounts owed by the client to the firm. Papers and communications that are part of the firm's administrative process although they may concern do not belong to the client. We reserve the right to make, at the client's expense, and retain copies of all documents generated or received by us in the course of our representation of a client. If a client requests documents from us, either during the course of our representation of the client or in connection with or following termination of or withdrawal from such representation, such documents will be provided at the client's expense, including both reproduction costs and professional fees for time expended in reviewing files to locate requested documents.

Estimates of the Cost of Services to be Performed. From time to time, you may ask us to make an estimate of the cost of completing all or part of your matter. Because it is often difficult to estimate at the beginning of a project how much time it will take to complete it, we treat any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise you when we are nearing the estimated price, and we will also advise you if we become aware that the estimate may be exceeded. At that time, you can decide whether to terminate our work on the project, modify the project, or proceed to completion with a different cost estimate.

Completion of Matter. After a particular matter is completed, we do not (unless you specifically request in writing that we do so) undertake to continue to review that matter and update you concerning legal developments, such as changes in applicable laws or regulations. If you do ask us to review a specific matter on which we have previously worked, we will consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant to your operations, we are not undertaking to do so as a part of this representation.

Unless previously terminated, our representation will end upon our sending you our final statement for services rendered with respect to this matter. If, upon any termination or completion of a matter, you wish to have your documents in our possession delivered to you, please advise us.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders

April 30, 2010

Page 5

Client Confidences/Description of Client/Representation in Other Matters/Future Conflicts.

Our clients are engaged in a wide variety of businesses throughout the world. From time to time, we represent clients who are industry competitors. In order to ensure confidentiality, we will not (unless you specifically grant us the authority to do so) discuss or otherwise make available to anyone, including other clients, any confidential information about you, your business or our work on your behalf and will not discuss or otherwise make available to you any confidential information about any of our other clients (if any), their business, or any work on their behalf.

Polsinelli Shughart is a large law firm and represents many other companies and individuals. For example, our firm has a national debtor-creditor, workout, and bankruptcy practice. To avoid any misunderstanding in connection with our current (and any future) engagement with the client, we confirm that we have not been asked to act as counsel for anyone other than the client described in the Engagement Letter or, if the client is a corporation, any subsidiary, parent, affiliate, or other member of the client's corporate group by acting as counsel to the client.

It is possible that during the time that we are representing the client, some of our other present or future clients will have disputes or transactions with the client referenced in the accompanying Engagement Letter. Therefore, as a condition to the firm undertaking this engagement, the client agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such other clients in those other matters are directly adverse to you.

Without limiting the generality of the foregoing, we will have the right to represent debtors, creditors' committees, creditors, shareholders, or other parties in interest in other matters, including in bankruptcy, workout, and other debtor-creditor matters, even when the client is a creditor or is otherwise interested in or potentially interested in such other matter. This would include, but not be limited to: matters, negotiations, and disputes that may arise under loan and security agreements and related documents; negotiation and disputes regarding claims, liens, debtor-in-possession financing, lift of stay issues, plan of reorganization issues; and other issues in which the client may have an interest. The client's signature on the enclosed copy of this letter will constitute its consent to any and all such conflicting representations. We agree, however, that the client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the client, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to the client's material disadvantage.

No Guarantee. We will perform our professional services on your behalf to the best of our ability, but we cannot make and have not made any guarantees regarding the outcome of our work on this project. Any expressions by us about the outcome of this project are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Binding Agreement. The accompanying Engagement Letter and these Terms Of Representation represent the entire agreement between the client and the Polsinelli Shughart Law Firm with respect to this Engagement. By signing the Engagement Letter, the client acknowledges that the Engagement Letter and these Terms Of Representation have been carefully reviewed and its content understood and that the client agrees to be bound by all of its terms and conditions. Furthermore, the client acknowledges that the Polsinelli Shughart Law Firm has made no representations or guarantees to you regarding the outcome of your representation or the time necessary to resolve this matter. No change or waiver of any of the provisions of the Engagement Letter or these Terms Of Representation shall be binding on either you or the law firm unless the change is in writing and signed by both.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 6

Acceptance of Terms of Representation. If these Terms of Representation and the accompanying letter correctly and completely set forth our mutual understanding of the terms of our engagement, please sign a copy of the accompanying letter and return it to our offices for our file.

4
2

LEGAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on this 19 day of JAN.,
2012, by and between JACKSON COUNTY, MISSOURI, hereinafter called "the County" and
POL SINELLI SHUGHART PC, 700 W. 47th Street – Suite 1000, Kansas City, Missouri 64112,
hereinafter called "Legal Counsel."

WITNESSETH:

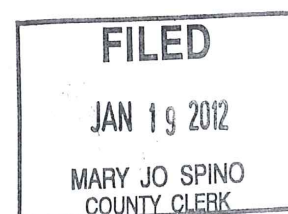
WHEREAS, Legal Counsel has agreed to provide specialized legal advice and
representation to the County in accordance with the terms, conditions, and covenants as set forth
in this Agreement; and,

WHEREAS, Legal Counsel and the County have agreed to be bound by the provisions
hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions
herein contained, County and Legal Counsel respectively promise, covenant, and agree with each
other as follows:

1. Legal Counsel shall provide specialized legal advice and representation to the
County through lead counsel Anita Estell specifically relating to federal legislative lobbying in
accordance with Request for Proposals No. 14-10, and as more specifically described in the
engagement letter dated November 23, 2010, attached hereto as Exhibit A. Pete Levi shall serve
as the lead local counsel for this engagement. Other members of the firm may be called upon
from time to time to lend their assistance, subject to the provisions of Sections 3 and 4 below.

2. Legal Counsel shall work as an independent contractor and not as an employee of
the County. Legal Counsel shall be subject to the direction of the County only as to the result to
be accomplished and not as to the means and methods for accomplishing the result. Legal



Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Counsel shall report all earnings received hereunder as gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. Without regard to the fee specified in Exhibit A, the County shall pay Legal Counsel for services rendered under this Agreement, a fee of \$190,000.00. Legal Counsel shall bill County at the rate of \$15,833.33 monthly for its services, and County shall pay Legal Counsel promptly upon receipt of Legal Counsel's statement.

4. Legal counsel shall be responsible for all of the expenses of its work under this Agreement including all research, travel, and client education expenses.

5. This Agreement shall commence January 1, 2012, and continue until December 31, 2012, unless sooner terminated. Legal Counsel or the County may terminate this Agreement by giving five (5) days' written notice to the other party, except as otherwise provided in Paragraph 6 of this Agreement. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Legal Counsel may be entitled to receive or be obligated to perform under this Agreement. Should this Agreement terminate, all books, brochures, fliers, lists, and all other County materials must be delivered and returned by the Legal Counsel to the County within three (3) days of the demand of the County.

6. Legal Counsel promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Legal Counsel shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

In the event Legal Counsel breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Legal Counsel as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Legal Counsel as a result of said breach.

7. Legal Counsel promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Legal Counsel's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Legal Counsel consents and agrees as follows:

- (a) The County may without prior notice to Legal Counsel immediately terminate this Agreement; and,
- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Legal Counsel; and,
- (c) In addition to all of the foregoing, the County shall be entitled to collect from Legal Counsel all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

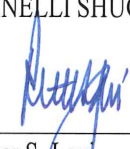
8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

9. This Agreement incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

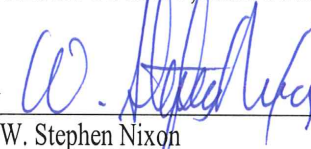
POLSINELLI SHUGHART PC

By


Peter S. Levi
Shareholder

JACKSON COUNTY, MISSOURI

By


W. Stephen Nixon
County Counselor

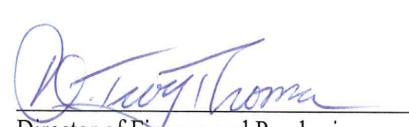
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Federal I.D. #

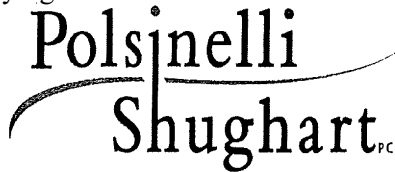
REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$190,000.00 which is hereby authorized.


Date


Director of Finance and Purchasing

Account No. 001-5101-6020
5101 2012 004



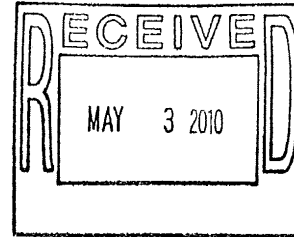
Peter S. Levi
(816) 360-4165
plevi@polsinelli.com

700 West 47th Street, Suite 1000
Kansas City, MO 64112
(816) 753-1000
Facsimile: (816) 753-1536
www.polsinelli.com

April 30, 2010

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

Mr. Michael Sanders
County Executive
Jackson County, Missouri
415 E. 12th Street, 2nd Floor
Kansas City, MO 64106



Re: Engagement Letter

Dear Mr. Sanders:

We are pleased and honored that you have chosen Polsinelli Shughart PC to represent Jackson County, Missouri (the "County") in connection with the matter described below. We thank you for your expression of confidence in us.

This letter is intended to describe the scope of the services our firm has been retained to provide during this engagement as well as the terms and conditions of the engagement. To that end, we have attached our standard **Terms of Representation** which sets forth our firm's established general policies and practices regarding representation of clients and the payment of our fees.

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2. **Scope of Representation.** Regarding the scope of our representation, we understand that we are being retained to represent the County and to perform the following legal services:

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3. **Responsibilities.** We will provide legal counsel and assistance in accordance with this letter and will rely upon information and guidance you provide to us. We will keep you reasonably informed of progress and developments, and respond to your inquiries.

In order to enable us to provide the services set forth in this letter, you will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. You will also cooperate fully with us and be available to attend meetings, conferences, hearings and other

EXHIBIT A

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 2

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We look forward to representing the County in this matter. When you advise us otherwise, we will give you a new file or files and issue a new engagement letter for assignments which are different from this assignment.

Because this engagement is solely limited to our efforts for the County in Washington, D.C. and our representation of the County before the United States Congress, we hereby request that any potential conflict of interest between any client of our law firm and the County that would arise because of this engagement be waived by the County. By your signature below, you confirm that we can continue to represent any current clients who may now be adverse to the County and any future clients who may be adverse to the County. As a method to confirm this waiver, your counter-signature on this letter will also extend the conflict waiver contained in the earlier correspondence dated March 1, 2010, signed by William Snyder as Acting County Counselor, through the term of the engagement described herein and expand its coverage to match the "Scope of Representation" outlined herein. A copy of the March 1 letter signed by Mr. Snyder is attached as a reference.

We hope this letter and the attached Terms of Representation adequately explain the scope of our services as well as the payment terms of our fees. If they do and you are in agreement with them, please indicate your affirmation by signing the enclosed copy of this letter and returning it to me for our file:


We appreciate the opportunity to work with you and the County and look forward to a mutually beneficial relationship.

Sincerely,

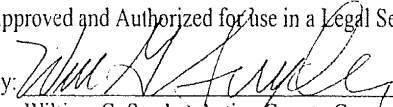

Peter S. Levi

PSL:cew

On behalf of the County, the undersigned hereby accepts the terms of the foregoing engagement letter and the attached Terms of Representation.

By: 
Michael Sanders, County Executive

Approved and Authorized for use in a Legal Services Agreement

By: 
William G. Snyder, Acting County Counselor

2670574.1

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 3

TERMS OF REPRESENTATION

Confirmation of Services. Polsinelli Shughart PC is pleased to have this opportunity to serve you. The letter accompanying these Terms of Representation sets forth the scope of our representation. If what is set forth in the accompanying letter or in these Terms of Representation does not accurately describe your understanding of the services we are to perform or the terms for billing fees and expenses, please advise the attorney sending you the letter. Unless the attorney is notified promptly, we will assume that these Terms of Representation and the accompanying letter are acceptable to you.

Scope of Representation. The scope of our representation at this time is limited to providing only those services that are described in the accompanying letter. Unless otherwise noted, we will render those legal services that are necessary to the representation. No other services are intended to be provided without our mutual agreement. Later, if you determine to change materially the scope of our representation, we will need to document that in additional correspondence. Our representation is also limited to working on behalf of the client identified in the accompanying letter. The firm does not represent any other entity or individuals unless specifically stated in the accompanying letter.

Fees Not Contingent and Due Within 30 Days. Our fees are not contingent, and payment is due within 30 days of the receipt of the statement. If the firm has not received any comment about the statement within 30 days of its receipt, we will assume that you found it acceptable. As a means of encouraging timely payment of our statements, we reserve the right to add a late charge of 1.5% per month to bills that are past due, i.e., statements that remain unpaid for more than 30 days. Payment is to be made by check or draft payable to "Polsinelli Shughart PC."

If any of our statements remain unpaid for more than 90 days, we may, consistent with our ethical and court-imposed obligations, cease to perform services until satisfactory arrangements have been made for the payment of the unpaid statements and future fees. In fairness to our many clients who promptly pay their statements each month, we reserve the right to take appropriate action with respect to such delinquent accounts.

Methods of Communication. We are mindful of our obligation to preserve the client's confidential information. To that end, it is important that we agree from the outset what kinds of communications technology we will employ in the course of this engagement. The exchange of documents using the Internet, or even direct computer-to-computer data transfer, may involve some risk that information will be retrieved by third parties. Even the use of fax machines can cause problems if documents are sent to numbers where the documents sit in open view. As part of these general issues, please be aware that (1) e-mail communication is not a secure method of communication in all circumstances, (2) any e-mail that is sent to the client or by the client may be copied and held by various computers that it passes through as it goes from the sender to the recipient, (3) persons not participating in our communication may intercept such messages by improperly accessing the client's computer or the lawyer's computer, or even some computer not related to either the client or the law firm which the e-mail passes through. However, it has been our experience that most current business communications are accomplished by electronic means. The Polsinelli Shughart Law Firm will assume that you have no objections to such communications and consent to receive communications via electronic means unless you notify us in writing to the contrary.

Attorney-Client Communication. Our statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other

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No-Bid Contracts and Other Expenditures
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Mr. Michael Sanders
April 30, 2010
Page 4

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Payment of Third-Party Expenses. The firm prefers that you pay directly any significant outside expense items related to your work and, when possible, we will direct such expenses to you for payment. Therefore, we often ask our vendors to bill our clients directly rather than having us incur the expense and then including the amount on our statement.

Termination of Services and Representation. You may terminate our services at any time. Termination of our representation does not, however, relieve you from the responsibility of paying those fees and expenses incurred through the date we were notified of such termination. Similarly, we may withdraw from this representation for a number of reasons, including failure to promptly pay the amounts indicated in our statements; failure to disclose all facts material to our representation; failure to act in accordance with our advice; or development of one or more circumstances which, in our judgment, impair our ability to maintain an effective attorney-client relationship. Upon termination of our services and representation by the client or our withdrawal from representation of the client, we will be entitled to be paid for all services rendered and costs and expenses paid or incurred on behalf of the client to the date of termination or withdrawal. We also will be entitled to payment at our standard billing rates for any work required of us in connection with the turnover of files to the client or new counsel and the orderly transition of pending matters to new counsel, and we also will be entitled to reimbursement of all expenses incurred by us in connection with such work. We will return to the client all papers and property belonging to the client, upon payment of all amounts owed by the client to the firm. Papers and communications that are part of the firm's administrative process although they may concern do not belong to the client. We reserve the right to make, at the client's expense, and retain copies of all documents generated or received by us in the course of our representation of a client. If a client requests documents from us, either during the course of our representation of the client or in connection with or following termination of or withdrawal from such representation, such documents will be provided at the client's expense, including both reproduction costs and professional fees for time expended in reviewing files to locate requested documents.

Estimates of the Cost of Services to be Performed. From time to time, you may ask us to make an estimate of the cost of completing all or part of your matter. Because it is often difficult to estimate at the beginning of a project how much time it will take to complete it, we treat any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise you when we are nearing the estimated price, and we will also advise you if we become aware that the estimate may be exceeded. At that time, you can decide whether to terminate our work on the project, modify the project, or proceed to completion with a different cost estimate.

Completion of Matter. After a particular matter is completed, we do not (unless you specifically request in writing that we do so) undertake to continue to review that matter and update you concerning legal developments, such as changes in applicable laws or regulations. If you do ask us to review a specific matter on which we have previously worked, we will consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant to your operations, we are not undertaking to do so as a part of this representation.

Unless previously terminated, our representation will end upon our sending you our final statement for services rendered with respect to this matter. If, upon any termination or completion of a matter, you wish to have your documents in our possession delivered to you, please advise us.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders

April 30, 2010

Page 5

Client Confidences/Description of Client/Representation in Other Matters/Future Conflicts.

Our clients are engaged in a wide variety of businesses throughout the world. From time to time, we represent clients who are industry competitors. In order to ensure confidentiality, we will not (unless you specifically grant us the authority to do so) discuss or otherwise make available to anyone, including other clients, any confidential information about you, your business or our work on your behalf and will not discuss or otherwise make available to you any confidential information about any of our other clients (if any), their business, or any work on their behalf.

Polsinelli Shughart is a large law firm and represents many other companies and individuals. For example, our firm has a national debtor-creditor, workout, and bankruptcy practice. To avoid any misunderstanding in connection with our current (and any future) engagement with the client, we confirm that we have not been asked to act as counsel for anyone other than the client described in the Engagement Letter or, if the client is a corporation, any subsidiary, parent, affiliate, or other member of the client's corporate group by acting as counsel to the client.

It is possible that during the time that we are representing the client, some of our other present or future clients will have disputes or transactions with the client referenced in the accompanying Engagement Letter. Therefore, as a condition to the firm undertaking this engagement, the client agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such other clients in those other matters are directly adverse to you.

Without limiting the generality of the foregoing, we will have the right to represent debtors, creditors' committees, creditors, shareholders, or other parties in interest in other matters, including in bankruptcy, workout, and other debtor-creditor matters, even when the client is a creditor or is otherwise interested in or potentially interested in such other matter. This would include, but not be limited to: matters, negotiations, and disputes that may arise under loan and security agreements and related documents; negotiation and disputes regarding claims, liens, debtor-in-possession financing, lift of stay issues, plan of reorganization issues; and other issues in which the client may have an interest. The client's signature on the enclosed copy of this letter will constitute its consent to any and all such conflicting representations. We agree, however, that the client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the client, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to the client's material disadvantage.

No Guarantee. We will perform our professional services on your behalf to the best of our ability, but we cannot make and have not made any guarantees regarding the outcome of our work on this project. Any expressions by us about the outcome of this project are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Binding Agreement. The accompanying Engagement Letter and these Terms Of Representation represent the entire agreement between the client and the Polsinelli Shughart Law Firm with respect to this Engagement. By signing the Engagement Letter, the client acknowledges that the Engagement Letter and these Terms Of Representation have been carefully reviewed and its content understood and that the client agrees to be bound by all of its terms and conditions. Furthermore, the client acknowledges that the Polsinelli Shughart Law Firm has made no representations or guarantees to you regarding the outcome of your representation or the time necessary to resolve this matter. No change or waiver of any of the provisions of the Engagement Letter or these Terms Of Representation shall be binding on either you or the law firm unless the change is in writing and signed by both.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 6

Acceptance of Terms of Representation. If these Terms of Representation and the accompanying letter correctly and completely set forth our mutual understanding of the terms of our engagement, please sign a copy of the accompanying letter and return it to our offices for our file.

4
2

AMENDMENT TO
LEGAL SERVICES AGREEMENT

Paragraph 3 of the Agreement between Jackson County and Polsinelli Shughart dated January 19, 2012 is hereby amended as follows:

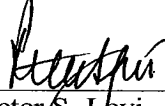
3. Without regard to the fee specified in Exhibit A, the County shall pay legal counsel for services rendered under this agreement a fee of \$205,000. Legal counsel shall bill County at the rate of \$15,333 per month and an additional \$15,000 for the month of June for its services, and County shall pay legal counsel promptly upon receipt of legal counsel's statement.

All other provisions of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Amendment on June 25, 2012.

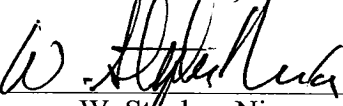
POLSINELLI SHUGHART PC

By


Peter S. Levi
Shareholder

JACKSON COUNTY, MISSOURI

By

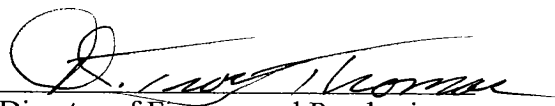

W. Stephen Nixon
County Counselor

43-1064260
Federal I.D. #

REVENUE CERTIFICATE

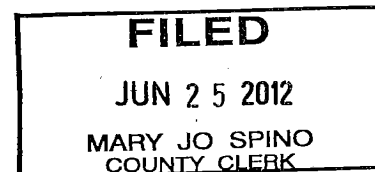
I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$15,000 which is hereby authorized.


Date


Director of Finance and Purchasing
Account No.: 001-5101-6020

51012012025

3137647.1



AMENDMENT TO
LEGAL SERVICES AGREEMENT

Paragraph 3 of the Agreement between Jackson County and Polsinelli Shughart dated January 19, 2012 is hereby amended as follows:

3. Without regard to the fee specified in Exhibit A, the County shall pay legal counsel for services rendered under this agreement a fee of \$215,000. Legal counsel shall bill County at the rate of \$15,833.33 per month and an additional \$10,000 for the month of August, 2012 for its services, and County shall pay legal counsel promptly upon receipt of legal counsel's statement.

All other provisions of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Amendment on Sept. 18, 2012.

POLSINELLI SHUGHART PC

By

Peter S. Levi
Shareholder

JACKSON COUNTY, MISSOURI

By

W. Stephen Nixon
County Counselor

43-1064260
Federal I.D. #

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$10,000 which is hereby authorized.

Date

September 17, 2012

D. J. Thomas
Director of Finance and Purchasing

Account No.: 001-5101-6020

51012012032

FILED

SEP 18 2012

MARY JO SPINO
COUNTY CLERK

LEGAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on this 1st day of January, 2013, by and between JACKSON COUNTY, MISSOURI, hereinafter called "the County" and POLSINELLI SHUGHART PC, 700 W. 47th Street – Suite 1000, Kansas City, Missouri 64112, hereinafter called "Legal Counsel."

WITNESSETH:

WHEREAS, Legal Counsel has agreed to provide specialized legal advice and representation to the County in accordance with the terms, conditions, and covenants as set forth in this Agreement; and,

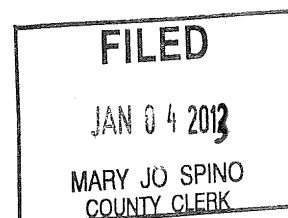
WHEREAS, Legal Counsel and the County have agreed to be bound by the provisions hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, County and Legal Counsel respectively promise, covenant and agree with each other as follows:

1. Legal Counsel shall provide specialized legal advice and representation to the County through lead counsel Anita Estell specifically relating to federal legislative lobbying in accordance with Request for Proposals No. 14-10, and as more specifically described in the engagement letter dated November 23, 2010, attached hereto as Exhibit A. Pete Levi shall serve as the lead local counsel for this engagement. Other members of the firm may be called upon from time to time to lend their assistance, subject to the provisions of Sections 3 and 4 below.

2. Legal Counsel shall work as an independent contractor and not as an employee of the County. Legal Counsel shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. Legal

2768209.4



Counsel shall report all earnings received hereunder as gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. The County shall pay Legal Counsel for services rendered under this Agreement, a fee of \$200,000.00. Legal Counsel shall bill County at the rate of \$16,666.66 monthly for its services, and County shall pay Legal Counsel promptly upon receipt of Legal Counsel's statement.

4. Legal counsel shall be responsible for all of the expenses of its work under this Agreement.

5. This Agreement shall commence January 1, 2013 and continue until December 31, 2013, unless sooner terminated. Legal Counsel or the County may terminate this Agreement by giving five (5) days' written notice to the other party, except as otherwise provided in Paragraph 6 of this Agreement. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Legal Counsel may be entitled to receive or be obligated to perform under this Agreement. Should this Agreement terminate, all books, brochures, fliers, lists, and all other County materials must be delivered and returned by the Legal Counsel to the County within three (3) days of the demand of the County.

6. Legal Counsel promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Legal Counsel shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;
- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

In the event Legal Counsel breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Legal Counsel as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Legal Counsel as a result of said breach.

7. Legal Counsel promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Legal Counsel's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Legal Counsel consents and agrees as follows:

- (a) The County may without prior notice to Legal Counsel immediately terminate this Agreement; and,
- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Legal Counsel; and,
- (c) In addition to all of the foregoing, the County shall be entitled to collect from Legal Counsel all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

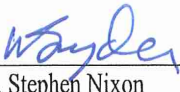
9. This Agreement incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

POLSINELLI SHUGHART PC

JACKSON COUNTY, MISSOURI


By 
Peter S. Levi
Shareholder

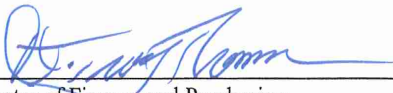
By 
for W. Stephen Nixon
County Counselor

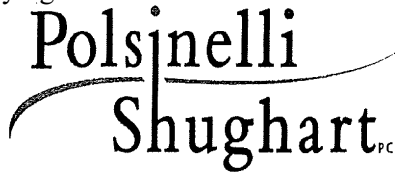
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Date


Director of Finance and Purchasing
Account No.: 001-5101-6020
5101203005



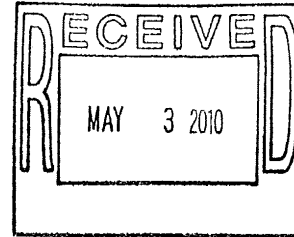
Peter S. Levi
(816) 360-4165
plevi@polsinelli.com

700 West 47th Street, Suite 1000
Kansas City, MO 64112
(816) 753-1000
Facsimile: (816) 753-1536
www.polsinelli.com

April 30, 2010

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

Mr. Michael Sanders
County Executive
Jackson County, Missouri
415 E. 12th Street, 2nd Floor
Kansas City, MO 64106



Re: Engagement Letter

Dear Mr. Sanders:

We are pleased and honored that you have chosen Polsinelli Shughart PC to represent Jackson County, Missouri (the "County") in connection with the matter described below. We thank you for your expression of confidence in us.

This letter is intended to describe the scope of the services our firm has been retained to provide during this engagement as well as the terms and conditions of the engagement. To that end, we have attached our standard **Terms of Representation** which sets forth our firm's established general policies and practices regarding representation of clients and the payment of our fees.

1. **Client.** We understand that the County will be our client. In that regard, while we will report to the County Executive from time to time and while we will work with you and other members of your team on a frequent basis, we understand that no officer, director or employee of the County will be our client.

2. **Scope of Representation.** Regarding the scope of our representation, we understand that we are being retained to represent the County and to perform the following legal services:

Provide legal advice and representation relating to the federal legislative lobbying in accordance with Request for Proposal No. 14-10 and the response submitted by Polsinelli Shughart on April 6, 2010.

3. **Responsibilities.** We will provide legal counsel and assistance in accordance with this letter and will rely upon information and guidance you provide to us. We will keep you reasonably informed of progress and developments, and respond to your inquiries.

In order to enable us to provide the services set forth in this letter, you will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. You will also cooperate fully with us and be available to attend meetings, conferences, hearings and other

EXHIBIT A

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 2

proceedings on reasonable notice, and stay reasonably informed on all developments relating to this matter.

4. **Fees and Expenses.** We will provide these services on a retainer basis at a cost of Ninety Three Thousand Three Hundred Thirty Three and 28/100 Dollars (\$93,333.28), including expenses, for the period commencing May 1, 2010 and ending December 31, 2010. Anita Estell, a Shareholder in our Public Policy Group, will be your lead counsel in our Washington, D.C. office and I will be your lead counsel in Kansas City. In accordance with the terms of Request for Proposal No. 14-10, this engagement shall be for eight months, a four month and two twelve month renewal options.


We look forward to representing the County in this matter. When you advise us otherwise, we will give you a new file or files and issue a new engagement letter for assignments which are different from this assignment.

Because this engagement is solely limited to our efforts for the County in Washington, D.C. and our representation of the County before the United States Congress, we hereby request that any potential conflict of interest between any client of our law firm and the County that would arise because of this engagement be waived by the County. By your signature below, you confirm that we can continue to represent any current clients who may now be adverse to the County and any future clients who may be adverse to the County. As a method to confirm this waiver, your counter-signature on this letter will also extend the conflict waiver contained in the earlier correspondence dated March 1, 2010, signed by William Snyder as Acting County Counselor, through the term of the engagement described herein and expand its coverage to match the "Scope of Representation" outlined herein. A copy of the March 1 letter signed by Mr. Snyder is attached as a reference.

We hope this letter and the attached Terms of Representation adequately explain the scope of our services as well as the payment terms of our fees. If they do and you are in agreement with them, please indicate your affirmation by signing the enclosed copy of this letter and returning it to me for our file:

We appreciate the opportunity to work with you and the County and look forward to a mutually beneficial relationship.

Sincerely,



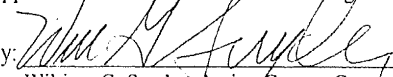
Peter S. Levi

PSL:cew

On behalf of the County, the undersigned hereby accepts the terms of the foregoing engagement letter and the attached Terms of Representation.

By: 
Michael Sanders, County Executive

Approved and Authorized for use in a Legal Services Agreement

By: 
William G. Snyder, Acting County Counselor

2670574.1

Appendix C
Jackson County
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Mr. Michael Sanders
April 30, 2010
Page 3

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If any of our statements remain unpaid for more than 90 days, we may, consistent with our ethical and court-imposed obligations, cease to perform services until satisfactory arrangements have been made for the payment of the unpaid statements and future fees. In fairness to our many clients who promptly pay their statements each month, we reserve the right to take appropriate action with respect to such delinquent accounts.

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Termination of Services and Representation. You may terminate our services at any time. Termination of our representation does not, however, relieve you from the responsibility of paying those fees and expenses incurred through the date we were notified of such termination. Similarly, we may withdraw from this representation for a number of reasons, including failure to promptly pay the amounts indicated in our statements; failure to disclose all facts material to our representation; failure to act in accordance with our advice; or development of one or more circumstances which, in our judgment, impair our ability to maintain an effective attorney-client relationship. Upon termination of our services and representation by the client or our withdrawal from representation of the client, we will be entitled to be paid for all services rendered and costs and expenses paid or incurred on behalf of the client to the date of termination or withdrawal. We also will be entitled to payment at our standard billing rates for any work required of us in connection with the turnover of files to the client or new counsel and the orderly transition of pending matters to new counsel, and we also will be entitled to reimbursement of all expenses incurred by us in connection with such work. We will return to the client all papers and property belonging to the client, upon payment of all amounts owed by the client to the firm. Papers and communications that are part of the firm's administrative process although they may concern do not belong to the client. We reserve the right to make, at the client's expense, and retain copies of all documents generated or received by us in the course of our representation of a client. If a client requests documents from us, either during the course of our representation of the client or in connection with or following termination of or withdrawal from such representation, such documents will be provided at the client's expense, including both reproduction costs and professional fees for time expended in reviewing files to locate requested documents.

Estimates of the Cost of Services to be Performed. From time to time, you may ask us to make an estimate of the cost of completing all or part of your matter. Because it is often difficult to estimate at the beginning of a project how much time it will take to complete it, we treat any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise you when we are nearing the estimated price, and we will also advise you if we become aware that the estimate may be exceeded. At that time, you can decide whether to terminate our work on the project, modify the project, or proceed to completion with a different cost estimate.

Completion of Matter. After a particular matter is completed, we do not (unless you specifically request in writing that we do so) undertake to continue to review that matter and update you concerning legal developments, such as changes in applicable laws or regulations. If you do ask us to review a specific matter on which we have previously worked, we will consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant to your operations, we are not undertaking to do so as a part of this representation.

Unless previously terminated, our representation will end upon our sending you our final statement for services rendered with respect to this matter. If, upon any termination or completion of a matter, you wish to have your documents in our possession delivered to you, please advise us.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders

April 30, 2010

Page 5

Client Confidences/Description of Client/Representation in Other Matters/Future Conflicts.

Our clients are engaged in a wide variety of businesses throughout the world. From time to time, we represent clients who are industry competitors. In order to ensure confidentiality, we will not (unless you specifically grant us the authority to do so) discuss or otherwise make available to anyone, including other clients, any confidential information about you, your business or our work on your behalf and will not discuss or otherwise make available to you any confidential information about any of our other clients (if any), their business, or any work on their behalf.

Polsinelli Shughart is a large law firm and represents many other companies and individuals. For example, our firm has a national debtor-creditor, workout, and bankruptcy practice. To avoid any misunderstanding in connection with our current (and any future) engagement with the client, we confirm that we have not been asked to act as counsel for anyone other than the client described in the Engagement Letter or, if the client is a corporation, any subsidiary, parent, affiliate, or other member of the client's corporate group by acting as counsel to the client.

It is possible that during the time that we are representing the client, some of our other present or future clients will have disputes or transactions with the client referenced in the accompanying Engagement Letter. Therefore, as a condition to the firm undertaking this engagement, the client agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such other clients in those other matters are directly adverse to you.

Without limiting the generality of the foregoing, we will have the right to represent debtors, creditors' committees, creditors, shareholders, or other parties in interest in other matters, including in bankruptcy, workout, and other debtor-creditor matters, even when the client is a creditor or is otherwise interested in or potentially interested in such other matter. This would include, but not be limited to: matters, negotiations, and disputes that may arise under loan and security agreements and related documents; negotiation and disputes regarding claims, liens, debtor-in-possession financing, lift of stay issues, plan of reorganization issues; and other issues in which the client may have an interest. The client's signature on the enclosed copy of this letter will constitute its consent to any and all such conflicting representations. We agree, however, that the client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the client, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to the client's material disadvantage.

No Guarantee. We will perform our professional services on your behalf to the best of our ability, but we cannot make and have not made any guarantees regarding the outcome of our work on this project. Any expressions by us about the outcome of this project are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Binding Agreement. The accompanying Engagement Letter and these Terms Of Representation represent the entire agreement between the client and the Polsinelli Shughart Law Firm with respect to this Engagement. By signing the Engagement Letter, the client acknowledges that the Engagement Letter and these Terms Of Representation have been carefully reviewed and its content understood and that the client agrees to be bound by all of its terms and conditions. Furthermore, the client acknowledges that the Polsinelli Shughart Law Firm has made no representations or guarantees to you regarding the outcome of your representation or the time necessary to resolve this matter. No change or waiver of any of the provisions of the Engagement Letter or these Terms Of Representation shall be binding on either you or the law firm unless the change is in writing and signed by both.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 6

Acceptance of Terms of Representation. If these Terms of Representation and the accompanying letter correctly and completely set forth our mutual understanding of the terms of our engagement, please sign a copy of the accompanying letter and return it to our offices for our file.

4
12

Corrected

LEGAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on this 1st day of January, 2013, by and between JACKSON COUNTY, MISSOURI, hereinafter called "the County" and POLSINELLI SHUGHART PC, 700 W. 47th Street – Suite 1000, Kansas City, Missouri 64112, hereinafter called "Legal Counsel."

WITNESSETH:

WHEREAS, Legal Counsel has agreed to provide specialized legal advice and representation to the County in accordance with the terms, conditions, and covenants as set forth in this Agreement; and,

WHEREAS, Legal Counsel and the County have agreed to be bound by the provisions hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, County and Legal Counsel respectively promise, covenant, and agree with each other as follows:

1. Legal Counsel shall provide specialized legal advice and representation to the County through lead counsel Anita Estell specifically relating to federal legislative lobbying, particularly with regard to matters related to rail and mass transit, in accordance with Request for Proposals No. 14-10, and as more specifically described in the engagement letter dated November 23, 2010, attached hereto as Exhibit A. Pete Levi shall serve as the lead local counsel for this engagement. Other members of the firm may be called upon from time to time to lend their assistance, subject to the provisions of Sections 3 and 4 below.

2. Legal Counsel shall work as an independent contractor and not as an employee of the County. Legal Counsel shall be subject to the direction of the County only as to the result to be



Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

accomplished and not as to the means and methods for accomplishing the result. Legal Counsel shall report all earnings received hereunder as gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. The County shall pay Legal Counsel for services rendered under this Agreement, a fee of \$200,000.00. Legal Counsel shall bill County at the rate of \$16,666.66 monthly for its services, and County shall pay Legal Counsel promptly upon receipt of Legal Counsel's statement.

4. Legal counsel shall be responsible for all of the expenses of its work under this Agreement.

5. This Agreement shall commence January 1, 2013, and continue until December 31, 2013, unless sooner terminated. Legal Counsel or the County may terminate this Agreement by giving five (5) days' written notice to the other party, except as otherwise provided in Paragraph 6 of this Agreement. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Legal Counsel may be entitled to receive or be obligated to perform under this Agreement. Should this Agreement terminate, all books, brochures, fliers, lists, and all other County materials must be delivered and returned by the Legal Counsel to the County within three (3) days of the demand of the County.

6. Legal Counsel promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Legal Counsel shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;
- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

In the event Legal Counsel breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Legal Counsel as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Legal Counsel as a result of said breach.

7. Legal Counsel promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Legal Counsel's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Legal Counsel consents and agrees as follows:

- (a) The County may without prior notice to Legal Counsel immediately terminate this Agreement; and,
- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Legal Counsel; and,
- (c) In addition to all of the foregoing, the County shall be entitled to collect from Legal Counsel all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Polsinelli - 2013 contract

9. This Agreement incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

POLSINELLI SHUGHART PC

JACKSON COUNTY, MISSOURI

By

Peter S. Levi
Peter S. Levi

Shareholder

By

W. Stephen Nixon
for W. Stephen Nixon
County Counselor

43-1064260
Federal I.D. #

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$200,000.00 which is hereby authorized.

Date

January 4, 2013

Director of Finance and Purchasing

Account No.: ~~001-5101-6020~~

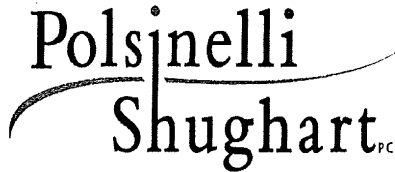
51012013005

Effective 2/1

Accts 001-5101-6020-92,500.67
004-5104-6020-75000

Contract #

51012013015



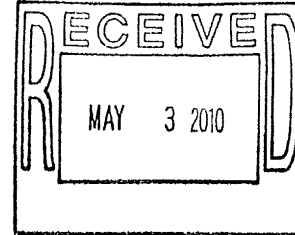
Peter S. Levi
(816) 360-4165
plevi@polsinelli.com

700 West 47th Street, Suite 1000
Kansas City, MO 64112
(816) 753-1000
Facsimile: (816) 753-1536
www.polsinelli.com

April 30, 2010

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

Mr. Michael Sanders
County Executive
Jackson County, Missouri
415 E. 12th Street, 2nd Floor
Kansas City, MO 64106



Re: Engagement Letter

Dear Mr. Sanders:

We are pleased and honored that you have chosen Polsinelli Shughart PC to represent Jackson County, Missouri (the "County") in connection with the matter described below. We thank you for your expression of confidence in us.

This letter is intended to describe the scope of the services our firm has been retained to provide during this engagement as well as the terms and conditions of the engagement. To that end, we have attached our standard **Terms of Representation** which sets forth our firm's established general policies and practices regarding representation of clients and the payment of our fees.

1. **Client.** We understand that the County will be our client. In that regard, while we will report to the County Executive from time to time and while we will work with you and other members of your team on a frequent basis, we understand that no officer, director or employee of the County will be our client.

2. **Scope of Representation.** Regarding the scope of our representation, we understand that we are being retained to represent the County and to perform the following legal services:

Provide legal advice and representation relating to the federal legislative lobbying in accordance with Request for Proposal No. 14-10 and the response submitted by Polsinelli Shughart on April 6, 2010.

3. **Responsibilities.** We will provide legal counsel and assistance in accordance with this letter and will rely upon information and guidance you provide to us. We will keep you reasonably informed of progress and developments, and respond to your inquiries.

In order to enable us to provide the services set forth in this letter, you will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. You will also cooperate fully with us and be available to attend meetings, conferences, hearings and other

EXHIBIT A

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 2

proceedings on reasonable notice, and stay reasonably informed on all developments relating to this matter.

4. **Fees and Expenses.** We will provide these services on a retainer basis at a cost of Ninety Three Thousand Three Hundred Thirty Three and 28/100 Dollars (\$93,333.28), including expenses, for the period commencing May 1, 2010 and ending December 31, 2010. Anita Estell, a Shareholder in our Public Policy Group, will be your lead counsel in our Washington, D.C. office and I will be your lead counsel in Kansas City. In accordance with the terms of Request for Proposal No. 14-10, this engagement shall be for eight months, a four month and two twelve month renewal options.

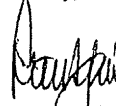
We look forward to representing the County in this matter. When you advise us otherwise, we will give you a new file or files and issue a new engagement letter for assignments which are different from this assignment.

Because this engagement is solely limited to our efforts for the County in Washington, D.C. and our representation of the County before the United States Congress, we hereby request that any potential conflict of interest between any client of our law firm and the County that would arise because of this engagement be waived by the County. By your signature below, you confirm that we can continue to represent any current clients who may now be adverse to the County and any future clients who may be adverse to the County. As a method to confirm this waiver, your counter-signature on this letter will also extend the conflict waiver contained in the earlier correspondence dated March 1, 2010, signed by William Snyder as Acting County Counselor, through the term of the engagement described herein and expand its coverage to match the "Scope of Representation" outlined herein. A copy of the March 1 letter signed by Mr. Snyder is attached as a reference.

We hope this letter and the attached Terms of Representation adequately explain the scope of our services as well as the payment terms of our fees. If they do and you are in agreement with them, please indicate your affirmation by signing the enclosed copy of this letter and returning it to me for our file.

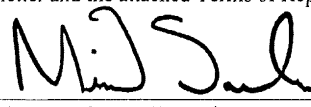
We appreciate the opportunity to work with you and the County and look forward to a mutually beneficial relationship.

Sincerely,

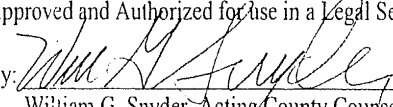

Peter S. Levi

PSL:cew

On behalf of the County, the undersigned hereby accepts the terms of the foregoing engagement letter and the attached Terms of Representation.

By: 
Michael Sanders, County Executive

Approved and Authorized for use in a Legal Services Agreement

By: 
William G. Snyder, Acting County Counselor

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders

April 30, 2010

Page 3

TERMS OF REPRESENTATION

Confirmation of Services. Polsinelli Shughart PC is pleased to have this opportunity to serve you. The letter accompanying these Terms of Representation sets forth the scope of our representation. If what is set forth in the accompanying letter or in these Terms of Representation does not accurately describe your understanding of the services we are to perform or the terms for billing fees and expenses, please advise the attorney sending you the letter. Unless the attorney is notified promptly, we will assume that these Terms of Representation and the accompanying letter are acceptable to you.

Scope of Representation. The scope of our representation at this time is limited to providing only those services that are described in the accompanying letter. Unless otherwise noted, we will render those legal services that are necessary to the representation. No other services are intended to be provided without our mutual agreement. Later, if you determine to change materially the scope of our representation, we will need to document that in additional correspondence. Our representation is also limited to working on behalf of the client identified in the accompanying letter. The firm does not represent any other entity or individuals unless specifically stated in the accompanying letter.

Fees Not Contingent and Due Within 30 Days. Our fees are not contingent, and payment is due within 30 days of the receipt of the statement. If the firm has not received any comment about the statement within 30 days of its receipt, we will assume that you found it acceptable. As a means of encouraging timely payment of our statements, we reserve the right to add a late charge of 1.5% per month to bills that are past due, i.e., statements that remain unpaid for more than 30 days. Payment is to be made by check or draft payable to "Polsinelli Shughart PC."

If any of our statements remain unpaid for more than 90 days, we may, consistent with our ethical and court-imposed obligations, cease to perform services until satisfactory arrangements have been made for the payment of the unpaid statements and future fees. In fairness to our many clients who promptly pay their statements each month, we reserve the right to take appropriate action with respect to such delinquent accounts.

Methods of Communication. We are mindful of our obligation to preserve the client's confidential information. To that end, it is important that we agree from the outset what kinds of communications technology we will employ in the course of this engagement. The exchange of documents using the Internet, or even direct computer-to-computer data transfer, may involve some risk that information will be retrieved by third parties. Even the use of fax machines can cause problems if documents are sent to numbers where the documents sit in open view. As part of these general issues, please be aware that (1) e-mail communication is not a secure method of communication in all circumstances, (2) any e-mail that is sent to the client or by the client may be copied and held by various computers that it passes through as it goes from the sender to the recipient, (3) persons not participating in our communication may intercept such messages by improperly accessing the client's computer or the lawyer's computer, or even some computer not related to either the client or the law firm which the e-mail passes through. However, it has been our experience that most current business communications are accomplished by electronic means. The Polsinelli Shughart Law Firm will assume that you have no objections to such communications and consent to receive communications via electronic means unless you notify us in writing to the contrary.

Attorney-Client Communication. Our statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders

April 30, 2010

Page 4

than the client sees the privileged material, we recommend that you keep all of our statements in a separate file marked "Attorney-Client Privileged Materials," and keep the file in a secure place.

Payment of Third-Party Expenses. The firm prefers that you pay directly any significant outside expense items related to your work and, when possible, we will direct such expenses to you for payment. Therefore, we often ask our vendors to bill our clients directly rather than having us incur the expense and then including the amount on our statement.

Termination of Services and Representation. You may terminate our services at any time. Termination of our representation does not, however, relieve you from the responsibility of paying those fees and expenses incurred through the date we were notified of such termination. Similarly, we may withdraw from this representation for a number of reasons, including failure to promptly pay the amounts indicated in our statements; failure to disclose all facts material to our representation; failure to act in accordance with our advice; or development of one or more circumstances which, in our judgment, impair our ability to maintain an effective attorney-client relationship. Upon termination of our services and representation by the client or our withdrawal from representation of the client, we will be entitled to be paid for all services rendered and costs and expenses paid or incurred on behalf of the client to the date of termination or withdrawal. We also will be entitled to payment at our standard billing rates for any work required of us in connection with the turnover of files to the client or new counsel and the orderly transition of pending matters to new counsel, and we also will be entitled to reimbursement of all expenses incurred by us in connection with such work. We will return to the client all papers and property belonging to the client, upon payment of all amounts owed by the client to the firm. Papers and communications that are part of the firm's administrative process although they may concern do not belong to the client. We reserve the right to make, at the client's expense, and retain copies of all documents generated or received by us in the course of our representation of a client. If a client requests documents from us, either during the course of our representation of the client or in connection with or following termination of or withdrawal from such representation, such documents will be provided at the client's expense, including both reproduction costs and professional fees for time expended in reviewing files to locate requested documents.

Estimates of the Cost of Services to be Performed. From time to time, you may ask us to make an estimate of the cost of completing all or part of your matter. Because it is often difficult to estimate at the beginning of a project how much time it will take to complete it, we treat any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise you when we are nearing the estimated price, and we will also advise you if we become aware that the estimate may be exceeded. At that time, you can decide whether to terminate our work on the project, modify the project, or proceed to completion with a different cost estimate.

Completion of Matter. After a particular matter is completed, we do not (unless you specifically request in writing that we do so) undertake to continue to review that matter and update you concerning legal developments, such as changes in applicable laws or regulations. If you do ask us to review a specific matter on which we have previously worked, we will consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant to your operations, we are not undertaking to do so as a part of this representation.

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Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders

April 30, 2010

Page 5

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Our clients are engaged in a wide variety of businesses throughout the world. From time to time, we represent clients who are industry competitors. In order to ensure confidentiality, we will not (unless you specifically grant us the authority to do so) discuss or otherwise make available to anyone, including other clients, any confidential information about you, your business or our work on your behalf and will not discuss or otherwise make available to you any confidential information about any of our other clients (if any), their business, or any work on their behalf.

Polsinelli Shughart is a large law firm and represents many other companies and individuals. For example, our firm has a national debtor-creditor, workout, and bankruptcy practice. To avoid any misunderstanding in connection with our current (and any future) engagement with the client, we confirm that we have not been asked to act as counsel for anyone other than the client described in the Engagement Letter or, if the client is a corporation, any subsidiary, parent, affiliate, or other member of the client's corporate group by acting as counsel to the client.

It is possible that during the time that we are representing the client, some of our other present or future clients will have disputes or transactions with the client referenced in the accompanying Engagement Letter. Therefore, as a condition to the firm undertaking this engagement, the client agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such other clients in those other matters are directly adverse to you.

Without limiting the generality of the foregoing, we will have the right to represent debtors, creditors' committees, creditors, shareholders, or other parties in interest in other matters, including in bankruptcy, workout, and other debtor-creditor matters, even when the client is a creditor or is otherwise interested in or potentially interested in such other matter. This would include, but not be limited to: matters, negotiations, and disputes that may arise under loan and security agreements and related documents; negotiation and disputes regarding claims, liens, debtor-in-possession financing, lift of stay issues, plan of reorganization issues; and other issues in which the client may have an interest. The client's signature on the enclosed copy of this letter will constitute its consent to any and all such conflicting representations. We agree, however, that the client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the client, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to the client's material disadvantage.

No Guarantee. We will perform our professional services on your behalf to the best of our ability, but we cannot make and have not made any guarantees regarding the outcome of our work on this project. Any expressions by us about the outcome of this project are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Binding Agreement. The accompanying Engagement Letter and these Terms Of Representation represent the entire agreement between the client and the Polsinelli Shughart Law Firm with respect to this Engagement. By signing the Engagement Letter, the client acknowledges that the Engagement Letter and these Terms Of Representation have been carefully reviewed and its content understood and that the client agrees to be bound by all of its terms and conditions. Furthermore, the client acknowledges that the Polsinelli Shughart Law Firm has made no representations or guarantees to you regarding the outcome of your representation or the time necessary to resolve this matter. No change or waiver of any of the provisions of the Engagement Letter or these Terms Of Representation shall be binding on either you or the law firm unless the change is in writing and signed by both.

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 6

Acceptance of Terms of Representation. If these Terms of Representation and the accompanying letter correctly and completely set forth our mutual understanding of the terms of our engagement, please sign a copy of the accompanying letter and return it to our offices for our file.

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PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT, made and entered into on this 6th day of January, 2014, by and between **JACKSON COUNTY, MISSOURI**, hereinafter called "the County" and **POLSINELLI**, 1401 Eye Street, Northwest, Suite 800, Washington, DC 20005, hereinafter called "Polsinelli."

WITNESSETH:

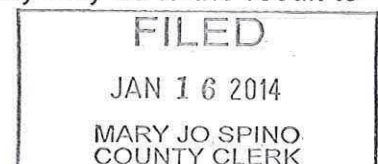
WHEREAS, Polsinelli has agreed to provide specialized legal advice and representation to the County in accordance with the terms, conditions, and covenants as set forth in this Agreement; and,

WHEREAS, Polsinelli and the County have agreed to be bound by the provisions hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, County and Polsinelli respectively promise, covenant, and agree with each other as follows:

1. Polsinelli shall provide specialized legal advice and representation to the County through lead co-counsels Anita Estell and Peter Levi specifically relating to federal legislative lobbying, particularly with regard to matters related to rail and mass transit, in accordance with Polsinelli's Response to the County's Request for Proposals No. 78-13, and as more specifically described in the Scope of Services from page 21 of RFP 78-13, attached hereto as Exhibit A and incorporated herein by reference. Other members of the firm may be called upon from time to time to lend their assistance, subject to the provisions of Sections 3 and 4 below. Polsinelli shall work at the direction of the County Executive.

2. Polsinelli shall work as an independent contractor and not as an employee of the County. Polsinelli shall be subject to the direction of the County only as to the result to



be accomplished and not as to the means and methods for accomplishing the result. Polsinelli shall report all earnings received hereunder as gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. The County shall pay Polsinelli for services rendered under this Agreement, a fee of \$200,000.00. Polsinelli shall bill County at the rate of \$16,666.66 monthly for its services, and County shall pay Polsinelli promptly upon receipt of Polsinelli's statement.

4. Polsinelli shall be responsible for all of the expenses of its work under this Agreement.

5. This Agreement shall be effective as of January 6, 2014, and continue until January 5, 2015, ("Initial Term") unless earlier terminated as hereinafter provided. Following the Initial Term, and at the agreement of both parties, this Agreement may be renewed for up to four additional twelve-month periods ("Renewal Terms"), pursuant to the terms and conditions of RFP 78-13. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Polsinelli may be entitled to receive or be obligated to perform under this Agreement. Should this Agreement terminate, all books, brochures, fliers, lists, and all other County materials must be delivered and returned by the Polsinelli to the County within three (3) days of the demand of the County.

6. Polsinelli promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Polsinelli shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;

- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

In the event Polsinelli breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Polsinelli as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Polsinelli as a result of said breach.

7. Polsinelli promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Polsinelli's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Polsinelli consents and agrees as follows:

- (a) The County may without prior notice to Polsinelli immediately terminate this Agreement; and,
- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Polsinelli; and,
- (c) In addition to all of the foregoing, the County shall be entitled to collect from Polsinelli all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and

provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

9. Pursuant to §285.530.1, RSMo, Polsinelli assures that it does not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri and/or Jackson County, and shall affirm, by sworn affidavit and provision of documentation, its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Further, Polsinelli shall sign an affidavit, attached hereto and incorporated herein as Exhibit B, affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

10. This Agreement, together with the County's RFP and Polsinelli 's Response, incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

POLSINELLI

JACKSON COUNTY, MISSOURI

By 
Peter S. Levi
Shareholder

By 
Michael D. Sanders
County Executive

Federal I.D. No. 43-1064260

APPROVED AS TO FORM:

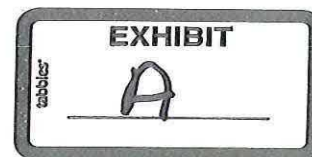

W. Stephen Nixon
County Counselor

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$200,000.00 which is hereby authorized.


Date


Director of Finance and Purchasing
Account No. 004-5104 \$6080
5104001400 1



3.4.3: Ability to Perform

Moving Forward: How We Plan to Achieve County Objectives in the Future

Satisfying the Scope of Services

Polsinelli brings a vigorous and results-oriented work ethic to all of its public policy representations. We will satisfy all of the requirements listed in the Scope of Services as described below:

- Acting as advocates for and representing the County before Congress and other federally elected and appointed officials
- Assisting the County in finalizing its federal program to include pursuing the passage and/or defeat of federal legislation, policies, programs or directives that may directly impact Jackson County
- Providing weekly reports of bills of County interest in formats acceptable to the County prioritized beginning with bills of general County interest
- Providing weekly reports of the activities that the Lobbyist has engaged in to further the Legislative priorities of Jackson County
- Providing advice and assistance on special projects that may arise during the year that entails Lobbying or access to Federal Officials
- Confer with the County Executive and County Legislature at least twice during the contract year and more often as the County sees fit for such briefings and dialogue as are necessary
- Monitoring and analyzing legislation filed in the General Assembly that affects the County's interests

Providing Additional Administrative Support

Missouri Offices (including Kansas City, MO)

Polsinelli is proud to have a strong presence in Missouri. As a national law firm with headquarters in Kansas City, Missouri, Polsinelli is committed to seeing the region and state thrive. We have seven offices in the bi-state region. Our Kansas City office houses experienced attorneys and professionals with expertise in transportation, labor and employment, and state and local public policy among other areas. The Kansas City office will remain available to County officials for meetings, briefings, and other state-centered events and activities. Project co-lead Pete Levi and Shareholder Mary Jane Judy are located in the Kansas City office, providing the County with experienced and attentive Polsinelli liaisons on the ground in Missouri.

Washington, DC Office

In our downtown Washington, DC office, we have meeting space that is available to the County. Our venue often accommodates policy briefings, luncheons, receptions and fundraisers. As the County is already aware, we also assist in preparing hand-outs, legislative language, letters of request, and other materials.

Preparing for What's on the Federal Horizon

As the County continues to refine its ambitious multimodal transportation plan, it is critical to remain apprised of actions and deliberations at the national level regarding transportation funding. There are many moving parts to the County's plan including the possibility of commuter rail, light rail, bus enhancements, trails, and streetcars. Federal funding and programs for these varying modes of transportation engage several different agencies and could be affected by several pieces of federal legislation. Below is a brief discussion of a few measures likely to receive congressional consideration in the coming year:

MAP-21	The federal surface transportation law will expire at the end of September 2014. There is a possibility that draft reauthorization legislation will be made available by early spring to provide sufficient time for debate. Sen. Barbara Boxer and Rep. Bill Shuster (chairs of the relevant authorizing committees) will look to build on their success with bipartisan water resources legislation to reauthorize MAP-21 on time.
Building and Renewing Infrastructure for Development and Growth in Employment (BRIDGE) Act of 2013	This piece of legislation would establish an independent Infrastructure Financing Authority (IFA) to complement existing infrastructure funding mechanisms. The IFA would receive an initial \$10 billion investment to help localities and states fund road, bridge, rail, and port projects. Both Missouri senators (Claire McCaskill and Roy Blunt) are co-sponsors of the legislation.
Transportation and Regional Infrastructure Project (TRIP) Bonds Act of 2013	The legislation, introduced by Sen. Ron Wyden (D-OR), would provide \$50 billion in new transportation infrastructure funding through bonds to aid state and local governments in financing projects related to all modes of transportation, including transit systems and roads.

3.4.4: Additional Services

The County already is aware of the unique suite of services that Polsinelli provides. With our strong presence in Missouri, the Polsinelli representation takes on a collaborative character that is not easily duplicated. While serving as the County's federal representative, we are able to easily monitor state and local issues and aid the County in working with the Missouri Governor's office, state legislature as well as the local government in Kansas City. Our professionals have developed excellent working relationships with state legislators, agency officials, and their staffs.

We also have worked closely with Jackson County officials and staff for several years on strategies for the commuter rail project, and are in a unique position to collaborate with key stakeholders regarding the interplay between the Kansas City streetcar and the County's multimodal transportation plan. Polsinelli has a sophisticated substantive and procedural understanding, as well as a unique institutional memory that can inform future plans for County transportation expansion.

As Jackson County residents, we remain committed to the common goals of modernized and vibrant public transportation, robust economic and community development, enhanced public safety and general regional revitalization because we are in and of the local community. We seek the opportunity to continue serving the County, not only as advocacy professionals, but as concerned residents with a vested interest in the County's success.

EXHIBIT B

WORK AUTHORIZATION AFFIDAVIT

As a condition for any service provided to the County, a business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

Business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo, is any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit.

Every such business entity shall complete the following affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. The completed affidavit must be returned as a part of the contract documentation.

This affidavit affirms that **Polsinelli**, is enrolled in, and is currently participating in, E-verify or any other equivalent electronic verification of work authorization operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986 (IRCA); and, **Polsinelli**, does not knowingly employ any person who is an unauthorized alien in conjunction with the contracted services.

In Affirmation thereof, the facts stated above are true and correct. (The undersigned understands that false statements made in this filing are subject to the penalties provided under section 575.040, RSMo.)

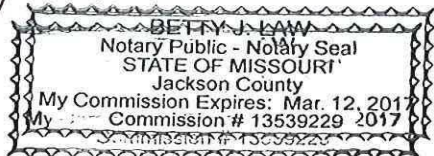
[Signature]
Authorized Representative's Signature
Chief HR Officer
Title

Jodie Hyke
Printed Name
1-10-14
Date

Subscribed and sworn before me this 10th day of JANUARY, 2014. I am commissioned as a notary public within the County of JACKSON, State of MISSOURI, and my commission expires on MARCH 12, 2017.

Betty J. Law
Signature of Notary

January 10, 2014
Date



AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT

Paragraph 3 of the Agreement between Jackson County and Polsinelli PC dated January 6, 2014 is hereby amended as follows:

3. Without regard to the fee specified in Exhibit A, the County shall pay Polsinelli for services rendered under this agreement a fee of \$210,000.00. Polsinelli shall bill County at the rate of \$16,666.66 per month and an additional \$10,000 for the month of November, 2014 for its services, and County shall pay Polsinelli prior to December 31, 2014.

All other provisions of this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Amendment on October 28th, 2014.

POLSINELLI PC

By

Peter S. Levi
Shareholder

JACKSON COUNTY, MISSOURI

By

Michael D. Sanders
County Executive

43-1064260

Federal I.D. #

APPROVED TO FORM:

W. Stephen Nixon
W. Stephen Nixon
County Counselor

FILED

OCT 28 2014

MARY JO SPINO
COUNTY CLERK

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$10,000.00 which is hereby authorized.

Date

October 27, 2014

Director of Finance and Purchasing
Account No.: 004-5104-56080

51042014006

PROFESSIONAL SERVICES AGREEMENT
(First of Four Renewal Terms)

THIS AGREEMENT, made and entered into on this 12th day of December, 2014, by and between **JACKSON COUNTY, MISSOURI**, hereinafter called "the County" and **POLSINELLI**, 1401 I Street, Northwest, Suite 800, Washington, DC 20005, hereinafter called "Polsinelli."

W I T N E S S E T H:

WHEREAS, the County has a need for specialized advice and consulting related to federal legislative lobbying particularly with regard to matters related to rail and mass transit; and,

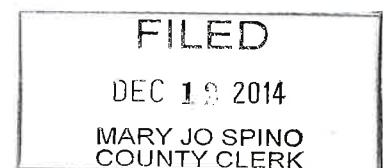
WHEREAS, the County awarded a contract on Request for Proposals No. 78-13 for these services to Polsinelli and entered into an Agreement dated January 6, 2014, ("Initial Term") for the period of January 6, 2014, to January 5, 2015, with the option to renew for four additional twelve-months periods ("Renewal Terms"); and,

WHEREAS, County and Polsinelli now desire to exercise the option to renew this Agreement for an additional twelve-month period ("First Renewal Term"); and,

WHEREAS, Polsinelli and the County have agreed to be bound by the provisions hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, County and Polsinelli respectively promise, covenant, and agree with each other as follows:

1. Polsinelli shall provide specialized legal advice and representation to the County through lead co-counsels Anita Estell and Peter Levi specifically relating to federal legislative lobbying, particularly with regard to matters related to rail and mass transit, in



accordance with Polsinelli's Response to the County's Request for Proposals No. 78-13, and as more specifically described in the Scope of Services from page 21 of RFP 78-13, attached hereto as Exhibit A and incorporated herein by reference. Other members of the firm may be called upon from time to time to lend their assistance, subject to the provisions of Sections 3 and 4 below. Polsinelli shall work at the direction of the County Executive.

2. Polsinelli shall work as an independent contractor and not as an employee of the County. Polsinelli shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. Polsinelli shall report all earnings received hereunder as gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. The County shall pay Polsinelli for services rendered under this Agreement, a fee of \$210,000.00. Polsinelli shall bill County at the rate of \$17,500.00 monthly for its services. Payment shall be made upon receipt of Consultant's invoice, except that payment for the month of January cannot be made until after adoption of County's 2015 annual budget.

4. Polsinelli shall be responsible for all of the expenses of its work under this Agreement.

5. This Agreement shall be effective as of January 1, 2015, and continue until December 31, 2015, unless earlier terminated as hereinafter provided. Following the Initial Term, and at the agreement of both parties, this Agreement may be renewed for up to three additional twelve-month periods ("Renewal Terms"), pursuant to the terms and conditions of RFP 78-13. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Polsinelli may be entitled to receive or be obligated to

perform under this Agreement. Should this Agreement terminate, all books, brochures, fliers, lists, and all other County materials must be delivered and returned by the Polsinelli to the County within three (3) days of the demand of the County.

6. Polsinelli promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Polsinelli shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;
- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

In the event Polsinelli breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Polsinelli as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Polsinelli as a result of said breach.

7. Polsinelli promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Polsinelli's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Polsinelli consents and agrees as follows:

- (a) The County may without prior notice to Polsinelli immediately terminate this Agreement; and,

- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Polsinelli; and,
- (c) In addition to all of the foregoing, the County shall be entitled to collect from Polsinelli all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

9. Pursuant to §285.530.1, RSMo, Polsinelli assures that it does not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri and/or Jackson County, and shall affirm, by sworn affidavit and provision of documentation, its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Further, Polsinelli shall sign an affidavit, attached hereto and incorporated herein as Exhibit B, affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

10. This Agreement, together with the County's RFP and Polsinelli's Response, incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

POLSINELLI

JACKSON COUNTY, MISSOURI

By 
Peter S. Levi
Shareholder

By 
Michael D. Sanders
County Executive

Federal I.D. No. **43-1064260**

APPROVED AS TO FORM:


W. Stephen Nixon
County Counselor

REVENUE CERTIFICATE

Funds sufficient for this expenditure are subject to appropriation in the County's 2015 annual budget.

December 11, 2014
Date


Director of Finance and Purchasing
Account No. 004-5104-56080



3.4.3: Ability to Perform

Moving Forward: How We Plan to Achieve County Objectives in the Future

Satisfying the Scope of Services

Polsinelli brings a vigorous and results-oriented work ethic to all of its public policy representations. We will satisfy all of the requirements listed in the Scope of Services as described below:

- Acting as advocates for and representing the County before Congress and other federally elected and appointed officials
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- Providing advice and assistance on special projects that may arise during the year that entails Lobbying or access to Federal Officials
- Confer with the County Executive and County Legislature at least twice during the contract year and more often as the County sees fit for such briefings and dialogue as are necessary
- Monitoring and analyzing legislation filed in the General Assembly that affects the County's interests

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Polsinelli is proud to have a strong presence in Missouri. As a national law firm with headquarters in Kansas City, Missouri, Polsinelli is committed to seeing the region and state thrive. We have seven offices in the bi-state region. Our Kansas City office houses experienced attorneys and professionals with expertise in transportation, labor and employment, and state and local public policy among other areas. The Kansas City office will remain available to County officials for meetings, briefings, and other state-centered events and activities. Project co-lead Pete Levi and Shareholder Mary Jane Judy are located in the Kansas City office, providing the County with experienced and attentive Polsinelli liaisons on the ground in Missouri.

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Preparing for What's on the Federal Horizon

As the County continues to refine its ambitious multimodal transportation plan, it is critical to remain apprised of actions and deliberations at the national level regarding transportation funding. There are many moving parts to the County's plan including the possibility of commuter rail, light rail, bus enhancements, trails, and streetcars. Federal funding and programs for these varying modes of transportation engage several different agencies and could be affected by several pieces of federal legislation. Below is a brief discussion of a few measures likely to receive congressional consideration in the coming year:

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Building and Renewing Infrastructure for Development and Growth in Employment (BRIDGE) Act of 2013	This piece of legislation would establish an independent Infrastructure Financing Authority (IFA) to complement existing infrastructure funding mechanisms. The IFA would receive an initial \$10 billion investment to help localities and states fund road, bridge, rail, and port projects. Both Missouri senators (Claire McCaskill and Roy Blunt) are co-sponsors of the legislation.
Transportation and Regional Infrastructure Project (TRIP) Bonds Act of 2013	The legislation, introduced by Sen. Ron Wyden (D-OR), would provide \$50 billion in new transportation infrastructure funding through bonds to aid state and local governments in financing projects related to all modes of transportation, including transit systems and roads.

3.4.4: Additional Services

The County already is aware of the unique suite of services that Polsinelli provides. With our strong presence in Missouri, the Polsinelli representation takes on a collaborative character that is not easily duplicated. While serving as the County's federal representative, we are able to easily monitor state and local issues and aid the County in working with the Missouri Governor's office, state legislature as well as the local government in Kansas City. Our professionals have developed excellent working relationships with state legislators, agency officials, and their staffs.

We also have worked closely with Jackson County officials and staff for several years on strategies for the commuter rail project, and are in a unique position to collaborate with key stakeholders regarding the interplay between the Kansas City streetcar and the County's multimodal transportation plan. Polsinelli has a sophisticated substantive and procedural understanding, as well as a unique institutional memory that can inform future plans for County transportation expansion.

As Jackson County residents, we remain committed to the common goals of modernized and vibrant public transportation, robust economic and community development, enhanced public safety and general regional revitalization because we are in and of the local community. We seek the opportunity to continue serving the County, not only as advocacy professionals, but as concerned residents with a vested interest in the County's success.

EXHIBIT B

WORK AUTHORIZATION AFFIDAVIT

As a condition for any service provided to the County, a business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

Business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo, is any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit.

Every such business entity shall complete the following affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. The completed affidavit must be returned as a part of the contract documentation.

This affidavit affirms that **Polsinelli**, is enrolled in, and is currently participating in, E-verify or any other equivalent electronic verification of work authorization operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986 (IRCA); and, **Polsinelli**, does not knowingly employ any person who is an unauthorized alien in conjunction with the contracted services.

In Affirmation thereof, the facts stated above are true and correct. (The undersigned understands that false statements made in this filing are subject to the penalties provided under section 575.040, RSMo.)

[Signature]
Authorized Representative's Signature

Chief HR Officer
Title

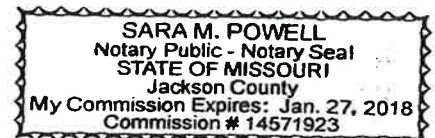
Jodie Hynes
Printed Name

12-8-14
Date

Subscribed and sworn before me this 8th day of December, 2014. I am commissioned as a notary public within the County of Jackson, State of Missouri, and my commission expires on 1-27-2018.

[Signature]
Signature of Notary

12-8-14
Date



PROFESSIONAL SERVICES AGREEMENT
(Second of Four Renewal Terms)

THIS AGREEMENT, made and entered into on this 6th day of January, 2015⁶, by and between **JACKSON COUNTY, MISSOURI**, hereinafter called "the County" and **POLSINELLI**, 900 West 48th Place, Suite 900, Kansas City, MO 64112, hereinafter called "Polsinelli."

WITNESSETH:

WHEREAS, the County has a need for specialized advice and consulting related to federal legislative lobbying particularly with regard to matters related to rail and mass transit; and,

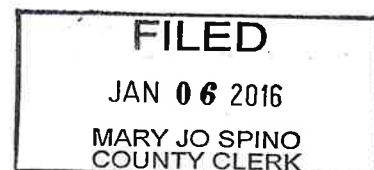
WHEREAS, the County awarded a contract on Request for Proposals No. 78-13 for these services to Polsinelli and entered into an Agreement dated January 6, 2014, ("Initial Term") for the period of January 6, 2014, to January 5, 2015, with the option to renew for four additional twelve-months periods ("Renewal Terms" beginning January 1, 2016); and,

WHEREAS, County and Polsinelli now desire to exercise its second option to renew this Agreement for an additional twelve-month period ("Second Renewal Term"); and,

WHEREAS, Polsinelli and the County have agreed to be bound by the provisions hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, County and Polsinelli respectively promise, covenant, and agree with each other as follows:

1. **SCOPE OF SERVICES**. Polsinelli shall provide specialized legal advice and representation to the County through lead co-counsels Alan Wheat and Peter Levi specifically relating to general federal legislative lobbying, particularly with regard to



matters related to rail and mass transit, in accordance with Polsinelli's Response to the County's Request for Proposals No. 78-13, and as more specifically described in the Scope of Services from page 21 of RFP 78-13, attached hereto as Exhibit A and Engagement Letter attached hereto as Exhibit C, and incorporated herein by reference. Other members of the firm may be called upon from time to time to lend their assistance, subject to the provisions of Sections 3 and 4 below. Polsinelli shall work at the direction of the County Executive.

2. Polsinelli shall work as an independent contractor and not as an employee of the County. Polsinelli shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. Polsinelli shall report all earnings received hereunder as gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. The County shall pay Polsinelli for services rendered under this Agreement, a fee of \$190,000.00. Polsinelli shall bill County at the rate of \$15,833.33 monthly for its services. Payment shall be made upon receipt of Consultant's invoice, except that payment for the month of January cannot be made until after adoption of County's 2016 annual budget.

4. Polsinelli shall be responsible for all of the expenses of its work under this Agreement and costs relating to educational and fact-finding activities engaged in by County officials pursuant to the goals of the scope of work.

5. This Agreement shall be effective as of January 1, 2016, and continue until December 31, 2016, unless earlier terminated as hereinafter provided. Following the this renewal, and at the agreement of both parties, this Agreement may be renewed for up to

two additional twelve-month periods ("Renewal Terms"), pursuant to the terms and conditions of RFP 78-13. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Polsinelli may be entitled to receive or be obligated to perform under this Agreement. Should this Agreement terminate, all books, brochures, fliers, lists, and all other County materials must be delivered and returned by the Polsinelli to the County within three (3) days of the demand of the County.

6. Polsinelli promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Polsinelli shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;
- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

In the event Polsinelli breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Polsinelli as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Polsinelli as a result of said breach.

7. Polsinelli promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Polsinelli's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Polsinelli consents and agrees as follows:

- (a) The County may without prior notice to Polsinelli immediately terminate this Agreement; and,
- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Polsinelli; and,
- (c) In addition to all of the foregoing, the County shall be entitled to collect from Polsinelli all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

9. Pursuant to §285.530.1, RSMo, Polsinelli assures that it does not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri and/or Jackson County, and shall affirm, by sworn affidavit and provision of documentation, its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Further, Polsinelli shall sign an affidavit, attached hereto and incorporated herein as Exhibit B, affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

10. This Agreement, together with the County's RFP and Polsinelli's Response, including Exhibit A incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

POLSINELLI

By 
Peter S. Levi
Shareholder

JACKSON COUNTY, MISSOURI

By 
Michael D. Sanders
County Executive

Federal I.D. No. 43-1064260

APPROVED AS TO FORM:


W. Stephen Nixon
County Counselor

REVENUE CERTIFICATE

Funds sufficient for this expenditure are subject to appropriation in the County's 2016 annual budget.


Date


Director of Finance and Purchasing
Account No. 004-5104-56080

PC 51042016001



3.4.3: Ability to Perform

Moving Forward: How We Plan to Achieve County Objectives in the Future

Satisfying the Scope of Services

Polsinelli brings a vigorous and results-oriented work ethic to all of its public policy representations. We will satisfy all of the requirements listed in the Scope of Services as described below:

- Acting as advocates for and representing the County before Congress and other federally elected and appointed officials
- Assisting the County in finalizing its federal program to include pursuing the passage and/or defeat of federal legislation, policies, programs or directives that may directly impact Jackson County
- Providing weekly reports of bills of County interest in formats acceptable to the County prioritized beginning with bills of general County interest
- Providing weekly reports of the activities that the Lobbyist has engaged in to further the Legislative priorities of Jackson County
- Providing advice and assistance on special projects that may arise during the year that entails Lobbying or access to Federal Officials
- Confer with the County Executive and County Legislature at least twice during the contract year and more often as the County sees fit for such briefings and dialogue as are necessary
- Monitoring and analyzing legislation filed in the General Assembly that affects the County's interests

Providing Additional Administrative Support

Missouri Offices (including Kansas City, MO)

Polsinelli is proud to have a strong presence in Missouri. As a national law firm with headquarters in Kansas City, Missouri, Polsinelli is committed to seeing the region and state thrive. We have seven offices in the bi-state region. Our Kansas City office houses experienced attorneys and professionals with expertise in transportation, labor and employment, and state and local public policy among other areas. The Kansas City office will remain available to County officials for meetings, briefings, and other state-centered events and activities. Project co-lead Pete Levi and Shareholder Mary Jane Judy are located in the Kansas City office, providing the County with experienced and attentive Polsinelli liaisons on the ground in Missouri.

Washington, DC Office

In our downtown Washington, DC office, we have meeting space that is available to the County. Our venue often accommodates policy briefings, luncheons, receptions and fundraisers. As the County is already aware, we also assist in preparing hand-outs, legislative language, letters of request, and other materials.

Preparing for What's on the Federal Horizon

As the County continues to refine its ambitious multimodal transportation plan, it is critical to remain apprised of actions and deliberations at the national level regarding transportation funding. There are many moving parts to the County's plan including the possibility of commuter rail, light rail, bus enhancements, trails, and streetcars. Federal funding and programs for these varying modes of transportation engage several different agencies and could be affected by several pieces of federal legislation. Below is a brief discussion of a few measures likely to receive congressional consideration in the coming year:

<p>MAP-21</p>	<p>The federal surface transportation law will expire at the end of September 2014. There is a possibility that draft reauthorization legislation will be made available by early spring to provide sufficient time for debate. Sen. Barbara Boxer and Rep. Bill Shuster (chairs of the relevant authorizing committees) will look to build on their success with bipartisan water resources legislation to reauthorize MAP-21 on time.</p>
<p>Building and Renewing Infrastructure for Development and Growth in Employment (BRIDGE) Act of 2013</p>	<p>This piece of legislation would establish an independent Infrastructure Financing Authority (IFA) to complement existing infrastructure funding mechanisms. The IFA would receive an initial \$10 billion investment to help localities and states fund road, bridge, rail, and port projects. Both Missouri senators (Claire McCaskill and Roy Blunt) are co-sponsors of the legislation.</p>
<p>Transportation and Regional Infrastructure Project (TRIP) Bonds Act of 2013</p>	<p>The legislation, introduced by Sen. Ron Wyden (D-OR), would provide \$50 billion in new transportation infrastructure funding through bonds to aid state and local governments in financing projects related to all modes of transportation, including transit systems and roads.</p>

3.4.4: Additional Services

The County already is aware of the unique suite of services that Polsinelli provides. With our strong presence in Missouri, the Polsinelli representation takes on a collaborative character that is not easily duplicated. While serving as the County's federal representative, we are able to easily monitor state and local issues and aid the County in working with the Missouri Governor's office, state legislature as well as the local government in Kansas City. Our professionals have developed excellent working relationships with state legislators, agency officials, and their staffs.

We also have worked closely with Jackson County officials and staff for several years on strategies for the commuter rail project, and are in a unique position to collaborate with key stakeholders regarding the interplay between the Kansas City streetcar and the County's multimodal transportation plan. Polsinelli has a sophisticated substantive and procedural understanding, as well as a unique institutional memory that can inform future plans for County transportation expansion.

As Jackson County residents, we remain committed to the common goals of modernized and vibrant public transportation, robust economic and community development, enhanced public safety and general regional revitalization because we are in and of the local community. We seek the opportunity to continue serving the County, not only as advocacy professionals, but as concerned residents with a vested interest in the County's success.

EXHIBIT B

WORK AUTHORIZATION AFFIDAVIT

As a condition for any service provided to the County, a business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

Business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo, is any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit.

Every such business entity shall complete the following affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. The completed affidavit must be returned as a part of the contract documentation.

This affidavit affirms that **Polsinelli**, is enrolled in, and is currently participating in, E-verify or any other equivalent electronic verification of work authorization operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986 (IRCA); and, **Polsinelli**, does not knowingly employ any person who is an unauthorized alien in conjunction with the contracted services.

In Affirmation thereof, the facts stated above are true and correct. (The undersigned understands that false statements made in this filing are subject to the penalties provided under section 575.040, RSMo.)

Jodie Hughey
Authorized Representative's Signature
Chief HL officer
Title

Jodie Hughey
Printed Name
12-15-15
Date

Subscribed and sworn before me this 15th day of December, 2015. I am commissioned as a notary public within the County of Jackson, State of Missouri, and my commission expires on Oct. 29, 2017.

Cheryl K. Gaster
Signature of Notary

12-15-15
Date

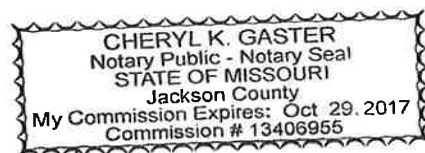


EXHIBIT C



Peter S. Levi
(816) 360-4165
plevi@polsinelli.com

700 West 47th Street, Suite 1000
Kansas City, MO 64112
(816) 753-1000
Facsimile: (816) 753-1536
www.polsinelli.com

April 30, 2010

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

Mr. Michael Sanders
County Executive
Jackson County, Missouri
415 E. 12th Street, 2nd Floor
Kansas City, MO 64106

Re: Engagement Letter

Dear Mr. Sanders:

We are pleased and honored that you have chosen Polsinelli Shughart PC to represent Jackson County, Missouri (the "County") in connection with the matter described below. We thank you for your expression of confidence in us.

This letter is intended to describe the scope of the services our firm has been retained to provide during this engagement as well as the terms and conditions of the engagement. To that end, we have attached our standard **Terms of Representation** which sets forth our firm's established general policies and practices regarding representation of clients and the payment of our fees.

1. **Client.** We understand that the County will be our client. In that regard, while we will report to the County Executive from time to time and while we will work with you and other members of your team on a frequent basis, we understand that no officer, director or employee of the County will be our client.

2. **Scope of Representation.** Regarding the scope of our representation, we understand that we are being retained to represent the County and to perform the following legal services:

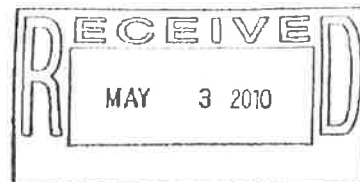
Provide legal advice and representation relating to the federal legislative lobbying in accordance with Request for Proposal No. 14-10 and the response submitted by Polsinelli Shughart on April 6, 2010.

3. **Responsibilities.** We will provide legal counsel and assistance in accordance with this letter and will rely upon information and guidance you provide to us. We will keep you reasonably informed of progress and developments, and respond to your inquiries.

In order to enable us to provide the services set forth in this letter, you will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. You will also cooperate fully with us and be available to attend meetings, conferences, hearings and other

EXHIBIT A

3670574.1



Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 2

proceedings on reasonable notice, and stay reasonably informed on all developments relating to this matter.

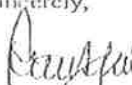
4. **Fees and Expenses.** We will provide these services on a retainer basis at a cost of Ninety Three Thousand Three Hundred Thirty Three and 28/100 Dollars (\$93,333.28), including expenses, for the period commencing May 1, 2010 and ending December 31, 2010. Anita Estell, a Shareholder in our Public Policy Group, will be your lead counsel in our Washington, D.C. office and I will be your lead counsel in Kansas City. In accordance with the terms of Request for Proposal No. 14-10, this engagement shall be for eight months, a four month and two twelve month renewal options.

We look forward to representing the County in this matter. When you advise us otherwise, we will give you a new file or files and issue a new engagement letter for assignments which are different from this assignment.

Because this engagement is solely limited to our efforts for the County in Washington, D.C. and our representation of the County before the United States Congress, we hereby request that any potential conflict of interest between any client of our law firm and the County that would arise because of this engagement be waived by the County. By your signature below, you confirm that we can continue to represent any current clients who may now be adverse to the County and any future clients who may be adverse to the County. As a method to confirm this waiver, your counter-signature on this letter will also extend the conflict waiver contained in the earlier correspondence dated March 1, 2010, signed by William Snyder as Acting County Counselor, through the term of the engagement described herein and expand its coverage to match the "Scope of Representation" outlined herein. A copy of the March 1 letter signed by Mr. Snyder is attached as a reference.

We hope this letter and the attached Terms of Representation adequately explain the scope of our services as well as the payment terms of our fees. If they do and you are in agreement with them, please indicate your affirmation by signing the enclosed copy of this letter and returning it to me for our files.

We appreciate the opportunity to work with you and the County and look forward to a mutually beneficial relationship.


Sincerely,

Peter S. Gey

PSL:cew

On behalf of the County, the undersigned hereby accepts the terms of the foregoing engagement letter and the attached Terms of Representation.

By: 
Michael Sanders, County Executive

Approved and Authorized for use in a Legal Services Agreement

By: 
William G. Snyder, Acting County Counselor

2570574.1

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 3

TERMS OF REPRESENTATION

Confirmation of Services. Polsinelli Shughart PC is pleased to have this opportunity to serve you. The letter accompanying these Terms of Representation sets forth the scope of our representation. If what is set forth in the accompanying letter or in these Terms of Representation does not accurately describe your understanding of the services we are to perform or the terms for billing fees and expenses, please advise the attorney sending you the letter. Unless the attorney is notified promptly, we will assume that these Terms of Representation and the accompanying letter are acceptable to you.

Scope of Representation. The scope of our representation at this time is limited to providing only those services that are described in the accompanying letter. Unless otherwise noted, we will render those legal services that are necessary to the representation. No other services are intended to be provided without our mutual agreement. Later, if you determine to change materially the scope of our representation, we will need to document that in additional correspondence. Our representation is also limited to working on behalf of the client identified in the accompanying letter. The firm does not represent any other entity or individuals unless specifically stated in the accompanying letter.

Fees Not Contingent and Due Within 30 Days. Our fees are not contingent, and payment is due within 30 days of the receipt of the statement. If the firm has not received any comment about the statement within 30 days of its receipt, we will assume that you found it acceptable. As a means of encouraging timely payment of our statements, we reserve the right to add a late charge of 1.5% per month to bills that are past due, i.e., statements that remain unpaid for more than 30 days. Payment is to be made by check or draft payable to "Polsinelli Shughart PC."

If any of our statements remain unpaid for more than 90 days, we may, consistent with our ethical and court-imposed obligations, cease to perform services until satisfactory arrangements have been made for the payment of the unpaid statements and future fees. In fairness to our many clients who promptly pay their statements each month, we reserve the right to take appropriate action with respect to such delinquent accounts.

Methods of Communication. We are mindful of our obligation to preserve the client's confidential information. To that end, it is important that we agree from the outset what kinds of communications technology we will employ in the course of this engagement. The exchange of documents using the Internet, or even direct computer-to-computer data transfer, may involve some risk that information will be retrieved by third parties. Even the use of fax machines can cause problems if documents are sent to numbers where the documents sit in open view. As part of these general issues, please be aware that (1) e-mail communication is not a secure method of communication in all circumstances, (2) any e-mail that is sent to the client or by the client may be copied and held by various computers that it passes through as it goes from the sender to the recipient, (3) persons not participating in our communication may intercept such messages by improperly accessing the client's computer or the lawyer's computer, or even some computer not related to either the client or the law firm which the e-mail passes through. However, it has been our experience that most current business communications are accomplished by electronic means. The Polsinelli Shughart Law Firm will assume that you have no objections to such communications and consent to receive communications via electronic means unless you notify us in writing to the contrary.

Attorney-Client Communication. Our statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 4

than the client sees the privileged material, we recommend that you keep all of our statements in a separate file marked "Attorney-Client Privileged Materials," and keep the file in a secure place.

Payment of Third-Party Expenses. The firm prefers that you pay directly any significant outside expense items related to your work and, when possible, we will direct such expenses to you for payment. Therefore, we often ask our vendors to bill our clients directly rather than having us incur the expense and then including the amount on our statement.

Termination of Services and Representation. You may terminate our services at any time. Termination of our representation does not, however, relieve you from the responsibility of paying those fees and expenses incurred through the date we were notified of such termination. Similarly, we may withdraw from this representation for a number of reasons, including failure to promptly pay the amounts indicated in our statements; failure to disclose all facts material to our representation; failure to act in accordance with our advice; or development of one or more circumstances which, in our judgment, impair our ability to maintain an effective attorney-client relationship. Upon termination of our services and representation by the client or our withdrawal from representation of the client, we will be entitled to be paid for all services rendered and costs and expenses paid or incurred on behalf of the client to the date of termination or withdrawal. We also will be entitled to payment at our standard billing rates for any work required of us in connection with the turnover of files to the client or new counsel and the orderly transition of pending matters to new counsel, and we also will be entitled to reimbursement of all expenses incurred by us in connection with such work. We will return to the client all papers and property belonging to the client, upon payment of all amounts owed by the client to the firm. Papers and communications that are part of the firm's administrative process although they may concern do not belong to the client. We reserve the right to make, at the client's expense, and retain copies of all documents generated or received by us in the course of our representation of a client. If a client requests documents from us, either during the course of our representation of the client or in connection with or following termination of or withdrawal from such representation, such documents will be provided at the client's expense, including both reproduction costs and professional fees for time expended in reviewing files to locate requested documents.

Estimates of the Cost of Services to be Performed. From time to time, you may ask us to make an estimate of the cost of completing all or part of your matter. Because it is often difficult to estimate at the beginning of a project how much time it will take to complete it, we treat any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise you when we are nearing the estimated price, and we will also advise you if we become aware that the estimate may be exceeded. At that time, you can decide whether to terminate our work on the project, modify the project, or proceed to completion with a different cost estimate.

Completion of Matter. After a particular matter is completed, we do not (unless you specifically request in writing that we do so) undertake to continue to review that matter and update you concerning legal developments, such as changes in applicable laws or regulations. If you do ask us to review a specific matter on which we have previously worked, we will consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant to your operations, we are not undertaking to do so as a part of this representation.

Unless previously terminated, our representation will end upon our sending you our final statement for services rendered with respect to this matter. If, upon any termination or completion of a matter, you wish to have your documents in our possession delivered to you, please advise us.

06-057118

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 5

Client Confidences/Description of Client/Representation in Other Matters/Future Conflicts. Our clients are engaged in a wide variety of businesses throughout the world. From time to time, we represent clients who are industry competitors. In order to ensure confidentiality, we will not (unless you specifically grant us the authority to do so) discuss or otherwise make available to anyone, including other clients, any confidential information about you, your business or our work on your behalf and will not discuss or otherwise make available to you any confidential information about any of our other clients (if any), their business, or any work on their behalf.

Polsinelli Shughart is a large law firm and represents many other companies and individuals. For example, our firm has a national debtor-creditor, workout, and bankruptcy practice. To avoid any misunderstanding in connection with our current (and any future) engagement with the client, we confirm that we have not been asked to act as counsel for anyone other than the client described in the Engagement Letter or, if the client is a corporation, any subsidiary, parent, affiliate, or other member of the client's corporate group by acting as counsel to the client.

It is possible that during the time that we are representing the client, some of our other present or future clients will have disputes or transactions with the client referenced in the accompanying Engagement Letter. Therefore, as a condition to the firm undertaking this engagement, the client agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such other clients in those other matters are directly adverse to you.

Without limiting the generality of the foregoing, we will have the right to represent debtors, creditors' committees, creditors, shareholders, or other parties in interest in other matters, including in bankruptcy, workout, and other debtor-creditor matters, even when the client is a creditor or is otherwise interested in or potentially interested in such other matter. This would include, but not be limited to: matters, negotiations, and disputes that may arise under loan and security agreements and related documents; negotiation and disputes regarding claims, liens, debtor-in-possession financing, lift of stay issues, plan of reorganization issues; and other issues in which the client may have an interest. The client's signature on the enclosed copy of this letter will constitute its consent to and all such conflicting representations. We agree, however, that the client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the client, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to the client's material disadvantage.

No Guarantee. We will perform our professional services on your behalf to the best of our ability, but we cannot make and have not made any guarantees regarding the outcome of our work on this project. Any expressions by us about the outcome of this project are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Binding Agreement. The accompanying Engagement Letter and these Terms Of Representation represent the entire agreement between the client and the Polsinelli Shughart Law Firm with respect to this Engagement. By signing the Engagement Letter, the client acknowledges that the Engagement Letter and these Terms Of Representation have been carefully reviewed and its content understood and that the client agrees to be bound by all of its terms and conditions. Furthermore, the client acknowledges that the Polsinelli Shughart Law Firm has made no representations or guarantees to you regarding the outcome of your representation or the time necessary to resolve this matter. No change or waiver of any of the provisions of the Engagement Letter or these Terms Of Representation shall be binding on either you or the law firm unless the change is in writing and signed by both.

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Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 6

Acceptance of Terms of Representation. If these Terms of Representation and the accompanying letter correctly and completely set forth our mutual understanding of the terms of our engagement, please sign a copy of the accompanying letter and return it to our offices for our file.

PROFESSIONAL SERVICES AGREEMENT
(Third of Four Renewal Terms)

THIS AGREEMENT, made and entered into on this 27th day of April, 2017, by and between **JACKSON COUNTY, MISSOURI**, hereinafter called "the County" and **POLSINELLI**, 900 West 48th Place, Suite 900, Kansas City, MO 64112, hereinafter called "Polsinelli."

W I T N E S S E T H:

WHEREAS, the County has a need for specialized advice and consulting related to federal legislative lobbying particularly with regard to matters related to rail and mass transit; and,

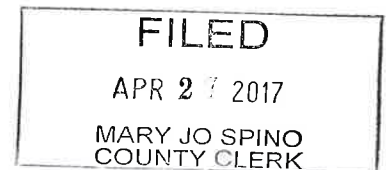
WHEREAS, the County awarded a contract on Request for Proposals No. 78-13 for these services to Polsinelli and entered into an Agreement dated January 6, 2014, ("Initial Term") for the period of January 6, 2014, to January 5, 2015, with the option to renew for four additional twelve-months periods ("Renewal Terms" beginning January 1, 2016); and,

WHEREAS, County and Polsinelli now desire to exercise its third option to renew this Agreement for an additional twelve-month period ("Third Renewal Term"); and,

WHEREAS, Polsinelli and the County have agreed to be bound by the provisions hereof,

NOW THEREFORE, in consideration of the foregoing and the terms and provisions herein contained, County and Polsinelli respectively promise, covenant, and agree with each other as follows:

1. **SCOPE OF SERVICES.** Polsinelli shall provide specialized advice and representation to the County through lead principals Alan Wheat and Peter Levi specifically relating to general federal legislative lobbying, particularly with regard to matters related to



rail and mass transit, in accordance with Polsinelli's Response to the County's Request for Proposals No. 78-13, and as more specifically described in the Scope of Services from page 21 of RFP 78-13, attached hereto as Exhibit A and Engagement Letter attached hereto as Exhibit C, and incorporated herein by reference. Other members of the firm may be called upon from time to time to lend their assistance, subject to the provisions of Sections 3 and 4 below. Polsinelli shall work at the direction of the County Executive.

2. Polsinelli shall work as an independent contractor and not as an employee of the County. Polsinelli shall be subject to the direction of the County only as to the result to be accomplished and not as to the means and methods for accomplishing the result. Polsinelli shall report all earnings received hereunder as gross income, and be responsible for its own Federal, State, and City withholding taxes and all other taxes, and operate its business independent of the business of the County except as required by this Agreement.

3. The County shall pay Polsinelli for services rendered under this Agreement, a fee of \$150,000.00. Polsinelli shall bill County at the rate of \$12,500.00 monthly for its services. Payment shall be made upon receipt of Consultant's invoice.

4. Legal counsel shall be responsible for all of the expenses of its work under this Agreement.

5. This Agreement shall be effective as of January 1, 2017, and continue until December 31, 2017, unless earlier terminated as hereinafter provided. Following the this renewal, and at the agreement of both parties, this Agreement may be renewed for up to one additional twelve-month periods ("Renewal Terms"), pursuant to the terms and conditions of RFP 78-13. Termination of this Agreement shall not constitute a waiver of the rights or obligations which County or Polsinelli may be entitled to receive or be obligated to perform under this Agreement. Should this Agreement terminate, all books, brochures,

fliers, lists, and all other County materials must be delivered and returned by the Polsinelli to the County within three (3) days of the demand of the County.

6. Polsinelli promises, covenants, and agrees, in addition to all other provisions contained herein that during the term of this Agreement, and for a period of six (6) months thereafter, Polsinelli shall not do either of the following:

- (a) assign any portion or the whole of this contract without the prior written consent of the County;
- (b) utilize the form or substance of any Agreement or documents of every description used in any and all business operations of the County.

In the event Polsinelli breaches this provision the County shall be entitled to collect any and all profits, gains, benefits and properties of every description received by Polsinelli as a result of said breach. Further, the County shall be entitled to collect any and all profits, gains, benefits, and properties of every description received by Polsinelli as a result of said breach.

7. Polsinelli promises, covenants, and agrees to faithfully observe and perform all of the terms, provisions and requirements of this Agreement and Polsinelli's failure to so observe and perform in accordance with said terms, provisions, and requirements of this Agreement shall represent and constitute a breach of this Agreement and in such event, Polsinelli consents and agrees as follows:

- (a) The County may without prior notice to Polsinelli immediately terminate this Agreement; and,
- (b) In addition to the foregoing, the County shall be entitled to petition and receive from any Court a temporary and/or permanent injunction against Polsinelli; and,

- (c) In addition to all of the foregoing, the County shall be entitled to collect from Polsinelli all costs incurred by the County as a result of said breach including reasonable attorney's fees, reasonable accountant's fees, investigation expenses, court costs and sheriff's mileage and service fees without limitation by enumeration.

8. If any covenant or other provision of this Agreement is invalid, or incapable of being enforced, by reasons of any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision unless so expressed herein.

9. Pursuant to §285.530.1, RSMo, Polsinelli assures that it does not knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri and/or Jackson County, and shall affirm, by sworn affidavit and provision of documentation, its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services. Further, Polsinelli shall sign an affidavit, attached hereto and incorporated herein as Exhibit B, affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services.

10. This Agreement, together with the County's RFP and Polsinelli's Response, including Exhibit A incorporates the entire understanding and agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have signed and executed this Agreement on the date first above written.

POLSINELLI

JACKSON COUNTY, MISSOURI

By 
Peter S. Levi
Shareholder

By 
Frank White, Jr.
County Executive

Federal I.D. No. 43-1064260

APPROVED AS TO FORM:


W. Stephen Nixon
County Counselor

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$150,000.00 which is hereby authorized.

April 27, 2017
Date


Chief Financial Officer
Account No. 004-5104-56080 - \$100,500 ✓
003-5103-56080 - \$24,750 ✓
002-5102-56080 - \$24,750 ✓

PC 51032017003



3.4.3: Ability to Perform

Moving Forward: How We Plan to Achieve County Objectives in the Future

Satisfying the Scope of Services

Polsinelli brings a vigorous and results-oriented work ethic to all of its public policy representations. We will satisfy all of the requirements listed in the Scope of Services as described below:

- Acting as advocates for and representing the County before Congress and other federally elected and appointed officials
- Assisting the County in finalizing its federal program to include pursuing the passage and/or defeat of federal legislation, policies, programs or directives that may directly impact Jackson County
- Providing weekly reports of bills of County interest in formats acceptable to the County prioritized beginning with bills of general County interest
- Providing weekly reports of the activities that the Lobbyist has engaged in to further the Legislative priorities of Jackson County
- Providing advice and assistance on special projects that may arise during the year that entails Lobbying or access to Federal Officials
- Confer with the County Executive and County Legislature at least twice during the contract year and more often as the County sees fit for such briefings and dialogue as are necessary
- Monitoring and analyzing legislation filed in the General Assembly that affects the County's interests

Providing Additional Administrative Support

Missouri Offices (including Kansas City, MO)

Polsinelli is proud to have a strong presence in Missouri. As a national law firm with headquarters in Kansas City, Missouri, Polsinelli is committed to seeing the region and state thrive. We have seven offices in the bi-state region. Our Kansas City office houses experienced attorneys and professionals with expertise in transportation, labor and employment, and state and local public policy among other areas. The Kansas City office will remain available to County officials for meetings, briefings, and other state-centered events and activities. Project co-lead Pete Levi and Shareholder Mary Jane Judy are located in the Kansas City office, providing the County with experienced and attentive Polsinelli liaisons on the ground in Missouri.

Washington, DC Office

In our downtown Washington, DC office, we have meeting space that is available to the County. Our venue often accommodates policy briefings, luncheons, receptions and fundraisers. As the County is already aware, we also assist in preparing hand-outs, legislative language, letters of request, and other materials.

Preparing for What's on the Federal Horizon

As the County continues to refine its ambitious multimodal transportation plan, it is critical to remain apprised of actions and deliberations at the national level regarding transportation funding. There are many moving parts to the County's plan including the possibility of commuter rail, light rail, bus enhancements, trails, and streetcars. Federal funding and programs for these varying modes of transportation engage several different agencies and could be affected by several pieces of federal legislation. Below is a brief discussion of a few measures likely to receive congressional consideration in the coming year:

MAP-21	The federal surface transportation law will expire at the end of September 2014. There is a possibility that draft reauthorization legislation will be made available by early spring to provide sufficient time for debate. Sen. Barbara Boxer and Rep. Bill Shuster (chairs of the relevant authorizing committees) will look to build on their success with bipartisan water resources legislation to reauthorize MAP-21 on time.
Building and Renewing Infrastructure for Development and Growth in Employment (BRIDGE) Act of 2013	This piece of legislation would establish an independent Infrastructure Financing Authority (IFA) to complement existing infrastructure funding mechanisms. The IFA would receive an initial \$10 billion investment to help localities and states fund road, bridge, rail, and port projects. Both Missouri senators (Claire McCaskill and Roy Blunt) are co-sponsors of the legislation.
Transportation and Regional Infrastructure Project (TRIP) Bonds Act of 2013	The legislation, introduced by Sen. Ron Wyden (D-OR), would provide \$50 billion in new transportation infrastructure funding through bonds to aid state and local governments in financing projects related to all modes of transportation, including transit systems and roads.

3.4.4: Additional Services

The County already is aware of the unique suite of services that Polsinelli provides. With our strong presence in Missouri, the Polsinelli representation takes on a collaborative character that is not easily duplicated. While serving as the County's federal representative, we are able to easily monitor state and local issues and aid the County in working with the Missouri Governor's office, state legislature as well as the local government in Kansas City. Our professionals have developed excellent working relationships with state legislators, agency officials, and their staffs.

We also have worked closely with Jackson County officials and staff for several years on strategies for the commuter rail project, and are in a unique position to collaborate with key stakeholders regarding the interplay between the Kansas City streetcar and the County's multimodal transportation plan. Polsinelli has a sophisticated substantive and procedural understanding, as well as a unique institutional memory that can inform future plans for County transportation expansion.

As Jackson County residents, we remain committed to the common goals of modernized and vibrant public transportation, robust economic and community development, enhanced public safety and general regional revitalization because we are in and of the local community. We seek the opportunity to continue serving the County, not only as advocacy professionals, but as concerned residents with a vested interest in the County's success.

EXHIBIT B

WORK AUTHORIZATION AFFIDAVIT


As a condition for any service provided to the County, a business entity shall, by sworn affidavit and provision of documentation, affirm its enrollment and participation in a federal work authorization program with respect to the employees working in connection with the contracted services.

Business entity, as defined in section 285.525, RSMo pertaining to section 285.530, RSMo, is any person or group of persons performing or engaging in any activity, enterprise, profession, or occupation for gain, benefit, advantage, or livelihood. The term "business entity" shall include but not be limited to self-employed individuals, partnerships, corporations, contractors, and subcontractors. The term "business entity" shall include any business entity that possesses a business permit, license, or tax certificate issued by the state, any business entity that is exempt by law from obtaining such a business permit, and any business entity that is operating unlawfully without such a business permit.

Every such business entity shall complete the following affidavit affirming that it does not knowingly employ any person who is an unauthorized alien in connection with the contracted services. The completed affidavit must be returned as a part of the contract documentation.

This affidavit affirms that **Polsinelli**, is enrolled in, and is currently participating in, E-verify or any other equivalent electronic verification of work authorization operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986 (IRCA); and, **Polsinelli**, does not knowingly employ any person who is an unauthorized alien in conjunction with the contracted services.

In Affirmation thereof, the facts stated above are true and correct. (The undersigned understands that false statements made in this filing are subject to the penalties provided under section 575.040, RSMo.)



Authorized Representative's Signature

Chief Human Resources Officer
Title

Jodie Hughey
Printed Name

April 20, 2017
Date

Subscribed and sworn before me this 20th day of April, 2017. I am commissioned as a notary public within the County of Jackson, State of Missouri, and my commission expires on October 29, 2017.



Signature of Notary

4-20-17

Date

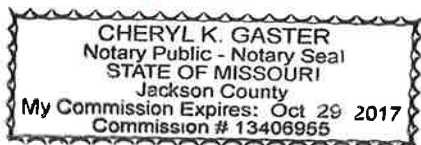


EXHIBIT C



Peter S. Levi
(816) 360-4165
plevi@polsinelli.com

700 West 47th Street, Suite 1000
Kansas City, MO 64112
(816) 753-1000
Facsimile: (816) 753-1536
www.polsinelli.com

April 30, 2010

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT PRIVILEGED COMMUNICATION

Mr. Michael Sanders
County Executive
Jackson County, Missouri
415 E. 12th Street, 2nd Floor
Kansas City, MO 64106

Re: Engagement Letter

Dear Mr. Sanders:

We are pleased and honored that you have chosen Polsinelli Shughart PC to represent Jackson County, Missouri (the "County") in connection with the matter described below. We thank you for your expression of confidence in us.

This letter is intended to describe the scope of the services our firm has been retained to provide during this engagement as well as the terms and conditions of the engagement. To that end, we have attached our standard **Terms of Representation** which sets forth our firm's established general policies and practices regarding representation of clients and the payment of our fees.

1. **Client.** We understand that the County will be our client. In that regard, while we will report to the County Executive from time to time and while we will work with you and other members of your team on a frequent basis, we understand that no officer, director or employee of the County will be our client.

2. **Scope of Representation.** Regarding the scope of our representation, we understand that we are being retained to represent the County and to perform the following legal services:

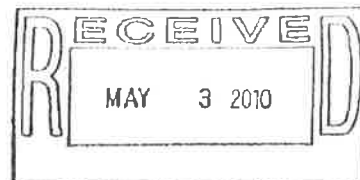
Provide legal advice and representation relating to the federal legislative lobbying in accordance with Request for Proposal No. 14-10 and the response submitted by Polsinelli Shughart on April 6, 2010.

3. **Responsibilities.** We will provide legal counsel and assistance in accordance with this letter and will rely upon information and guidance you provide to us. We will keep you reasonably informed of progress and developments, and respond to your inquiries.

In order to enable us to provide the services set forth in this letter, you will disclose fully and accurately all facts and keep us apprised of all developments relating to this matter. You will also cooperate fully with us and be available to attend meetings, conferences, hearings and other

EXHIBIT A

3670574.1



Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 2

proceedings on reasonable notice, and stay reasonably informed on all developments relating to this matter.

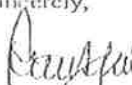
4. **Fees and Expenses.** We will provide these services on a retainer basis at a cost of Ninety Three Thousand Three Hundred Thirty Three and 28/100 Dollars (\$93,333.28), including expenses, for the period commencing May 1, 2010 and ending December 31, 2010. Anita Estell, a Shareholder in our Public Policy Group, will be your lead counsel in our Washington, D.C. office and I will be your lead counsel in Kansas City. In accordance with the terms of Request for Proposal No. 14-10, this engagement shall be for eight months, a four month and two twelve month renewal options.

We look forward to representing the County in this matter. When you advise us otherwise, we will give you a new file or files and issue a new engagement letter for assignments which are different from this assignment.

Because this engagement is solely limited to our efforts for the County in Washington, D.C. and our representation of the County before the United States Congress, we hereby request that any potential conflict of interest between any client of our law firm and the County that would arise because of this engagement be waived by the County. By your signature below, you confirm that we can continue to represent any current clients who may now be adverse to the County and any future clients who may be adverse to the County. As a method to confirm this waiver, your counter-signature on this letter will also extend the conflict waiver contained in the earlier correspondence dated March 1, 2010, signed by William Snyder as Acting County Counselor, through the term of the engagement described herein and expand its coverage to match the "Scope of Representation" outlined herein. A copy of the March 1 letter signed by Mr. Snyder is attached as a reference.

We hope this letter and the attached Terms of Representation adequately explain the scope of our services as well as the payment terms of our fees. If they do and you are in agreement with them, please indicate your affirmation by signing the enclosed copy of this letter and returning it to me for our files.

We appreciate the opportunity to work with you and the County and look forward to a mutually beneficial relationship.


Sincerely,

Peter S. Gey

PSL:cew

On behalf of the County, the undersigned hereby accepts the terms of the foregoing engagement letter and the attached Terms of Representation.

By: 
Michael Sanders, County Executive

Approved and Authorized for use in a Legal Services Agreement

By: 
William G. Snyder, Acting County Counselor

2570574.1

Mr. Michael Sanders
April 30, 2010
Page 3

TERMS OF REPRESENTATION

Confirmation of Services. Polsinelli Shughart PC is pleased to have this opportunity to serve you. The letter accompanying these Terms of Representation sets forth the scope of our representation. If what is set forth in the accompanying letter or in these Terms of Representation does not accurately describe your understanding of the services we are to perform or the terms for billing fees and expenses, please advise the attorney sending you the letter. Unless the attorney is notified promptly, we will assume that these Terms of Representation and the accompanying letter are acceptable to you.

Scope of Representation. The scope of our representation at this time is limited to providing only those services that are described in the accompanying letter. Unless otherwise noted, we will render those legal services that are necessary to the representation. No other services are intended to be provided without our mutual agreement. Later, if you determine to change materially the scope of our representation, we will need to document that in additional correspondence. Our representation is also limited to working on behalf of the client identified in the accompanying letter. The firm does not represent any other entity or individuals unless specifically stated in the accompanying letter.

Fees Not Contingent and Due Within 30 Days. Our fees are not contingent, and payment is due within 30 days of the receipt of the statement. If the firm has not received any comment about the statement within 30 days of its receipt, we will assume that you found it acceptable. As a means of encouraging timely payment of our statements, we reserve the right to add a late charge of 1.5% per month to bills that are past due, i.e., statements that remain unpaid for more than 30 days. Payment is to be made by check or draft payable to "Polsinelli Shughart PC."

If any of our statements remain unpaid for more than 90 days, we may, consistent with our ethical and court-imposed obligations, cease to perform services until satisfactory arrangements have been made for the payment of the unpaid statements and future fees. In fairness to our many clients who promptly pay their statements each month, we reserve the right to take appropriate action with respect to such delinquent accounts.

Methods of Communication. We are mindful of our obligation to preserve the client's confidential information. To that end, it is important that we agree from the outset what kinds of communications technology we will employ in the course of this engagement. The exchange of documents using the Internet, or even direct computer-to-computer data transfer, may involve some risk that information will be retrieved by third parties. Even the use of fax machines can cause problems if documents are sent to numbers where the documents sit in open view. As part of these general issues, please be aware that (1) e-mail communication is not a secure method of communication in all circumstances, (2) any e-mail that is sent to the client or by the client may be copied and held by various computers that it passes through as it goes from the sender to the recipient, (3) persons not participating in our communication may intercept such messages by improperly accessing the client's computer or the lawyer's computer, or even some computer not related to either the client or the law firm which the e-mail passes through. However, it has been our experience that most current business communications are accomplished by electronic means. The Polsinelli Shughart Law Firm will assume that you have no objections to such communications and consent to receive communications via electronic means unless you notify us in writing to the contrary.

Attorney-Client Communication. Our statements generally contain information protected by the attorney-client privilege. As the privilege could be deemed to have been waived if someone other

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 4

than the client sees the privileged material, we recommend that you keep all of our statements in a separate file marked "Attorney-Client Privileged Materials," and keep the file in a secure place.

Payment of Third-Party Expenses. The firm prefers that you pay directly any significant outside expense items related to your work and, when possible, we will direct such expenses to you for payment. Therefore, we often ask our vendors to bill our clients directly rather than having us incur the expense and then including the amount on our statement.

Termination of Services and Representation. You may terminate our services at any time. Termination of our representation does not, however, relieve you from the responsibility of paying those fees and expenses incurred through the date we were notified of such termination. Similarly, we may withdraw from this representation for a number of reasons, including failure to promptly pay the amounts indicated in our statements; failure to disclose all facts material to our representation; failure to act in accordance with our advice; or development of one or more circumstances which, in our judgment, impair our ability to maintain an effective attorney-client relationship. Upon termination of our services and representation by the client or our withdrawal from representation of the client, we will be entitled to be paid for all services rendered and costs and expenses paid or incurred on behalf of the client to the date of termination or withdrawal. We also will be entitled to payment at our standard billing rates for any work required of us in connection with the turnover of files to the client or new counsel and the orderly transition of pending matters to new counsel, and we also will be entitled to reimbursement of all expenses incurred by us in connection with such work. We will return to the client all papers and property belonging to the client, upon payment of all amounts owed by the client to the firm. Papers and communications that are part of the firm's administrative process although they may concern do not belong to the client. We reserve the right to make, at the client's expense, and retain copies of all documents generated or received by us in the course of our representation of a client. If a client requests documents from us, either during the course of our representation of the client or in connection with or following termination of or withdrawal from such representation, such documents will be provided at the client's expense, including both reproduction costs and professional fees for time expended in reviewing files to locate requested documents.

Estimates of the Cost of Services to be Performed. From time to time, you may ask us to make an estimate of the cost of completing all or part of your matter. Because it is often difficult to estimate at the beginning of a project how much time it will take to complete it, we treat any estimate as an "educated guess" and not as an assurance that we will be able to do the work for the estimated price. When an estimate is given, we will advise you when we are nearing the estimated price, and we will also advise you if we become aware that the estimate may be exceeded. At that time, you can decide whether to terminate our work on the project, modify the project, or proceed to completion with a different cost estimate.

Completion of Matter. After a particular matter is completed, we do not (unless you specifically request in writing that we do so) undertake to continue to review that matter and update you concerning legal developments, such as changes in applicable laws or regulations. If you do ask us to review a specific matter on which we have previously worked, we will consider that to be a new representation. Thus, while we may, from time to time, call to your attention issues or legal developments that might be relevant to your operations, we are not undertaking to do so as a part of this representation.

Unless previously terminated, our representation will end upon our sending you our final statement for services rendered with respect to this matter. If, upon any termination or completion of a matter, you wish to have your documents in our possession delivered to you, please advise us.

06-057118

Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 5

Client Confidences/Description of Client/Representation in Other Matters/Future Conflicts. Our clients are engaged in a wide variety of businesses throughout the world. From time to time, we represent clients who are industry competitors. In order to ensure confidentiality, we will not (unless you specifically grant us the authority to do so) discuss or otherwise make available to anyone, including other clients, any confidential information about you, your business or our work on your behalf and will not discuss or otherwise make available to you any confidential information about any of our other clients (if any), their business, or any work on their behalf.

Polsinelli Shughart is a large law firm and represents many other companies and individuals. For example, our firm has a national debtor-creditor, workout, and bankruptcy practice. To avoid any misunderstanding in connection with our current (and any future) engagement with the client, we confirm that we have not been asked to act as counsel for anyone other than the client described in the Engagement Letter or, if the client is a corporation, any subsidiary, parent, affiliate, or other member of the client's corporate group by acting as counsel to the client.

It is possible that during the time that we are representing the client, some of our other present or future clients will have disputes or transactions with the client referenced in the accompanying Engagement Letter. Therefore, as a condition to the firm undertaking this engagement, the client agrees that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such other clients in those other matters are directly adverse to you.

Without limiting the generality of the foregoing, we will have the right to represent debtors, creditors' committees, creditors, shareholders, or other parties in interest in other matters, including in bankruptcy, workout, and other debtor-creditor matters, even when the client is a creditor or is otherwise interested in or potentially interested in such other matter. This would include, but not be limited to: matters, negotiations, and disputes that may arise under loan and security agreements and related documents; negotiation and disputes regarding claims, liens, debtor-in-possession financing, lift of stay issues, plan of reorganization issues; and other issues in which the client may have an interest. The client's signature on the enclosed copy of this letter will constitute its consent to and all such conflicting representations. We agree, however, that the client's prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of the client, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to the client's material disadvantage.

No Guarantee. We will perform our professional services on your behalf to the best of our ability, but we cannot make and have not made any guarantees regarding the outcome of our work on this project. Any expressions by us about the outcome of this project are our best professional views only and are limited by our factual knowledge at the time they are expressed.

Binding Agreement. The accompanying Engagement Letter and these Terms Of Representation represent the entire agreement between the client and the Polsinelli Shughart Law Firm with respect to this Engagement. By signing the Engagement Letter, the client acknowledges that the Engagement Letter and these Terms Of Representation have been carefully reviewed and its content understood and that the client agrees to be bound by all of its terms and conditions. Furthermore, the client acknowledges that the Polsinelli Shughart Law Firm has made no representations or guarantees to you regarding the outcome of your representation or the time necessary to resolve this matter. No change or waiver of any of the provisions of the Engagement Letter or these Terms Of Representation shall be binding on either you or the law firm unless the change is in writing and signed by both.

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Appendix C
Jackson County
No-Bid Contracts and Other Expenditures
Federal Lobbying Contracts

Mr. Michael Sanders
April 30, 2010
Page 6

Acceptance of Terms of Representation. If these Terms of Representation and the accompanying letter correctly and completely set forth our mutual understanding of the terms of our engagement, please sign a copy of the accompanying letter and return it to our offices for our file.

Appendix D
Jackson County
No-Bid Contracts and Other Expenditures
Former County Executive's Consulting Agreement Invoices

HUMPHREY, FARRINGTON & McCLAIN, P.C.

ATTORNEYS AT LAW
221 WEST LEXINGTON, SUITE 400
P.O. BOX 900
INDEPENDENCE, MISSOURI 64051

TELEPHONE
(816)836-5050
FAX: (816)836-8966

February 09, 2016

Jackson County, Missouri
ATTN: Mr. Troy Thomas, Director of Finance
415 E 12th St
Kansas City, MO 64106

Re: Legal Services and Consulting Agreement

24337/ZZ

Professional services:

Amount

Legal and Consulting Services for February 2016 provided by Mike Sanders

For professional services rendered:

\$10,000.00

Balance due

\$10,000.00

Bills are due and payable upon receipt. Please make your
check payable to Michael Sanders.

Appendix D
Jackson County
No-Bid Contracts and Other Expenditures
Former County Executive's Consulting Agreement Invoices

HUMPHREY, FARRINGTON & McCLAIN, P.C.

ATTORNEYS AT LAW
221 WEST LEXINGTON, SUITE 400
P.O. BOX 900
INDEPENDENCE, MISSOURI 64051

TELEPHONE
(816)836-5050
FAX: (816)836-8966

March 09, 2016

Jackson County, Missouri
ATTN: Mr. Troy Thomas, Director of Finance
415 E 12th St
Kansas City, MO 64106

Re: Legal Services and Consulting Agreement

24337/ZZ

Professional services:

Amount

Legal and Consulting Services for March 2016 provided by Mike Sanders

For professional services rendered:
Previous balance

\$10,000.00
\$10,000.00

Balance due

~~\$20,000.00~~

10,000.00

Bills are due and payable upon receipt. Please make your
check payable to Michael Sanders.

The manual change to this
invoice was made by a county
employee

Appendix D
Jackson County
No-Bid Contracts and Other Expenditures
Former County Executive's Consulting Agreement Invoices

HUMPHREY, FARRINGTON & McCLAIN, P.C.

ATTORNEYS AT LAW
221 WEST LEXINGTON, SUITE 400
P.O. BOX 900
INDEPENDENCE, MISSOURI 64051

TELEPHONE
(816)836-5050
FAX: (816)836-8966

April 08, 2016

Jackson County, Missouri
ATTN: Mr. Troy Thomas, Director of Finance
415 E 12th St
Kansas City, MO 64106

Re: Legal Services and Consulting Agreement

24337/ZZ

Professional services:

Amount

Legal and Consulting Services for April 2016 provided by Mike Sanders

For professional services rendered:

\$10,000.00

Balance due

\$10,000.00

Bills are due and payable upon receipt. Please make your
check payable to Michael Sanders.

Appendix D
Jackson County
No-Bid Contracts and Other Expenditures
Former County Executive's Consulting Agreement Invoices

HUMPHREY, FARRINGTON & McCLAIN, P.C.

ATTORNEYS AT LAW
221 WEST LEXINGTON, SUITE 400
P.O. BOX 900
INDEPENDENCE, MISSOURI 64051

TELEPHONE
(816)836-5050
FAX: (816)836-8966

May 09, 2016

Jackson County, Missouri
ATTN: Mr. Troy Thomas, Director of Finance
415 E 12th St
Kansas City, MO 64106

Re: Legal Services and Consulting Agreement

24337/ZZ

Professional services:

Amount

Legal and Consulting Services for May 2016 provided by Mike Sanders

For professional services rendered:

\$10,000.00

Balance due

\$10,000.00

Bills are due and payable upon receipt. Please make your
check payable to Michael Sanders.

Appendix D
Jackson County
No-Bid Contracts and Other Expenditures
Former County Executive's Consulting Agreement Invoices

HUMPHREY, FARRINGTON & MCCLAIN, P.C.

ATTORNEYS AT LAW
221 WEST LEXINGTON, SUITE 400
P.O. BOX 900
INDEPENDENCE, MISSOURI 64051

TELEPHONE
(816)836-5050
FAX: (816)836-8966

June 09, 2016

Jackson County, Missouri
ATTN: Mr. Troy Thomas, Director of Finance
415 E 12th St
Kansas City, MO 64106

Re: Legal Services and Consulting Agreement

24337/ZZ

Professional services:

Amount

Consulting Services for June 2016 provided by Mike Sanders

For professional services rendered:

\$10,000.00

Balance due

\$10,000.00

Bills are due and payable upon receipt. Please make your check payable to Humphrey, Farrington, & McClain P.C. Our office now accepts Discover, Mastercard and Visa. Thank you.

CONSULTING AGREEMENT

This Consulting Agreement ("Consulting Agreement") is made this 24th day of January, 2016, by and between Jackson County, Missouri, ("the County") and Michael D. Sanders ("Sanders") (collectively "the Parties").

WHEREAS, Sanders has resigned his position with the County; and

WHEREAS, Sanders is uniquely qualified by his legal training and his experience in the best practices for the management of governmental entities to provide the services described in this Agreement; and

WHEREAS, Sanders is willing to be available to provide consulting services for and to be engaged by the County, including, but not limited to, the Office of the County Counselor and the County Executive, under the terms of this Consulting Agreement; and

WHEREAS, the County desires to have Sanders available to consult for six months after his resignation; and

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

1. **Term:** The term of this Agreement shall run from January 15, 2016 through July 15, 2016, unless terminated as set out in Paragraph 4. Nothing in this Agreement shall be interpreted to obligate the County to employ or otherwise engage Sanders beyond July 15, 2016. After July 15, 2016, this Consulting Agreement may be renewed by mutual agreement of the parties, upon such terms as the parties may agree.
2. **Services:** In consideration of the compensation provided in Paragraph 3 of this Consulting Agreement, Sanders agrees to make himself available to consult with the County, including, but not limited to, the Office of the County Counselor and the County Executive, on an as-needed basis regarding matters within the usual scope of his employment as of December 31, 2015, including transition of his responsibilities. However, the parties agree that nothing in this Agreement shall obligate the County to utilize Sanders's services.

3. **Compensation:** In consideration for the services provided by Sanders pursuant to Paragraph 2 of this Consulting Agreement, the County agrees to pay Sanders the total sum of \$10,000.00 per month beginning on the date this agreement is signed and on the **first day** of each month thereafter for the period this Consulting Agreement is in effect with the final sixth payment payable on June 15, 2016. This compensation shall be payable regardless of whether the County utilizes Sanders's services. This compensation shall be payable on a monthly basis and shall be included on a Form 1099 to Sanders. In the event of termination of this Consulting Agreement for any reason, Sanders's right to this compensation shall immediately cease and he shall be paid pro rata based on the date of termination.

4. **Termination:** This Agreement may be terminated by: (1) either party for any reason by providing the other party with thirty (30) days' written notice of its intention to terminate this Agreement; (2) mutual agreement of the parties to terminate, including immediately; or (3) the County for Cause upon written notice to Sanders based upon the County's determination Sanders has (i) committed any criminal act under federal, state or local law, whether such act would be a felony or a misdemeanor; (ii) breached any provision of this Agreement, including, but not limited to by acting dishonestly or negligently regarding his performance hereunder; (iii) failed to perform his duties under this Agreement (other than for reasons related to illness, injury, temporary disability or temporary unavailability); (iv) violated any applicable local, state, or federal law relating to discrimination or harassment; (v) violated the County's policies and/or practices applicable to Sanders; (vi) died or become permanently disabled from continuing to provide the level of service required under this Agreement; (vii) taken any action, whether intentionally or not, or failed to act where such action/inaction has the effect of undermining or harming the County; or (viii) failed to comply with any oral or written request or directive of County.

Upon any termination of this Agreement for any reason whatsoever, Sanders shall return to the County any and all originals and copies of the County's records, files, notes, memoranda, reports, or similar items in any form or format whatsoever, written or otherwise, to the County within ten (10) days of termination.

5. **Independent Contractor:** Sanders shall work as an independent contractor and not as an employee of the County. Sanders shall report all earnings received hereunder as gross income, and be responsible for his own Federal, State, and City withholding taxes and all other taxes, and

operate Sanders independent of the business of the County except as required by this Consulting Agreement. The County acknowledges that Sanders will be conducting business that is not related to the services that will be provided to the County under this Consulting Agreement for other clients. The parties agree that Sanders shall not represent other clients on business and/or legal proceedings in which Jackson County has an interest.

6. **Additional Benefits:** In addition to the compensation and benefits described above pursuant to Paragraph 3 of this Consulting Agreement, the County shall provide Sanders the following :

- a. Parking in a County lot convenient to the Downtown Jackson County Courthouse.

7. **General Provisions:**

- a. This Agreement shall be governed by the laws of the State of Missouri.
- b. If any provision of this Agreement shall be found invalid, illegal or otherwise unenforceable, the validity, legality and enforceability of the remaining provisions shall in no way be affected or impaired.
- c. This Agreement contains the entire agreement of the parties with respect to the matters contemplated hereby, and no modification or waiver of any provision of this Agreement will be valid unless in writing and signed by both parties.
- d. The parties agree Sanders shall be an independent contractor of the County, not an employee.
- e. Any notice to be given hereunder by either party to the other must be in writing and may be effected by personal delivery or by mail, registered or certified, postage pre-paid, with return receipt requested, and addressed to the party as follows:

To The County:

W. Stephen Nixon
Jackson County Courthouse
415 E. 12th St., Second Floor
Kansas City, MO 64106

To Sanders:

Michael D. Sanders
17808 Cliff Drive
Independence, MO 64055



MICHAEL D. SANDERS

1-15-16

(DATE)

ON BEHALF OF JACKSON COUNTY, MISSOURI

BY W. STEPHEN NIXON, COUNTY COUNSELOR

(DATE)

REVENUE CERTIFICATE

I hereby certify that there is a balance otherwise unencumbered to the credit of the appropriation to which this contract is chargeable, and a cash balance otherwise unencumbered in the treasury from which payment is to be made, each sufficient to meet the obligation of \$60,000.00 which is hereby authorized. Remaining funds are subject to appropriation in the County's future years' annual budgets.

Date January 21, 2016

[Signature]
Director of Finance and Purchasing

004-3601-6020

36012016002

Handwritten text was added by
a county employee



**COUNTY LEGISLATURE
JACKSON COUNTY, MISSOURI**

**THERESA CASS GALVIN
LEGISLATIVE CHAIRMAN
JACKSON COUNTY LEGISLATOR, 6TH DISTRICT**

JACKSON COUNTY COURTHOUSE
415 E. 12th Street, 2nd Floor
Kansas City, Missouri 64106

Office: 816-881-3132
Fax: 816-881-3340
www.jacksongov.org



August 31, 2020

Nicole Galloway
Missouri State Auditor
Truman State Office Building
301 West High Street, Rm 880, P.O. Box 869
Jefferson City, MO 65102

Honorable Auditor Galloway,

In February 2018 the Jackson County Legislature formally requested an independent audit by the Missouri State Auditor to provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws. In April of 2020 the COMBAT audit report was issued as the first of multiple areas of review.

Again, the County Legislature greatly appreciates the State Auditor's time and efforts in conducting an audit and issuing a report of the Jackson County No-Bid Contracts and Other Expenditures as the second report of multiple areas of review.

As the Jackson County Charter authorizes specific delegation of duties, powers and limitations, the County Legislature agrees that the fiduciary trust from taxpayers is of utmost importance and assurance that funds entrusted to Jackson County should be monitored and spent in the most prudent manner. The County Legislature supports the report's recommendations surrounding deficiencies in internal controls, non-compliance with legal provisions and the need for improvement in management practices and procedures. The County Legislature will continue to strengthen oversight efforts of county operations and internal controls through policymaking measures to establish best practice standards that fall within said separation of powers of the existing Jackson County Charter.

Harry S. Truman, Presiding Judge, 1927-1934





FRANK WHITE, JR.
Jackson County Executive

September 3, 2020

Robert McArthur II, Senior Auditor III
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

via email: robert.mcarthur@auditor.mo.gov,
pamela.allison@auditor.mo.gov

Dear Mr. McArthur,

In response to your request for my office's response, please see the information below:

1.1

The Administration is committed to taking all actions necessary, within the Administration's authority, to ensure that the solicitation, selection and execution of all contracts is done appropriately.

Prior to 2018, the County Counselor was responsible for the solicitation and awarding of all legal service contracts, subject only to adequate appropriations by the County Legislature. Beginning in 2018, all contracts for legal services have required the direct approval of the County Legislature.

The Administration will review all recommendations made, and in collaboration with the County Legislature, Counselor, Prosecuting Attorney and Sheriff make all changes necessary.

1.2

The Administration is committed to taking all actions necessary, within the Administration's authority, to ensure that the solicitation, selection and execution of all contracts is done appropriately.

The Administration will review all recommendations made, and in collaboration with the County Legislature, Counselor, Prosecuting Attorney and Sheriff make all changes necessary.

1.3

The Administration will ensure that an annual purchasing report is prepared and submitted to the Legislature in accordance with the applicable provisions of the County's Code of Ordinances.



Page 2

2.1

The Administration will work with the County Legislature, Counselor, Prosecuting Attorney and Sheriff to ensure that appropriate rules, policies, and internal controls are in place to prevent against the usage of any funds for purposes beyond the statutorily defined allowable uses of such dollars.

2.2-2.6

The Administration will work with the County Legislature, Counselor, Prosecuting Attorney and Sheriff to ensure that contracts are drafted appropriately, executed in a timely fashion, and sufficient documentation is provided to justify the payment of all invoices.

The Administration will work with the County Legislature, Counselor, Prosecuting Attorney and Sheriff to ensure that appropriate rules, policies, and internal controls are in place to protect against any funds being used inappropriately.

3.1-3.2

The Administration will take all necessary steps to ensure that travel advances are properly reviewed, and any inappropriate use is reimbursed to the County. The Administration will work with the County Legislature, Sheriff, and Prosecuting Attorney to ensure that all existing travel policies are complied with and any necessary revisions to the policies are made.

Regards,

A handwritten signature in blue ink, appearing to read "Frank White, Jr.", with a horizontal line extending to the left.

Frank White, Jr.
Jackson County Executive

cc

Pamela Allison, Supervising Manager of the Public Corruption and Fraud Division



Nicole Galloway, CPA

Missouri State Auditor

**Federal Funding
for COVID-19 Response
July 2020**

Report No. 2020-074

September 2020

auditor.mo.gov

Federal Funding for COVID-19 Response

July 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds July 1, 2020, through July 31, 2020.....	8
B	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through July 31, 2020	9
C	Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to show Missouri's spending of federal assistance in the month of July 2020 for the Coronavirus Disease 2019 (COVID-19) emergency and the cumulative financial activity since the state began receiving funding in April 2020.

In March and April 2020, Congress passed several legislative measures signed into law to provide assistance to citizens, businesses, healthcare facilities, and government entities during the COVID-19 emergency. The funding received by or made available to Missouri state government agencies will help pay for the state's emergency response to COVID-19 and provides (1) additional federal matching funds for the state's Medicaid program, MO HealthNet, and (2) funding for various other assistance and benefit programs. The state is passing through some of the funding to local governments. Some funding authorized in the legislation also went directly to local government entities, healthcare facilities, and colleges and universities. The majority of the funding has specific restrictions on its use or state actions and must be spent in defined limited time periods.

In July, the state spent \$16.2 million from federal COVID-19 assistance (Appendix A). Through the end of July, the state has received \$2.64 billion and spent \$1.11 billion from this assistance. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation in Appendix C. The majority of the state's disbursements have been for MO HealthNet services (\$324 million) and funding passed through to counties and the City of St. Louis (\$521 million). In addition, the state is currently using \$250 million of COVID-19 relief funding for cash management needs.

A handwritten signature in black ink that reads "Nicole R. Galloway".

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Senior Auditor:	Jeffrey Roberts, CISA, CFE
Staff Auditor:	Kristin A. Clink, MBA, CISA, CFE

Federal Funding for COVID-19 Response

July 2020

Executive Summary

Executive Summary

Missouri has been awarded federal funding under the following federal laws enacted in March and April 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123; H.R. 6074)
- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139; H.R. 266)

The Coronavirus Preparedness and Response Supplemental Appropriations Act provides for grants to or cooperative agreements with states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The state has been awarded as of July 31, 2020, approximately \$17.6 million under this act for additional or new funding under various federal grant programs. Part of this funding went directly to community health centers from the federal government. Each grant program has a separate time limit on use of the funding.

The Families First Coronavirus Response Act provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the state's Medicaid program, MO HealthNet. The state's FMAP percentage was approximately 66 percent prior to this act.¹ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the COVID-19 public health emergency, including any extensions, ends. To qualify for the temporary FMAP increase, Missouri must:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020, (maintenance of effort requirement).
- Not charge premiums that exceed those that were in place as of January 1, 2020.

¹ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act.

Federal Funding for COVID-19 Response
July 2020
Executive Summary

- Cover, without impositions of any cost sharing, testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19.
- Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state (continuous coverage requirement).

Under the Families First Coronavirus Response Act, the state has also been awarded as of July 31, 2020, approximately \$36.2 million of additional or new funding under various federal grant programs for meal assistance, food subsidies, and administrative costs. Each grant program has a separate time limit on use of the funding.

The CARES Act specifies that payments provided to the state from the Coronavirus Relief Fund² may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the state; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The state has received approximately \$2.38 billion in Coronavirus Relief Fund assistance including nearly \$173.5 million for St. Louis County and \$122.7 million for Jackson County.³ Twenty-five percent of the remaining state share (approximately \$521 million) was distributed to other counties in the state and the City of St. Louis based on population. In early July, the Department of the Treasury Office of Inspector General (OIG) issued interim and quarterly reporting requirements for Coronavirus Relief Fund payments. The OIG is responsible for monitoring and oversight of the receipt, disbursement, and use of these payments.

Eligible expenditures for Coronavirus Relief Fund assistance include, but are not limited to, payment for:⁴

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.

² From the U.S. Department of the Treasury, CFDA number 21.019.

³ The funding for Jackson County and St. Louis County went directly to those local governments from the federal government.

⁴ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, April 22, 2020, <<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>>, accessed May 20, 2020.

Federal Funding for COVID-19 Response
July 2020
Executive Summary

- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
- Costs of providing COVID-19 testing, including serological testing.
- Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
- Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.

2. Public health expenses such as:

- Expenses for communication and enforcement by state, territorial, local, and tribal governments of public health orders related to COVID-19.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
- Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
- Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
- Expenses for public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.

3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:

- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.

Federal Funding for COVID-19 Response
July 2020
Executive Summary

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy CARES Act eligibility criteria.

The state may also use Coronavirus Relief Fund assistance to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures.⁵ If the state has not used the Coronavirus Relief Fund assistance it has received to cover costs that were incurred by December 30, 2020, as required by federal law, those funds must be returned to the federal government.

The General Assembly has authorized the Office of Administration (OA) to transfer up to \$750 million in Coronavirus Relief Fund assistance from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. Any transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund prior to June 30, 2021. In May, the OA transferred \$250 million from the stimulus

⁵ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, p.8, May 28, 2020, < <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>>, accessed May 29, 2020.

Federal Funding for COVID-19 Response
July 2020
Executive Summary

fund to the General Revenue Fund. No cash management transfers occurred in July.

Under the CARES Act, the state has also been awarded as of July 31, 2020, approximately \$2.79 billion of additional or new funding under other various federal grant programs for assistance for public schools, institutions of higher education, and healthcare facilities; child care and family services; health care worker training programs; public health education; expanded telehealth services; and numerous other assistance services or benefits. A significant part of this funding went directly to local governments or the awarded entity. Each grant program has a separate time limit on use of the funding.

The Paycheck Protection Program and Health Care Enhancement Act provides funding to states for expanded COVID-19 testing. Under the act, the state has been awarded approximately \$165 million with some of this funding going directly to rural health departments from the federal government.

In July, the state spent \$16.2 million from federal COVID-19 assistance (Appendix A). Through the end of July, the state has received \$2.64 billion and spent \$1.11 billion from this assistance. The majority of the state's disbursements have been for MO HealthNet services (\$324 million) and funding passed through to counties and the City of St. Louis (\$521 million). The state will be responsible for monitoring use of the funding it passes through to local governments. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation are presented in Appendix C.

Appendix A

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds July 1, 2020, through July 31, 2020

	Unaudited					Ending Fund Balance
	Beginning Fund Balance	Receipts	Disbursements	Transfers In	Transfers Out	
Secretary of State Election Administration Improvements Fund ¹	\$ 3,795,762	(3,795,762)	0	0	0	0
Coronavirus Emergency Supplemental Fund	11,631,099	4,289	0	0	0	11,635,388
FMAP (Federal Medical Assistance Percentage) Enhancement Fund ²	0	0	0	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	25,709	6,432,642	6,432,642	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	0	18,315,479	18,315,479	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	2	0	0	0	0	2
Office of Administration Federal Stimulus Fund	54,067	0	57,447	66,711	33,185	30,146
Department of Public Safety Federal Stimulus Fund	1,972,349	0	72,570	0	41,654	1,858,125
State Emergency Management Federal Stimulus Fund ^{3,4}	1,212,550,071	569,392	(20,064,116)	0	1,580,315	1,231,603,264
Department of Corrections Federal Stimulus Fund	9,176,381	0	2,037,839	0	1,221,008	5,917,534
Department of Mental Health Federal Stimulus Fund	6,306,160	9,048,853	1,839,249	725,786	995,837	13,245,713
Department of Health and Senior Services Federal Stimulus Fund	585,677	1,768,179	1,661,601	0	0	692,255
Department of Social Services Federal Stimulus Fund	978,441	5,653,116	5,837,595	0	75,462	718,500
Department of Labor & Industrial Relations Federal Stimulus Fund	495,140	0	38,715	0	16,382	440,043
Secretary of State Federal Stimulus Fund	0	3,930,918	0	0	0	3,930,918
Total all Funds	\$ 1,247,570,858	41,927,106	16,229,021	792,497	3,963,843	1,270,097,597

¹ During the fiscal year ending June 30, 2020, the Secretary of State used this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. This fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. The fund's negative \$3,795,762 receipts total in July 2020 reflects movement of its remaining balance to the Secretary of State Federal Stimulus Fund. Beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund is used to account for all COVID-19 receipts and related disbursements.

² For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. No receipts occurred in July.

³ The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of July, \$250 million has been transferred to the General Revenue Fund.

⁴ This fund's negative \$20,064,116 disbursement total in July 2020 is the net result of disbursements for the month, less a one-time transfer of \$27,210,453 in previous disbursements from that fund to the state's General Revenue Fund, to reclassify these disbursements from a state source. Office of Administration officials indicated the transfer represents 75 percent of certain costs, such as protective personal equipment and disaster medical assistance teams, that if spent from state funds can be eligible for federal reimbursement under the Stafford Disaster Relief and Emergency Assistance Act of 1988. The State Emergency Management Agency is in the process of seeking such federal reimbursement. The state made the adjustment because recent federal guidance allows the state's 25 percentage match for the Stafford disaster relief assistance to come from Coronavirus Aid, Relief, and Economic Security Act funds.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix B

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through July 31, 2020

	Unaudited				
	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 3,801,643	3,801,643	0	0	0
Coronavirus Emergency Supplemental Fund	11,635,395	7	0	0	11,635,388
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	324,391,170	324,391,170	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	48,352,623	48,326,914	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	85,785,230	85,785,230	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	4,114,462	4,114,460	0	0	2
Office of Administration Federal Stimulus Fund	521,241,978	521,151,191	66,711	127,352	30,146
Department of Public Safety Federal Stimulus Fund	2,262,000	261,820	0	142,055	1,858,125
State Emergency Management Federal Stimulus Fund ²	1,542,862,894	57,428,388	0	253,831,242	1,231,603,264
Department of Corrections Federal Stimulus Fund	11,578,485	3,552,542	0	2,108,409	5,917,534
Department of Mental Health Federal Stimulus Fund	21,684,376	6,006,367	725,786	3,158,082	13,245,713
Department of Health and Senior Services Federal Stimulus Fund	39,258,275	38,566,020	0	0	692,255
Department of Social Services Federal Stimulus Fund	13,353,713	12,447,841	0	187,372	718,500
Department of Labor & Industrial Relations Federal Stimulus Fund	2,219,047	1,688,948	0	90,056	440,043
Secretary of State Federal Stimulus Fund	3,930,918	0	0	0	3,930,918
Total all Funds	\$ 2,636,472,209	1,107,522,541	792,497	259,644,568	1,270,097,597

¹ During the fiscal year ending June 30, 2020, the Secretary of State used this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. This fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. Beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund is used to account for all COVID-19 receipts and related disbursements.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of July, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUND						
Department of Public Safety (DPS) - Office of the Director - Coronavirus Emergency Supplemental Fund grants - personal service	\$ 675,494	0	675,494	675,494	0	675,494
DPS - Office of the Director - Coronavirus Emergency Supplemental Fund grants - expense and equipment	10,758,773	0	10,758,773	10,758,773	7	10,758,766
Total Coronavirus Emergency Supplemental Fund	11,434,267	0	11,434,267	11,434,267	7	11,434,260
FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE) ENHANCEMENT FUND						
Department of Social Services (DSS) - MO HealthNet Division - Medicare Part D Clawback payments ²				100,000,000	74,391,170	25,608,830
DSS - MO HealthNet Division - payment to comprehensive prepaid health care plans as provided by federal or state law or for payments to programs authorized by the Frail Elderly Demonstration Project Waiver as provided by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508, Section 4744) and by Section 208.152 (16), RSMo, provided that the department shall implement programs or measures to achieve cost-savings through emergency room services reform, and further provided that MO HealthNet eligibles described in Section 501(a)(1)(D) of Title V of the Social Security Act may voluntarily enroll in the Managed Care Program ²						
Total FMAP Enhancement Fund				250,000,000	250,000,000	0
				350,000,000	324,391,170	25,608,830
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) FEDERAL						
Free public schools - all expenditures	2,000,000,000	6,432,642	1,993,567,358	1,515,839,292	0	1,515,839,292
School Nutrition Services Program - reimbursements to schools for school food programs				117,552,821	41,894,272	75,658,549
Return of unspent Coronavirus Aid, Relief, and Economic Security (CARES) Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DESE Federal Stimulus Fund	2,000,000,001	6,432,642	1,993,567,359	1,633,392,113	41,894,272	1,591,497,841
DESE FEDERAL EMERGENCY RELIEF FUND						
Distributions to free public schools under the CARES Act	208,443,000	18,315,478	190,127,522	300,000,000	67,469,751	232,530,249
Distributions of the Governor's Emergency Education Relief Funds to the free public schools under the CARES Act	30,000,000	0	30,000,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DESE Federal Emergency Relief Fund	238,443,001	18,315,478	220,127,523	300,000,000	67,469,751	232,530,249
DEPARTMENT OF HIGHER EDUCATION AND WORKFORCE DEVELOPMENT (DHEWD)						
Crowder College	1,718,186	0	1,718,186	1,718,186	0	1,718,186
Crowder College - maintenance and repair	65,732	0	65,732	65,732	0	65,732
Crowder College - equity	133,645	0	133,645	133,645	0	133,645
East Central College	1,622,326	0	1,622,326	1,622,326	0	1,622,326
East Central College - maintenance and repair	47,965	0	47,965	47,965	0	47,965
East Central College - equity	126,188	0	126,188	126,188	0	126,188

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Jefferson College	2,326,275	0	2,326,275	2,326,275	0	2,326,275
Jefferson College - maintenance and repair	114,448	0	114,448	114,448	0	114,448
Jefferson College - equity	180,943	0	180,943	180,943	0	180,943
Metropolitan Community College	9,402,075	0	9,402,075	9,402,075	0	9,402,075
Metropolitan Community College - maintenance and repair	395,635	0	395,635	395,635	0	395,635
Metropolitan Community College - equity	731,315	0	731,315	731,315	0	731,315
Mineral Area College	1,691,577	0	1,691,577	1,691,577	0	1,691,577
Mineral Area College - maintenance and repair	68,720	0	68,720	68,720	0	68,720
Mineral Area College - equity	131,575	0	131,575	131,575	0	131,575
Moberly Area Community College	1,904,480	0	1,904,480	1,904,480	0	1,904,480
Moberly Area Community College - maintenance and repair	45,518	0	45,518	45,518	0	45,518
Moberly Area Community College - equity	148,135	0	148,135	148,135	0	148,135
North Central Missouri College	811,508	0	811,508	811,508	0	811,508
North Central Missouri College - maintenance and repair	16,606	0	16,606	16,606	0	16,606
North Central Missouri College - equity	63,121	0	63,121	63,121	0	63,121
Ozarks Technical Community College	4,398,254	0	4,398,254	4,398,254	0	4,398,254
Ozarks Technical Community College - maintenance and repair	68,116	0	68,116	68,116	0	68,116
Ozarks Technical Community College - equity	342,106	0	342,106	342,106	0	342,106
St. Charles Community College	2,760,428	0	2,760,428	2,760,428	0	2,760,428
St. Charles Community College - maintenance and repair	63,893	0	63,893	63,893	0	63,893
St. Charles Community College - equity	214,713	0	214,713	214,713	0	214,713
St. Louis Community College	12,960,637	0	12,960,637	12,960,637	0	12,960,637
St. Louis Community College - maintenance and repair	473,822	0	473,822	473,822	0	473,822
St. Louis Community College - equity	1,008,108	0	1,008,108	1,008,108	0	1,008,108
State Fair Community College	1,858,709	0	1,858,709	1,858,709	0	1,858,709
State Fair Community College - maintenance and repair	64,102	0	64,102	64,102	0	64,102
State Fair Community College - equity	144,575	0	144,575	144,575	0	144,575
Three Rivers College	1,588,805	0	1,588,805	1,588,805	0	1,588,805
Three Rivers College - maintenance and repair	41,015	0	41,015	41,015	0	41,015
Three Rivers College - equity	123,581	0	123,581	123,581	0	123,581
State Technical College of Missouri	2,010,124	0	2,010,124	2,010,124	0	2,010,124
University of Central Missouri	18,446,119	0	18,446,119	18,446,119	0	18,446,119
Southeast Missouri State University	15,293,156	0	15,293,156	15,293,156	0	15,293,156
Missouri State University	31,333,687	0	31,333,687	31,333,687	0	31,333,687
Lincoln University	7,156,731	0	7,156,731	5,859,958	0	5,859,958
Lincoln University - land grant match				1,296,773	0	1,296,773

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Truman State University	13,886,774	0	13,886,774	13,886,774	0	13,886,774
Northwest Missouri State University	10,395,373	0	10,395,373	10,395,373	0	10,395,373
Missouri Southern State University	8,010,414	0	8,010,414	8,010,414	0	8,010,414
Missouri Western State University	7,415,585	0	7,415,585	7,415,585	0	7,415,585
Harris-Stowe State University	3,487,087	0	3,487,087	3,487,087	0	3,487,087
University of Missouri	138,745,625	0	138,745,625	138,745,625	0	138,745,625
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DHEWD Federal Stimulus Fund	304,037,513	0	304,037,513	304,037,512	0	304,037,512
DHEWD FEDERAL EMERGENCY RELIEF FUND						
Distributions of the Governor's Emergency Education Relief Funds to institutions of higher education under the CARES Act	23,643,000	0	23,643,000	200,000,000	0	200,000,000
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DHEWD Federal Emergency Relief Fund	23,643,001	0	23,643,001	200,000,000	0	200,000,000
MISSOURI DEPARTMENT OF TRANSPORTATION (MoDOT) FEDERAL STIMULUS FUND						
Transit Program - grants to non-urbanized areas under Sections 5311 and 5340, Title 49, United States Code	61,770,760	148,763	61,621,997	20,000,000	4,114,460	15,885,540
Aviation Program - construction, capital improvements, or planning of publicly owned airfields by cities or other political subdivisions, including land acquisition, pursuant to provisions of the State Block Grant Program administered through the Federal Airport Improvement Program	19,870,044	0	19,870,044	1,000,000	0	1,000,000
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total MoDOT Federal Stimulus Fund	81,640,805	148,763	81,492,042	21,000,000	4,114,460	16,885,540
OFFICE OF ADMINISTRATION (OA) FEDERAL STIMULUS FUND						
Distribution of federal funds to units of local government as provided in the CARES Act				1,071,000,000	520,925,478	550,074,522
Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ⁴	316,500	57,750	258,750	316,500	158,016	158,484
Broadband expansion and/or cellular equipment and service to provide fixed or mobile broadband access to emergency services personnel in order to coordinate and dispatch services related to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Broadband expansion to residential and agricultural areas in counties of the state of Missouri with high concentrations of state employees without residential access to broadband internet, for the purpose of enabling state employees to work remotely due to the COVID-19 disease - expense and equipment	5,000,000	0	5,000,000			
Reimbursement of broadband services costs, and/or for state purchase of cellular equipment and service to provide fixed or mobile broadband service for state employees required to work from home due to the COVID-19 disease - expense and equipment	2,000,000	0	2,000,000			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency				16,000	10,250	5,750
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total OA Federal Stimulus Fund	12,316,501	57,750	12,258,751	1,071,332,500	521,093,744	550,238,756
DEPARTMENT OF PUBLIC SAFETY (DPS) FEDERAL STIMULUS FUND						
Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ⁴	2,262,000	72,750	2,189,250	2,262,000	189,250	2,072,750
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DPS Federal Stimulus Fund	2,262,001	72,750	2,189,251	2,262,000	189,250	2,072,750
STATE EMERGENCY MANAGEMENT FEDERAL STIMULUS FUND						
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - state agency disasters ⁵	599,259,052	6,285,137	592,973,915	1,253,200,000	50,899,768	1,202,300,232
Alternative care treatment facility staffing expenses - personal service	35,000,000	3,388	34,996,612	35,000,000	1,119,066	33,880,934
MO HealthNet Division - Long-term care services - care in nursing facilities under the MO HealthNet fee-for-service program and for contracted services to develop model policies and practices that improve the quality of life for long-term care residents - funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional amount of \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020	90,000,000	0	90,000,000	90,000,000	0	90,000,000
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency and for first responder training programs	1,800,000	234,664	1,565,336	1,800,000	0	1,800,000
Emergency assistance expenses as provided in Section 44.032, RSMo	10,000,000	0	10,000,000	10,000,000	0	10,000,000
State Emergency Management Agency, Boone County Fire Protection District, Missouri Task Force 1 - expenses for response to emergencies and disasters in the State of Missouri and conduct of annual training exercises. Expenses may include, but are not limited to personnel salaries and benefits, supplies, and repair or replacement of damaged equipment	100,000	0	100,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	749,999,982	0	749,999,982			
DESE - Learning Loss Testing	10,000,000	0	10,000,000			
DESE - Transportation Costs	7,500,000	0	7,500,000			
DESE - Emergency Child Care	800,000	0	800,000			
DESE - State School Bus Routes	5,500,000	0	5,500,000			
DESE - Sheltered Workshops	4,000,000	0	4,000,000			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DESE - Distance Learning	10,000,000	0	10,000,000			
DHEWD - Distance Learning	10,000,000	0	10,000,000			
DHEWD - Computer-Based Training	2,000,000	0	2,000,000			
DHEWD - Workforce Development Boards	1,050,000	0	1,050,000			
DHEWD - Workforce Training	6,750,000	0	6,750,000			
DHEWD - Institutions of Higher Education COVID Expenses	80,000,000	0	80,000,000			
Department of Revenue (DOR) - Temporary Motor Vehicle and Driver Licensing Division Offices	2,000,000	0	2,000,000			
DOR - Technology and infrastructure costs due to the COVID-19 crisis - expense and equipment	329,066	0	329,066			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - personal service	427,109	0	427,109			
DOR - Collecting motor vehicle and driver's license related fees and taxes due to the COVID-19 crisis - expense and equipment	1,110,000	0	1,110,000			
OA - Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	316,500	0	316,500			
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	16,000	0	16,000			
Department of Agriculture (MDA) - Division of Animal Health - support, workforce assistance, equipment and capital improvements to meat processing facilities located in the state to address supply chain disruptions and mitigate health and environmental impacts as a result of the COVID-19 pandemic	20,000,000	0	20,000,000			
Department of Natural Resources (DNR) - Wastewater Detection System	600,000	0	600,000			
Department of Economic Development (DED) - Broadband Expansion	27,750,000	0	27,750,000			
DED - Program to provide grants to small businesses incorporated in the state of Missouri with 50 or fewer employees, to reimburse the costs of business interruption caused by required closures in connection with the COVID-19 public health emergency, provided that no grants shall be provided to franchise or chain business entities, and further provided that one-quarter of funds under such program shall be allocated to family-owned farms	30,000,000	0	30,000,000			
DED - Innovation Grants	1,000,000	0	1,000,000			
DED - Manufacturer Retooling	20,000,000	0	20,000,000			
DED - Nonprofit Stimulus	22,000,000	0	22,000,000			
DED - Destination Marketing Organization Stimulus	15,000,000	0	15,000,000			
DPS - Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	2,262,000	0	2,262,000			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Department of Corrections (DOC) - Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	11,578,485	0	11,578,485			
Department of Mental Health (DMH) - Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	8,175,000	0	8,175,000			
DMH - Division of Developmental Disabilities - Developmental Disabilities Waiver (DDW) - compensation of all DDW providers during the period that Missouri or the United States falls within an emergency declaration to compensate any DDW provider with a retention payment, gap payment, or temporary rate increase; and additional payment per day during the period which a DDW provider has at least one confirmed positive COVID-19 case on the premises, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need the services	20,000,000	0	20,000,000			
DMH - Division of Behavioral Health COVID Reimbursements	10,000,000	0	10,000,000			
DMH - Division of Behavioral Health - suicide prevention initiatives - expense and equipment	620,000	0	620,000			
DMH - Developmental Disabilities Telehealth	2,160,000	0	2,160,000			
DMH - Telehealth Training	3,500,000	0	3,500,000			
DMH - Behavioral Health Net	100,500	0	100,500			
Department of Health and Senior Services (DHSS) - Division of Community and Public Health - pilot program for rural hospital grants to hospitals in counties with a population less than 60,000 and/or municipalities with a population less than 25,000, provided eligible applicants for grants shall be the owner, community board of directors and/or a contracted management company of the hospital, and further provided that the amount of any single grant shall not be greater than \$3,500,000, and further provided that the following purposes may be eligible for expenditure from any single grant in an amount no greater than the amount stated herein: testing for COVID-19 - \$1,250,000, facilities and equipment - \$1,000,000, environmental disinfection and personal protective equipment - \$750,000, services and patient care innovations - \$500,000	35,000,000	0	35,000,000			
DHSS - Contact Tracing and Testing	127,000,000	0	127,000,000			
DHSS - Home & Community Based Services COVID Reimbursements	20,000,000	0	20,000,000			
Department of Social Services (DSS) - Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	1,294,500	0	1,294,500			
DSS - Family Support Division - electronic benefit transfers system - expense and equipment	901,788	0	901,788			
Total State Emergency Management Federal Stimulus Fund	2,006,899,982	6,523,189	2,000,376,793	1,390,000,000	52,018,834	1,337,981,166

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
DEPARTMENT OF CORRECTIONS (DOC) FEDERAL STIMULUS FUND						
Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ⁴	11,578,485	2,046,500	9,531,985	11,578,485	1,514,706	10,063,779
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DOC Federal Stimulus Fund	11,578,486	2,046,500	9,531,986	11,578,485	1,514,706	10,063,779
DEPARTMENT OF MENTAL HEALTH (DMH) FEDERAL STIMULUS FUND						
Office of the Director - personal service				75,000	2,298	72,702
Office of the Director - expense and equipment				5,000,000	0	5,000,000
Division of Behavioral Health - suicide prevention initiatives - expense and equipment	900,000	0	900,000	900,000	0	900,000
Division of Developmental Disabilities - community program funding, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need services - expense and equipment				15,364,800	0	15,364,800
Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ^{4,5}	8,175,000	1,789,540	6,385,460	8,175,000	4,104,514	4,070,486
Office of the Director - Emergency COVID-19 Directed Treatment Services Program - expense and equipment	2,000,000	48,853	1,951,147	2,000,000	63,556	1,936,444
Division of Developmental Disabilities - telehealth physician services related to COVID-19 - expense and equipment	720,000	0	720,000			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - personal service	636,796	6,630	630,166			
Office of the Director - COVID-19 Crisis Counseling Program, provided that a portion of funds shall be used to provide services to residents of a county with a charter form of government and with more than nine hundred fifty thousand inhabitants who have been disproportionately impacted by the coronavirus as indicated by state data, including zip code data and racial demographic data - expense and equipment	19,363,204	0	19,363,204			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DMH Federal Stimulus Fund	31,795,001	1,845,023	29,949,978	31,514,800	4,170,368	27,344,432
DEPARTMENT OF HEALTH AND SENIOR SERVICES (DHSS) FEDERAL STIMULUS FUND						
Division of Community and Public Health - community health programs funding and related expenses	224,981	0	224,981	671,000	0	671,000
Division of Community and Public Health - Office of Emergency Coordination - personal service				445,516	0	445,516
Division of Community and Public Health - Office of Emergency Coordination - to address coronavirus preparedness and response - expense and equipment and program distribution	24,887,493	428,187	24,459,306	32,556,018	438,189	32,117,829

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Division of Community and Public Health - Office of Rural Health and Primary Care - other programs and related expenses - expense and equipment	4,050,000	4,611	4,045,389	4,500,000	0	4,500,000
Division of Senior and Disability Services - funds for supportive services and meals to be distributed to each Area Agency on Aging - expense and equipment	18,000,000	1,237,719	16,762,281	25,000,000	6,404,165	18,595,835
Division of Community and Public Health - medications	401,508	0	401,508	1,620,000	0	1,620,000
Division of Community and Public Health - child nutrition and commodity assistance programs	185,000,000	0	185,000,000	30,062,065	30,062,065	0
Division of Community and Public Health - Office of Emergency Coordination - Poison Control Hotline - expense and equipment	100,000	0	100,000			
Division of Regulation and Licensure - program operations and support - personal service	300,000	0	300,000			
Division of Regulation and Licensure - program operations and support - expense and equipment	300,000	0	300,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DHSS Federal Stimulus Fund	233,263,983	1,670,517	231,593,466	94,854,599	36,904,419	57,950,180
DEPARTMENT OF SOCIAL SERVICES (DSS) FEDERAL STIMULUS FUND						
Family Support Division - Emergency Solutions Grant Program payments	9,584,276	0	9,584,276	30,000,000	0	30,000,000
Family Support Division - Food Distribution Program and the receipt and disbursement of donated food program payments	6,026,000	1,335,404	4,690,596	4,326,000	245,203	4,080,797
Family Support Division - grants to not-for-profit organizations for services and programs to assist victims of domestic violence	528,000	0	528,000	528,000	0	528,000
Children's Division - child care services to provide immediate financial assistance to child care providers to prevent them from going out of business and to support child care for families, including healthcare workers, first responders, and other professionals in critical roles during the COVID-19 pandemic, the general administration of the programs, including development and implementation of automated systems to enhance time, attendance reporting, contract compliance and payment accuracy, and to support the Educare Program ⁵	66,542,726	1,398,300	65,144,426	20,000,000	9,088,706	10,911,294
MO HealthNet Division - Long-term care services - care in nursing facilities under the MO HealthNet fee-for-service program and for contracted services to develop model policies and practices that improve the quality of life for long-term care residents - funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional amount of \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020 ⁴	90,000,000	92,355	89,907,645			
Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency ⁴	1,294,500	123,000	1,171,500	1,294,500	194,750	1,099,750
Family Support Division - electronic benefit transfers system - expense and equipment ⁴	901,788	264,008	637,780			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Family Support Division - community services programs provided by Community Action Agencies or other not-for-profit organizations under provisions of the Community Services Block Grant	27,847,053	0	27,847,053			
Family Support Division - Low Income Home Energy Assistance Program	17,970,880	0	17,970,880			
Children's Division - grants to community-based programs to strengthen the child welfare system locally to prevent child abuse and neglect and divert children from entering into the custody of the Children's Division, provided that the Children's Division shall coordinate the delivery of services with the Parents as Teachers Program within the Department of Elementary and Secondary Education	907,000	0	907,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DSS Federal Stimulus Fund	221,602,224	3,213,067	218,389,157	56,148,500	9,528,659	46,619,841
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) FEDERAL STIMULUS FUND						
Business and Community Solutions Division - Community Development Block Grant Program - projects awarded on or after July 1, 2019, provided no funds shall be expended at higher education institutions not headquartered in Missouri for purposes of accreditation				20,000,000	0	20,000,000
Business and Community Solutions Division - Community Development Block Grant Program - projects to support local community development activities - expense and equipment	20,000,000	0	20,000,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DED Federal Stimulus Fund	20,000,001	0	20,000,001	20,000,000	0	20,000,000
DEPARTMENT OF NATURAL RESOURCES (DNR) FEDERAL STIMULUS FUND						
Low-Income Weatherization Assistance Program payments	1,996,764	0	1,996,764			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DNR Federal Stimulus Fund	1,996,765	0	1,996,765			
LIEUTENANT GOVERNOR FEDERAL STIMULUS FUND						
Missouri State Council on the Arts - expense and equipment	517,000	0	517,000			
Missouri Humanities Council - program distribution	605,000	0	605,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total Lieutenant Governor Federal Stimulus Fund	1,122,001	0	1,122,001			
DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS (DOLIR) FEDERAL STIMULUS FUND						
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - personal service ⁵				1,000,000	158,557	841,443
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - expense and equipment				700,000	687,146	12,854
Division of Employment Security - personal service	23,948,454	12,231	23,936,223			
Division of Employment Security - expense and equipment	7,600,846	7,350	7,593,496			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
Division of Employment Security - administration of programs authorized and funded by the United States Department of Labor, such as Disaster Unemployment Assistance, and provided that all funds shall be expended from discrete accounts and that no monies shall be expended for funding administration of these programs by the Division of Employment Security	17,000,000	0	17,000,000			
OA - Information Technology Services Division - for DOLIR - expense and equipment				1,000,000	823,665	176,335
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DOLIR Federal Stimulus Fund	48,549,301	19,581	48,529,720	2,700,000	1,669,368	1,030,632
DEPARTMENT OF REVENUE (DOR) FEDERAL STIMULUS FUND						
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total DOR Federal Stimulus Fund	1	0	1			
SECRETARY OF STATE (SOS) FEDERAL STIMULUS FUND						
Election reform grants, transaction costs, election administration improvements within Missouri, support of Help America Vote Act activities, and the state's share of election costs as required by Chapter 115, RSMo	16,100,000	0	16,100,000			
All allotments, grants, and contributions from the federal government or from any sources that may be deposited in the State Treasury for the use of the Missouri State Library	750,000	0	750,000			
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total SOS Federal Stimulus Fund	16,850,001	0	16,850,001			
FEDERAL BUDGET STABILIZATION FUND						
State Technical College of Missouri	549,415	0	549,415			
University of Central Missouri	4,928,740	0	4,928,740			
Southeast Missouri State University	4,094,371	0	4,094,371			
Missouri State University	8,433,094	0	8,433,094			
Lincoln University	1,576,580	0	1,576,580			
Truman State University	3,708,416	0	3,708,416			
Northwest Missouri State University	2,784,388	0	2,784,388			
Missouri Southern State University	2,159,973	0	2,159,973			
Missouri Western State University	1,985,243	0	1,985,243			
Harris-Stowe State University	931,228	0	931,228			
University of Missouri - operation of various campuses and programs	36,939,413	0	36,939,413			
University of Missouri - St. Louis - Biotech	133,378	0	133,378			
University of Missouri - State Historical Society	288,022	0	288,022			

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 and Fiscal Year 2021 through July 31, 2020

	Year Ended June 30, 2021 (through July 31, 2020)			Year Ended June 30, 2020		
	Appropriation Authority ¹	Expenditures	Remaining Balance	Appropriation Authority ¹	Expenditures	Lapsed Balance
MODOT - for a transportation cost-share program with local communities, provided these funds shall not supplant, and shall only supplement, the current planned allocation of road and bridge expenditures under the most recently adopted state transportation and improvement plan, including all amendments thereto, as of the date of passage of this bill by the General Assembly, and provided the MODOT and DED work cooperatively to select projects with the greatest economic benefit to the State	25,000,000	0	25,000,000			
University of Missouri - Precision Medicine Initiative	10,000,000	0	10,000,000			
Total Federal Budget Stabilization Fund	103,512,261	0	103,512,261			
DEPARTMENT OF AGRICULTURE (MDA) FEDERAL STIMULUS FUND						
Return of unspent CARES Act Coronavirus Relief Funds to the federal government ³	1	0	1			
Total MDA Federal Stimulus Fund	1	0	1			
Total All Funds	\$ 5,370,947,098	40,345,260	5,330,601,838	5,500,254,776	1,064,959,008	4,435,295,768

¹ The appropriation authority is the maximum amount that may be expended for the purpose as documented and approved through appropriations bills.

² For the fiscal year ended June 30, 2021, the FMAP (Federal Medical Assistance Percentage) Enhancement Fund was only authorized an appropriation to transfer receipts to the Federal Budget Stabilization Fund and/or the General Revenue Fund. Therefore, the Department of Social Services cannot directly expend any receipted monies from the fund, as it could during the fiscal year ended June 30, 2020.

³ Coronavirus Relief Fund assistance must be returned to the federal government if it is not spent to cover allowable costs incurred by December 30, 2020. State officials did not know whether or to what extent the state may have to repay any funding received at the time the appropriation was established. To acknowledge the existence of the obligation, the state established appropriations authorizing the return of up to \$750 million across 19 funds. For 18 of these funds, the appropriation was initially authorized for \$1 each. In August 2020, the Office of Administration (OA) transferred (centralized) these 18 appropriations into the State Emergency Management Federal Stimulus Fund appropriation.

⁴ These Fiscal Year 2021 appropriations, which incurred expenditures through July 31, 2020, represent the original authorizations within individual agencies' Federal Stimulus Funds. However, the OA is replacing these appropriations with new, identical versions within the State Emergency Management Federal Stimulus Fund. Agencies are currently adjusting all incurred expenditures from the original to the new appropriations. Afterwards, the original appropriations will become obsolete; they will show no expenditures, and all new expenditures will be incurred in the new appropriations.

⁵ Statewide Accounting System (SAM II) adjustments between July 1, 2020, and July 31, 2020, have retroactively changed these appropriations' total expenditures for the fiscal year ended June 30, 2020, since the previous report. In the future, it is possible that additional retroactive adjustments impacting that fiscal year could occur for these appropriations and other ones.

Source: Statewide Accounting System (SAM II). The appendix is presented on the state's legal budgetary basis of accounting that records expenditures when the liabilities are recorded, rather than when cash is disbursed.



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Board of Directors of Fire Protection
Districts in St. Louis County

Certain fire protection districts are required by Section 321.690, RSMo, to be audited and to submit their audit reports to the State Auditor's Office (SAO). To address our responsibilities of Section 321.690.3, RSMo, and 15 CSR 40-4.010 to 15 CSR 40-4.020, we have reviewed the independent audit reports of the fire protection districts in St. Louis County for audit periods ending December 31, 2019. The purpose of this review was to evaluate the districts' compliance with statutory audit requirements and SAO regulations. Because our review is limited to statutory and regulatory compliance, we do not express an opinion or any other form of assurance on the audit reports.

There are 23 fire protection districts in St. Louis County. Each district has a fiscal year end of December 31. All the districts, except for the Kinloch and Metro North Fire Protection Districts, submitted audit reports for the year ended December 31, 2019. Section 321.690.2, RSMo, requires certain fire protection districts to have an audit performed biennially, and Section 321.690.3, RSMo, requires the districts to forward the audit report to our office within 6 months of fiscal year end. As noted in our prior report, No. 2019-088, *St. Louis County Fire Protection District*, issued in September 2019, the Kinloch Fire Protection District did not timely obtain the required independent audit for the 2 years ended December 31, 2018. The SAO received the audit report on June 25, 2020, subsequent to that review. After that audit, district officials indicated they intended to obtain annual audits for future audit periods. The Kinloch and Metro North Fire Protection Districts did not timely obtain the required independent audit for the year ended December 31, 2019. However, the districts have engaged independent auditors to perform an audit for that period. Upon completion of the audits, the districts are expected to submit the reports to the SAO.

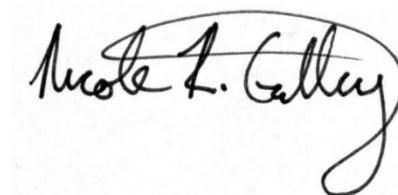
The SAO posts the individual audit reports to the office's website. A searchable link is available at <https://auditor.mo.gov>. A table summarizing our review of the St. Louis County fire protection districts' audit reports follows.

District	Audit Report Period	Report Complied with Section 321.690.3, RSMo	Findings in Independent Audit Report
Affton	1 Year Ended 12/31/2019	Yes ¹	No
Black Jack	1 Year Ended 12/31/2019	Yes	No
Community	1 Year Ended 12/31/2019	Yes	No
Creve Coeur	1 Year Ended 12/31/2019	Yes	No
Eureka	1 Year Ended 12/31/2019	Yes	Yes
Fenton	1 Year Ended 12/31/2019	Yes	No
Florissant Valley	1 Year Ended 12/31/2019	Yes	Yes
Kinloch ²		No	Not Applicable
Lemay	1 Year Ended 12/31/2019	Yes	No
Maryland Heights	1 Year Ended 12/31/2019	Yes	No
Mehlville	1 Year Ended 12/31/2019	Yes	No
Metro North		No	Not Applicable
Metro West	1 Year Ended 12/31/2019	Yes	No
Mid-County	1 Year Ended 12/31/2019	Yes	Yes
Monarch	1 Year Ended 12/31/2019	Yes	No
Northeast Ambulance	1 Year Ended 12/31/2019	Yes	Yes
Pattonville	1 Year Ended 12/31/2019	Yes ¹	Yes
Riverview	1 Year Ended 12/31/2019	Yes	No
Robertson	1 Year Ended 12/31/2019	Yes	Yes
Spanish Lake	1 Year Ended 12/31/2019	Yes	No
Valley Park	1 Year Ended 12/31/2019	Yes	No
West County EMS	1 Year Ended 12/31/2019	Yes	No
West Overland EMS	1 Year Ended 12/31/2019	Yes	No

¹ The audit report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

² Due to noncompliance in a previous period, the SAO reviewed the audit report for the 2 years ended December 31, 2018, submitted June 25, 2020. The audit report had audit findings and was in compliance with Section 321.690.3, RSMo, except the audit report was filed after the statutory deadline of 6 months after the close of the fiscal year end.

Except for the Kinloch and Metro North Fire Protection Districts failing to obtain and submit an audit report, we identified no other concerns from our review of the audit reports submitted by the St. Louis County fire protection districts.



Nicole R. Galloway, CPA
State Auditor



Nicole Galloway, CPA

Missouri State Auditor

City of Bel-Ridge

Report No. 2020-072

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Bel-Ridge

Financial Condition	The Board of Aldermen is not adequately monitoring the city's financial condition, is not receiving detailed information showing financial data for each fund, and has poor budgeting procedures. These practices have allowed the fund balance of the General Fund to decline in recent years.
Budgets and Financial Reporting	The Board does not have adequate procedures to prepare or monitor budgets. The city has not published financial statements for the year ended December 31, 2018. The city did not timely file an annual financial reports with the State Auditor's Office as required by state law.
Tax Increment Financing	The city has taken no action on the Tax Increment Financing (TIF) project redevelopment plan since its approval and has not assessed the status of the project or distributed any surplus TIF revenues collected. The city has not repaid amounts due to the TIF Fund, Park Fund, and Storm Water Fund from TIF revenues commingled among the General, TIF, Park, and Storm Water Funds, and the city has not established separate accounts for payments in lieu of taxes and economic activity taxes. City officials did not file annual reports for the TIF project for the year ended December 31, 2010, 2012, or 2016, with the Missouri Department of Revenue, and the annual reports filed were not always accurate. The city has not held public hearings every 5 years for the project as required by state law.
Restricted Revenues	The city is not properly tracking the balance of some restricted monies. As a result, the city could not determine at a point in time what portion of the General Fund represented restricted monies.
Disbursements	City disbursements were not properly supported or approved, some disbursements were questionable, and some bills were not paid timely resulting in late fees and finance charges. In addition, the city did not properly bid several purchases and did not always obtain written contracts.
Officials' Compensation	The city did not annually fix salaries for officers and employees of the city by ordinance as required. Additionally, the city executed a multi-year contract with the Chief of Police that conflicts with city ordinances, and approved compensation to a former Alderman that was not allowable.
Receipting Controls and Payroll Procedures	The Board has not adequately segregated accounting duties or ensured a documented supervisory or independent review over receiving and depositing monies is performed. Receipt slips are not always issued for monies received, the numerical sequence of receipt slips is not accounted for, receipts are not reconciled to deposits, and checks/money orders are not restrictively endorsed immediately upon receipt. Employment records for employees are not complete. Payroll duties are not properly segregated and payroll records are not properly reviewed.
Management Practices and Procedures	The city has not properly monitored the status of a promissory note due the city. The Board has not documented an evaluation of the license fees for businesses/occupations and merchants, and has no support for the basis for changes made to license fees for businesses/occupations.

Sunshine Law and Ordinances	Minutes for several open and closed Board meetings could not be located, the City Clerk had not signed some minutes as the preparer, and the Board had not timely approved some minutes. The Board did not always comply with the Sunshine Law regarding closed meetings. Meeting notices and agendas were not provided for some meetings. The city does not properly account for all ordinance numbers and could not locate ordinances for 7 ordinance numbers skipped during 2018, or provide any documentation indicating these ordinances had been presented to or approved by the Board.
Capital Assets and Insurance Procedures	The city does not maintain records of its capital assets and has not developed procedures to identify capital asset purchases and dispositions throughout the year. In addition, the city does not tag, number, or otherwise identify most property items as belonging to the city, or perform annual physical inventories. Also, the city's property insurance policy did not include loss coverage for 4 residential properties owned by the city or for improvements at a city park.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Bel-Ridge

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Financial Condition4 2. Budgets and Financial Reporting6 3. Tax Increment Financing8 4. Restricted Revenues12 5. Disbursements13 6. Officials' Compensation16 7. Receipting Controls and Payroll Procedures17 8. Management Practices and Procedures19 9. Sunshine Law and Ordinances21 10. Capital Assets and Insurance Procedures23
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Organization and Statistical Information	25
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NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Bel-Ridge, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Bel-Ridge. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

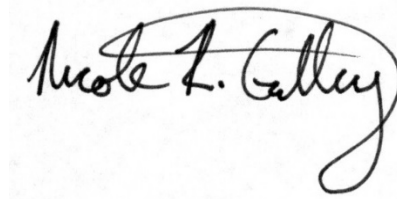
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and court records and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Bel-Ridge.

An additional report, Report No. 2019-109, *Twenty-First Judicial Circuit, City of Bel-Ridge Municipal Division*, was issued in November 2019.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Steven Re', CPA
Audit Staff:	Troy Tallman, CFE

City of Bel-Ridge

Management Advisory Report

State Auditor's Findings

1. Financial Condition

The Board of Aldermen is not adequately monitoring the city's financial condition, is not receiving detailed information showing financial data for each fund, and has poor budgeting procedures. These practices have allowed the fund balance of the General Fund to decline in recent years.

The General Fund is used for most of the city's financial activity and various recent events have contributed to a lower fund balance. By commingling revenues of the Tax Increment Financing (TIF) Fund with the General Fund, the city is using restricted funds to help finance the general operations of the city (see Management Advisory Report (MAR) finding number 3). In addition, the Board is not adequately monitoring the city's financial condition.

The following table presents the changes in the General Fund balance for the 4 years ended December 31, 2018:

	Year Ended December 31,			
	2018	2017	2016	2015
Beginning Fund Balance	\$ (222,220)	(179,654)	514,737	482,495
Revenues	1,783,677	1,722,356	1,537,701	1,782,227
Other financing sources	1,100	1,560	10,692	425,188
Total Funds Available	1,562,557	1,544,262	2,063,130	2,689,910
Less: Expenditures	2,164,942	1,766,482	2,242,784	2,175,173
Ending Fund Balance	(602,385)	(222,220)	(179,654)	514,737
Fund Balance Increase/(Decrease)	\$ (380,165)	(42,566)	(694,391)	32,242

Source: Amounts for 2015-2017 were obtained from the city's audited financial statements. Amounts for 2018 were obtained from the city's unaudited profit and loss statement that excludes any year-end adjusting journal entries. Also, for comparability, the amounts in 2015 and 2016 include the Public Works Fund that was combined with the General Fund beginning in 2017.

Expenditures increased in 2016 because the city paid off the remaining principal and interest, totaling approximately \$334,000, on general obligation bonds that more than offset decreases in expenditures for capital outlays and other items. Expenditures decreased in 2017 primarily due to the elimination of debt service payments. In 2018, total expenditures increased primarily due to increases of about \$200,000 for premiums for workers compensation and employee health insurance, \$100,000 for police staffing and salaries, \$65,000 for police vehicles and equipment, and \$40,000 for building inspections. In 2015, other financing sources was higher than in subsequent years due to capital asset acquisitions and transfers from the TIF Fund. Total revenues decreased in 2016 and increased for both 2017 and 2018 due to Proposition P sales tax revenues the city began receiving in 2017. Those revenues totaled approximately \$145,000 and \$15,000 for the years ended December 31, 2018, and 2017, respectively.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

The amounts due the TIF Fund from the General Fund totaled approximately \$698,000, \$546,000, and \$478,000 at December 31, 2017, 2016, and 2015, respectively, because TIF revenues (restricted monies) were combined with General Fund revenues as noted in MAR finding number 3. The fund balance of the General Fund was not sufficient to offset the liability to the TIF Fund, resulting in a negative fund balance for the General Fund at year end from 2016 through 2018. Additionally, as noted in MAR finding number 4, the General Fund balance includes additional restricted monies, and the city does not track the unrestricted portion of the fund's balance. Furthermore, based on the summarized 2019 revenues and expenditures and 2020 projections in the city's 2020 budget, General Fund expenditures exceeded revenues during 2019 by approximately \$191,000 resulting in a further decline in the fund balance, but revenues are expected to exceed expenditures by approximately \$3,000 during 2020.

The city's poor budgetary preparation and monitoring procedures (see MAR finding number 2.1) have contributed to the financial condition problem. Additionally, the lack of sufficient financial information has not allowed the Board to fully comprehend all funding available when making spending decisions. Financial reports, such as budget-to-actual reports, have not been presented to the Board to allow it to properly monitor the financial position of the city. The Board cannot adequately monitor the financial position of the city without periodic financial reports. Additionally, budget-to-actual reports would help ensure budgets are not overspent and funds are available for expenditure.

It is essential the Board address the financial condition of the city's General Fund in both the immediate and long-term future. The failure to prepare complete budgets and a lack of appropriate financial data make it apparent the Board is not adequately monitoring the city's financial condition on a regular basis. Accounting control weaknesses and lax controls over expenditures have been identified and discussed in more detail throughout the report. The Board should reduce spending where possible, evaluate controls and management practices to ensure efficient use of resources, monitor detailed financial data that includes fund balances for each fund, and closely monitor budgets.

Recommendation

The Board of Aldermen ensure detailed financial data is received monthly, perform immediate and long-term planning, and closely monitor and take necessary steps to improve the city's financial condition.

Auditee's Response

The City of Bel-Ridge appreciates the efforts made by the Auditor's office to uncover and assess the financial circumstances of the city during the audit period 2 years ago in 2018 when the city was under different leadership. Indeed, many of the city's current officials were active in the petition effort to have the Auditor come in and examine the practices of the city at that time.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

We are grateful that the Auditor and her team have been so diligent and professional in exposing that administration's shortcomings.

This administration agrees with the Auditor's recommendation that the Board should ensure it has accurate and timely financial information and has begun the process of restoring fiscal integrity and effective oversight by the Board. As part of that effort the city is now seeking to engage experienced accountants to enact better and more accurate, timely, and informative accounting practices to allow the city to better monitor and plan its finances.

2. Budgets and Financial Reporting

2.1 Budgets

Preparation

City officials did not prepare complete and accurate annual budgets or monitor budgets. They also did not publish accurate semiannual financial statements or file annual financial reports.

The Board does not have adequate procedures to prepare or monitor budgets.

The city's budgets did not contain all statutorily required elements, were not prepared under the direction of a budget officer, and beginning fund balances were not accurate. The 2018 and 2019 budgets did not include a budget message or a budget summary and the city did not designate a budget officer to develop the budget as required by statute and ordinance. In addition, because the city does not maintain a fund balance of the various funds, the city used ending fund balances from its 2016 audited financial statements as the beginning fund balances for the 2018 budgets. For the 2019 budgets, the city used the budgeted ending fund balances from the 2018 budgets as the beginning fund balances.

Section 67.010, RSMo, requires the budget to present a complete financial plan for the ensuing budget year and outlines the various information to be included in the budget. A complete budget should include the beginning available resources and a reasonable estimate of the ending available resources. A complete and well-planned budget, in addition to meeting statutory requirements, serves as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in providing information to the public about city operations and current finances and in setting the tax levy. In addition, Section 67.020, RSMo, and City Ordinance 130.030 require the city's budget to be prepared under the direction of the Budget Officer.

Budget deficits

The Board budgeted deficit ending fund balances for the General Fund and Police Training Fund for the years ending December 31, 2018, and 2019. The General Fund budget projected an ending fund balance of negative \$175,546 for 2018 and negative \$172,693 for 2019, while the Police Training Fund budget projected an ending fund balance of negative \$37,395 for 2018 and negative \$43,895 for 2019.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Missouri Constitution, Article VI, Section 26(a), and Section 67.010.2, RSMo, require political subdivisions ensure that expenditures do not exceed revenue plus any unencumbered fund balance.

Monitoring

The Board does not adequately monitor budget-to-actual revenues or expenditures. Detailed year-to-date budget-to-actual reports of financial activity are not presented to the Board. As a result, actual expenditures exceeded budgeted amounts for the General Fund and TIF Fund by approximately \$400,000 and \$79,000, respectively, for the year ended December 31, 2018.

Without appropriate financial data, it is apparent the Board is not adequately monitoring the city's financial condition on a regular basis. In addition, Section 67.040, RSMo, requires political subdivisions to keep expenditures within amounts budgeted, but allows for budget increases if the governing body officially adopts a resolution setting forth the facts and reasons. In addition, Section 67.080, RSMo, provides that no expenditure of public monies should be made unless it is authorized in the budget. Proper monitoring and amending prior to expending funds is necessary for the budget to be an effective management tool and to comply with state law.

Park Fund

The Park Fund has accumulated a significant fund balance with no documented plans for its use. The fund balance of the Park Fund at December 31, 2018, of approximately \$519,000 is more than 7 times the disbursement total of approximately \$68,000 for the year ended December 31, 2018. Based on the city's 2019 budget, the fund balance was projected to increase to approximately \$593,000. Neither the city's budget document nor the Board minutes mention the master park plan indicated in the minutes of a Public Works Board meeting.

Accumulating an excessive cash balance in the Park Fund with no specific long-term plans for the use of the monies puts an unnecessary burden on taxpayers. The Board should determine its future needs, and consider reducing future taxes if a specific use for the cash reserves is not determined.

2.2 Published financial statements

The city has not published financial statements for the year ended December 31, 2018. As a result, information regarding the city's financial activity and condition is not available to citizens.

Section 79.160, RSMo, requires the Board to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. In addition, City Code Section 110.100 requires the Board to publish semiannual financial statements.

2.3 Filing of financial reports

The city did not timely file annual financial reports with the State Auditor's Office as required by state law. The city's financial report for the year ended



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

December 31, 2018, due by June 30, 2019, was filed on September 12, 2019, and the city's financial report for the year ended December 31, 2019, due by June 30, 2020, had not been filed as of August 24, 2020.

Section 105.145, RSMo, requires each political subdivision to file annual reports of its financial transactions with the State Auditor's Office. In addition, 15 CSR 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of its fiscal year.

Recommendations

The Board of Aldermen:

- 2.1 Prepare accurate annual budgets that contain all information required by state law, designate a budget officer, discontinue deficit budgeting, and ensure the budgets are adequately monitored and properly amended. Additionally, the Board should evaluate funding needs of the city parks and consider reducing future taxes, and if plans have been made for expending the accumulated cash balance, such plans should be set forth publicly in the budget document.
- 2.2 Ensure the city's semiannual financial statements are published as required by state law and city ordinance.
- 2.3 Timely submit annual financial reports to the State Auditor's Office as required by state law.

Auditee's Response

- 2.1 *The new city administration will ensure its annual budgets are prepared and adopted as required and properly monitored, and will reassess funding needs and only levy taxes to generate revenue actually needed to meet those funding needs.*
- 2.2 *The city accepts the Auditor's recommendation and will see to it that semiannual financial statements are published as required by law.*
- 2.3 *The city accepts the Auditor's recommendation and will timely submit annual financial reports to the State Auditor's Office as required by state law.*

3. Tax Increment Financing

We noted concerns with the city's handling of a Tax Increment Financing (TIF) project. The city has not assessed the project status, repaid amounts from commingled TIF revenues, or properly accounted for TIF revenues. Additionally, the city has not filed annual reports or held public hearings as required.

TIF is an economic development tool that redirects local tax revenues to the redevelopment of eligible properties that are otherwise economically unfeasible. Sections 99.800 to 99.865, RSMo, known as the Real Property



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Tax Increment Allocation Redevelopment Act, enables cities to finance certain redevelopment costs with the incremental tax revenue generated by the net increase in assessed valuation, along with a portion (50 percent in this case) of the incremental increases to sales taxes, resulting from the redevelopment. When a TIF plan is adopted, real estate taxes and economic activity taxes in the redevelopment area are frozen at the current level, or base valuation. By applying the real estate tax rate of all taxing districts having taxing power within the redevelopment area to any increased assessed valuation above the base value and by applying 50 percent of any increases to sales taxes over the base year, a tax "increment" is created. The real estate tax increments are referred to as payments in lieu of taxes (PILOTS) and the sales taxes increases are referred to as economic activity taxes (EATS). The PILOTS and EATS collected from the redevelopment areas are required to be deposited by the city into a special allocation fund for each project.

In May 2006, the city enacted ordinance 2006-11 approving the Bel-Ridge North TIF Redevelopment Plan that established the redevelopment area along and north of Natural Bridge Road and described the redevelopment project. The ordinance also adopted tax increment financing for the redevelopment area and redevelopment project.

3.1 Project status

The city has taken no action on the redevelopment plan since its approval and has not assessed the status of the project or distributed any surplus TIF revenues collected.

Since approval of the redevelopment plan in 2006, the project has been inactive. During 2012, at the request of the city, the developer relinquished his rights to the project. According to the former developer and current city officials, no work was performed on the project and there are no plans to complete the project. However, as noted in section 3.2, expenses for street work on northern Bel-Ridge streets was charged to the TIF Fund in 2018.

According to a St. Louis County official, the county began distributing PILOTS to the city¹ in 2007, and the city's TIF reports indicate EATS on-hand as of September 30, 2010. Based on the last TIF report filed for the project (year ended December 31, 2018), TIF revenues held by the city totaled approximately \$1,028,000. In 2018 the city expended approximately \$79,000 from the TIF Fund resulting in the TIF Fund balance at December 31, 2018, totaling approximately \$949,000 (\$1,028,000 less \$79,000). Taxing districts contributing PILOTS and EATS to the project include the Normandy School District, City of St. Louis, City of Bel-Ridge, and other taxing authorities.

¹ Assessed valuations and sales taxes may increase in a TIF area resulting in PILOTS and EATS without action on a TIF redevelopment plan due to other developments occurring within the area or in nearby areas, or due to improvements in general economic conditions.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Section 99.810.1(3), RSMo, requires redevelopment projects be completed within 23 years of the ordinance approving the redevelopment plan. Since the redevelopment plan for the project was approved in 2006, the statute requires the project end no later than 2029. In addition, Section 99.835, RSMo, requires any TIF moneys not required for payment of redevelopment costs shall be deemed to be surplus funds and all surplus funds shall be distributed to the taxing districts in the redevelopment area. As the city has no current plans for the development of the project, the net TIF revenues on hand represent surplus revenues.

By collecting PILOTS and EATS with no plans for the money, the city has deprived the taxing districts of amounts that could be available for other purposes. Also the taxpayers who paid the PILOTS and EATS have not received benefits from the project.

3.2 Commingling TIF revenues

The city has not repaid amounts due to the TIF Fund, Park Fund, and Storm Water Fund from TIF revenues commingled among the General, TIF, Park, and Storm Water Funds in previous years.

The following table lists the amounts due to or (due from) the TIF Fund as of December 31, 2017:

Fund	Amount due to/(from) the TIF Fund
General Fund	\$ 698,499
Park Fund	(170,676)
Storm Water Fund	(49,966)
Net total due to the TIF Fund	\$ 477,857

Source: City of Bel-Ridge audited financial statements for the year ending December 31, 2017.

No repayments of these amounts were made during 2018, and these amounts continue to remain due as of December 31, 2018. Additionally, during 2018, the city incurred approximately \$79,000 for street repairs and improvements and also tree removal and pruning that was charged to the TIF Fund. Since city officials could not locate the redevelopment plan for the project, it is not clear if the work performed was within the project area or in accordance with the redevelopment plan. Some of the work performed was on a street that was ceded to the city from the City of Berkeley in 2018, about 12 years after the redevelopment plan was adopted. City officials could not locate the redevelopment plan or explain why these costs were charged to the TIF Fund.

Additionally, the city has not established separate accounts for PILOTS and EATS. Therefore, the amount of PILOTS on hand and the amount of EATS on hand cannot be determined.



City of Bel-Ridge Management Advisory Report - State Auditor's Findings

Section 99.845.5, RSMo, states, "The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805." Further, Section 99.805(16), RSMo, defines "Special allocation fund" as "the fund of a municipality or its commission which contains at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes are deposited in one account, and economic activity taxes and other revenues are deposited in the other account."

To ensure that TIF revenues have been used for allowable purposes and properly accounted for, PILOTS and EATS should be separately accounted for and amounts due to/from the TIF Fund should be repaid. The 2018 TIF Fund expenditures should be evaluated to determine if the expenses were in accordance with the redevelopment plan.

3.3 Reporting

City officials did not file annual reports for the TIF project for the year ended December 31, 2010, 2012, or 2016, with the Missouri Department of Revenue (DOR), and the annual reports filed were not always accurate. For example, the annual reports for 2017 and 2018 indicated the amounts collected since inception and the amounts on hand for PILOTS and EATS were zero and the project status was fully operational. Also, the developer, who relinquished his rights to develop the project in 2012, was still listed as the developer.

Section 99.865.1, RSMo, requires each municipality to file an annual report with the DOR by November 15 of each year regarding the status of each redevelopment plan and redevelopment project existing as of December 31 of the preceding year.

3.4 Public hearings

The city has not held public hearings every 5 years for the project as required by state law. The city could not provide documentation of any public hearings occurring since the redevelopment plan was approved in May 2006.

Section 99.865.3, RSMo, states, "Five years after the establishment of a redevelopment plan and every five years thereafter the governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to sections 99.800 to 99.865. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the commission once each week for four weeks immediately prior to the hearing."



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 3.1 Review the current status of the TIF project and assess the city's position whether to proceed with the redevelopment plan or dissolve the TIF district and return all surplus funds to the proper taxing authorities.
- 3.2 Ensure PILOTS and EATS are separately accounted for, determine whether 2018 expenses charged to the TIF Fund should be repaid to the TIF Fund, and develop plans to repay the amounts due to the TIF Fund, Park Fund, and Storm Water Fund.
- 3.3 Ensure accurate annual reports are filed with the state for each TIF.
- 3.4 Ensure public hearings are held on TIF redevelopment plans as required by state law and city ordinance.

Auditee's Response

- 3.1 *The city agrees with the Auditor's finding that the city's prior administration did not properly manage its TIF responsibilities and accepts the Auditor's recommendation to review the status of the TIF project and assess whether to proceed with the redevelopment plan or dissolve the TIF district.*
- 3.2 *The city accepts and has already begun implementing this recommendation of the Auditor. The city has met with its auditors and accountant(s) and is in the process of investigating the possible amounts due to the TIF Fund, Park Fund and Storm Water Fund.*
- 3.3 *The city accepts the Auditor's recommendation and will ensure accurate annual reports are filed with the state for each TIF.*
- 3.4 *The city accepts the Auditor's recommendation and will ensure public hearings are held on TIF redevelopment plans.*

4. Restricted Revenues

The city is not properly tracking the balance of some restricted monies. During the year ended December 31, 2018, approximately \$85,000 in state motor vehicle-related monies, \$146,000 in public safety sales tax monies, \$181,000 in capital improvement sales tax monies, and \$17,000 in sewer lateral fees received were deposited into the General Fund. State motor vehicle-related monies were combined with other general monies and the related disbursements and balance was not tracked. The balances of the other restricted monies also were not tracked, although receipt and disbursement transactions were separately identified within the General Fund. As a result, the city could not determine at a point in time what portion of the General Fund represented restricted monies.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Article IV, Sections 30(a) and 30(b), Missouri Constitution require motor vehicle-related receipts apportioned by the state of Missouri be disbursed for street-related purposes only. The city's share of St. Louis County sales tax revenues for public safety (Proposition P) were approved by county voters to be used only for public safety purposes. Section 94.890.6, RSMo, requires that capital improvements sales taxes be deposited in a special trust fund, and city ordinances require sewer lateral fees be restricted for repairs to sewer service lines. Separate accounting of restricted monies is necessary to ensure compliance with the Missouri Constitution, state laws, and city ordinances.

Recommendation

The Board of Aldermen determine the amount of restricted monies in the General Fund and establish separate funds or a separate accounting of the restricted monies, including the balances.

Auditee's Response

The city accepts and has already begun implementing this recommendation of the Auditor. The city has met with its auditors and accountant(s) and is in the process of determining the amount of restricted monies in the General Fund and establishing separate funds or a separate accounting of the restricted monies, including the balance, from time to time.

5. Disbursements

City disbursements were not properly supported or approved, some disbursements were questionable, and some bills were not paid timely resulting in late fees and finance charges. In addition, the city did not properly bid several purchases and did not always obtain written contracts.

During the year ended December 31, 2018, the city made non-payroll disbursements totaling approximately \$1.4 million including approximately \$20,000 in purchases with credit cards and \$49,000 with fuel cards.

5.1 Disbursement documentation and review

Significant improvement is needed in the city's disbursement documentation and review procedures.

Credit card receipt slips

The city does not always retain receipt slips for credit card purchases and does not reconcile the receipt slips to the credit card statements. For the transactions, totaling \$3,445, from the credit card statements reviewed for December 2017, June 2018, and July 2018, the city could only locate 6 receipt slips totaling \$245.

Review of invoices

The city does not always properly review invoices prior to payment. Invoices are provided to the Board President for review prior to payment and a list of disbursements is provided to the entire Board for review at the subsequent Board meeting. We noted the following concerns:

- For 12 of 40 disbursements tested, totaling \$39,392, the supporting invoices contained no initials or signature of the former Board President



City of Bel-Ridge Management Advisory Report - State Auditor's Findings

indicating review and approval. Additionally, one item tested containing the former Board President's initials was an employee expense reimbursement in which the employee inappropriately received reimbursement for both \$49 in gasoline and \$129 in personal vehicle mileage reimbursement for the same trip.

- For 1 of 2 credit card statements reviewed, totaling \$7,270, for fuel purchases, the statement had no indication of being reviewed by a Board member.
- The city did not timely remove the former Mayor from the city's health insurance plan after her departure from the city in April 2018. The city paid the \$420 monthly health insurance premiums for the former Mayor through November 2018. When city personnel discovered the oversight, they contacted the health insurer and received a credit for all but \$1,464 (or approximately 4 months) of the premiums for the health insurance coverage.

To ensure obligations were actually incurred and amounts paid were proper, all disbursements should be thoroughly reviewed, approved, and supported by paid receipt slips, itemized vendor invoices, or other detailed documentation. Additionally, authorization for payment should be clearly indicated.

5.2 Questionable expenditures

The city incurred costs for food, entertainment, supplies, gifts, and alcoholic beverages for Christmas events in December 2017 and 2018 for employees and families totaling approximately \$1,200 that were not reasonable and/or did not provide a benefit to the city.

Public funds should be spent only on items necessary and beneficial to the city. Citizens have placed a fiduciary trust in their public officials to spend city monies in a prudent and necessary manner.

5.3 Procurement procedures and contracts

Procurement

The city does not have a formal bidding policy and does not always obtain written contracts.

The city has not established policies for the selection of vendors providing professional services, and does not have a formal bidding policy. The city did not solicit bids or proposals for legal services (\$88,158), building inspection services (\$63,999), engineering services (\$42,303), accounting services (\$31,308), tree removal and pruning services (\$23,063), or equipment for police vehicles (\$11,385). In addition, bids were not obtained on 6 police vehicles costing \$183,852 acquired in January 2018 and February 2018 by a lease purchase from a Kansas dealership when comparable vehicles could have been obtained for approximately \$48,000 less from a Missouri dealer from the statewide contract.



City of Bel-Ridge Management Advisory Report - State Auditor's Findings

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the city to make better-informed decisions to ensure necessary services are obtained from the best qualified provider after taking expertise, experience, and cost into consideration.

Formal bidding procedures for major purchases or services provide a framework for economic management of city resources and help ensure the city receives fair value by contracting with the lowest or best bidders. Competitive bidding also helps ensure all parties are given an equal opportunity to participate in city business. Formal bidding procedures should be sufficiently detailed and include requirements for documenting the process of awarding a bid.

Written contracts

The city did not have written contracts with 5 attorneys providing legal services, totaling \$88,158, for general counsel and consultation on special matters.

Written contracts are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city monies are used appropriately and effectively. Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

5.4 Late fees and finance charges

The city does not ensure bills are paid timely, resulting in late fees and finance charges totaling \$565 during the year ended December 31, 2018. The city paid late fees and finance charges totaling \$436 for late payments on credit card statements and \$129 for late payments on vehicle leases.

To prevent unnecessary fees and finance charges, procedures should be developed to ensure bills are paid timely.

Recommendations

The Board of Aldermen:

- 5.1 Maintain adequate supporting documentation for all disbursements and ensure invoices are adequately reviewed and approved.
- 5.2 Ensure all disbursements are necessary and prudent uses of public funds.
- 5.3 Periodically solicit proposals for professional services, establish formal bidding policies and procedures, and ensure bids are obtained when applicable. Also, the Board should enter into written contracts defining services provided and benefits received.
- 5.4 Implement procedures to ensure bills are paid timely.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 5.1 *The city agrees with the Auditor's findings that the financial management and oversight practices of former city officials were inadequate. The city accepts the recommendation of the Auditor and will maintain adequate supporting documentation for all disbursements and ensure invoices are adequately reviewed and approved.*
- 5.2 *As reflected in the Auditor's report, based upon the expenses incurred for food, entertainment, supplies, gifts, and alcoholic beverages for Christmas events, the current Board did not hold a similar party in 2019 and does not intend to do so in the future. In that same vein, the city accepts the recommendation of the Auditor and will ensure all disbursements are necessary and prudent uses of public funds.*
- 5.3 *The city accepts the recommendation of the Auditor and will develop policies and procedures with respect to the soliciting and approving of bids and will require accountability from any personnel whose stewardship of public funds has been inadequate. The city will ensure that documentation relative to the soliciting and approval of bids is maintained at city hall. The city will ensure all written contracts are executed in accordance with Section 432.070, RSMo.*
- 5.4 *The city accepts the recommendation of the Auditor and has started the process of implementing procedures to ensure bills are paid timely.*

6. Officials' Compensation

Salaries ordinance

The city did not annually fix salaries for officers and employees of the city by ordinance as required. Additionally, the city executed a multi-year contract with the Chief of Police that conflicts with city ordinances, and approved compensation to a former Alderman that was not allowable.

The city did not annually fix salaries for officers and employees of the city by ordinance. Section 79.270, RSMo, authorizes the Board to fix the compensation of city officials and employees by ordinance. City Code Section 115.060 requires the Board to fix the compensation of all the officers and employees of the city by ordinance.

Chief of Police's contract

In January 2019, the city approved a multi-year employment contract with the Chief of Police that restricts the ability of future Boards to annually appoint the Chief of Police and fix the salary as required by city ordinances. The current Chief of Police was appointed in April 2018. In January 2019, the Board approved a contract drafted by the Chief of Police and one of the city's contracted attorneys that extended the Chief of Police's employment for 5 years through December 31, 2023, and included an annual salary rate increase of 3 percent.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

City Code Section 200.020 requires the Chief of Police be subject to annual appointment by the Board, and City Code Section 115.060 requires the Board to fix the compensation of all the officers and employees of the city by ordinance.

Additional compensation to
Alderman

The city was not in compliance with its conflict of interest ordinance when it paid a Board member \$194 for street work performed in November 2018, in addition to his salary as Alderman.

City Code Section 117.040 prohibits any Board member from performing "... any service for the city for any consideration other than the compensation provided for the performance of one's official duties."

Recommendation

The Board of Aldermen ensure salaries and compensation for city officers and employees are in accordance with city ordinances and state law.

Auditee's Response

The city agrees with the Auditor's finding that former city officials improperly structured employee and official compensation. The city agrees with the Auditor's recommendation and will develop policies and procedures and pass appropriate ordinance(s) with respect to the compensation of city officers and employees.

7. Receipting Controls and Payroll Procedures

Weaknesses exist with the city's controls and procedures over receipts and payroll.

During 2018, the city received monies for various taxes, fees, and licenses totaling approximately \$2.4 million and the city made payroll disbursements totaling approximately \$947,000.

7.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured a documented supervisory or independent review over receiving and depositing monies is performed. The City Clerk, 2 deputy clerks, and the Police Clerk each receipt monies and prepare their own deposits. No reviews of the detailed receipt slips and deposits are performed by other city personnel or Board members.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of receipts and bank deposits should be performed.

7.2 Receipts, deposits, and reconciliations

Receipt slips are not always issued for monies received, the numerical sequence of receipt slips is not accounted for, receipts are not reconciled to deposits, and checks/money orders are not restrictively endorsed immediately upon receipt.



City of Bel-Ridge Management Advisory Report - State Auditor's Findings

For 14 deposits tested from October 1, 2018, through October 23, 2018, totaling approximately \$35,000, receipts slips were not issued for 10 receipts totaling \$19,881. In addition, the city did not account for the numerical sequence of receipt slips issued or reconcile the receipts to the deposits. Also, when conducting cash counts in April 2019, we noted none of the 3 checks on hand, totaling \$305, had been restrictively endorsed.

Failure to implement adequate receipting, depositing, and reconciling procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

7.3 Personnel records

Employment records for employees are not complete. For 10 employee personnel files reviewed, we noted the following documentation was lacking from the files:

- approved pay rates for 6 employees,
- employment application forms for 3 employees, and
- the I-9 form for 1 employee.

Complete personnel records should be maintained for all employees to provide documentation for personnel actions. In addition, according to the federal Immigration Reform and Control Act of 1986, an individual may not begin employment unless an I-9 form is completed.

7.4 Payroll segregation

Payroll duties are not properly segregated and payroll records are not properly reviewed. The Chief of Police enters authorized pay rates, deductions, and leave hours used into the payroll system for payroll preparation by the contracted payroll processor. Although an accounting firm prepares the city's bank reconciliations and posts journal entries into the accounting system related to payroll, it does not perform a review for the propriety of payroll amounts paid.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of payroll records should be performed to ensure that payroll amounts are proper.

Recommendations

The Board of Aldermen:

- 7.1 Segregate the accounting duties. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews are performed.
- 7.2 Ensure receipt slips are issued for all monies received, ensure the numerical sequence of all receipts slips is accounted for, and



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

reconcile receipts to deposits. In addition, the Board should ensure checks are restrictively endorsed upon receipt.

7.3 Ensure employment records are maintained and complete for all employees.

7.4 Segregate the payroll duties. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews are performed.

Auditee's Response

7.1 *The city accepts the recommendation of the Auditor and will develop and implement policies and procedures to either segregate accounting duties, or if proper segregation cannot be achieved due to limited staffing, ensure that documented independent or supervisory reviews are performed.*

7.2 *The city accepts the recommendation of the Auditor and has already taken steps to ensure that receipt slips are issued for all monies received, properly accounted for, and reconciled to the deposit. Further, the Board will pass appropriate legislation setting forth what city officers and/or employees are authorized to endorse checks.*

7.3 *The city accepts the recommendation of the Auditor and will develop and implement policies and procedures to ensure employment record management functions are centralized and uniform to the extent possible and that they are regularly maintained and complete for all employees.*

7.4 *The city accepts the recommendation of the Auditor and will develop policies and procedures to ensure that payroll management is centralized and uniform to the extent possible and that documented independent or supervisory reviews are performed.*

8. Management Practices and Procedures

Management practices and procedures are in need of improvement.

8.1 Monitoring promissory note

The city has not properly monitored the status of a promissory note due the city. In 2010, the city sold land that included several homes to a buyer for \$180,000. The sale terms required the buyer to pay the city \$80,000 upon sale closing, and the buyer issued an unsecured promissory note to the city for the remaining \$100,000. The promissory note requires the buyer to make quarterly payments of an amount equal to 25 percent of the buyer's net cash flow from the property from the previous quarter and requires the loan be paid in full by December 31, 2030. City officials indicated the buyer has not made



City of Bel-Ridge Management Advisory Report - State Auditor's Findings

any payment to the city or provided financial records, and the city has not requested the buyer's financial records to ensure the buyer is honoring the terms of the note. According to the buyer, there have not yet been any profits from the property.

The Board has a fiduciary responsibility to taxpayers to ensure procedures are developed to review the buyer's financial records periodically, and require payment, if appropriate, to provide assurance monies owed to the city are collected.

8.2 Business licenses

The Board has not documented an evaluation of the license fees for businesses/occupations and merchants, and has no support for the basis for changes made to license fees for businesses/occupations. As a result there is less assurance the license fees are set at fair, equitable, and appropriate levels. The city requires businesses/occupations pay an annual license fee based on type of business/occupation and requires merchants pay an annual license fee based on the merchant's gross sales. City receipts from license fees for businesses/occupations and merchants totaled approximately \$274,000 for the year ended December 31, 2018.

The rates for businesses/occupations annual license fees vary significantly among business types and the city has no documentation supporting the basis for the decision establishing the rates. For example, fees for building contractors, cement contractors, and electrical contractors are each \$100 per year, while fees for cleaning agencies, auto repair shops, and plumbers are \$1,000 per year, and hotels and motels are \$2,000 per year. The current fee structure was set in 2017 and reflected significant increases in fees for some businesses/occupations. In 2018, in response to concerns raised by some businesses/occupations, the Board lowered the \$2,000 and \$1,000 fees to \$500 for 2018 with those fees increasing to \$750 for 2019 and then increasing again in 2020 to \$2,000 and \$1,000. City officials could not explain the basis for the amounts and the reasons for the differences among businesses/occupations types, and the city did not maintain a record of the annual fees in place before the 2017 rate increases.

To ensure businesses/occupations license fees are established fairly and equitably, the Board should consider factors such as the business size, extent of required city services, revenues to be raised, and the type, nature, and number of businesses/occupations to be licensed in determining appropriate license fees. Additionally, complete documentation should be maintained of the rates, increases, and considerations and basis for the rates.

Recommendations

The Board of Aldermen:

- 8.1 Determine the status of the promissory note and take steps to collect any amounts currently due.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Auditee's Response

8.2 Review the fairness of the business/occupation license fees and maintain documentation of the basis for the various rates.

8.1 *The city accepts the recommendation of the Auditor and will determine the status of the promissory note and take steps to collect any amounts currently due.*

8.2 *The city agrees with the Auditor's finding that former city officials set license fees unfairly. The city has already begun implementing this recommendation of the Auditor to restore a lawful business license fee structure. An ordinance was passed in March 2020 adjusting the fees charged for various business/occupation licenses including, but not limited to, auto repair shops, hotels and motels, and plumbers.*

9. Sunshine Law and Ordinances

City officials did not always ensure compliance with the Sunshine Law and city ordinances need improvement.

9.1 Meeting minutes

Minutes for several open and closed Board meetings could not be located. In addition, the City Clerk had not signed some minutes as the preparer, and the Board had not timely approved some minutes. We noted the following concerns with minutes for meetings held between January 9, 2018, and June 4, 2019.

- No minutes were provided for open meetings on May 1, 2018, February 26, 2019, March 13, 2019, and April 6, 2019, though subsequent minutes indicate the Board approved the May 1, 2018, meeting minutes on August 18, 2018. Also, the city had prepared notices and agendas for these meetings.
- No minutes were provided for closed meetings on January 9, 2018, January 18, 2018, March 14, 2018, and April 22, 2019.
- Minutes for 13 meetings were not signed by the preparer.
- Minutes were not always approved timely by the Board and minutes from 10 meetings had not been approved as of June 4, 2019. The oldest unapproved minutes were from April 24, 2018.

Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. The meeting minutes should be signed by the City Clerk as preparer and subsequently approved by the Board to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

9.2 Closed meetings

The Board did not always comply with the Sunshine Law regarding closed meetings. Additionally, in November 2019, the city and the Attorney General's Office agreed to a consent judgment requiring training of city officials and other corrective measures in settlement of a lawsuit filed in June 2018 over the city's handling of closed meetings from June 15, 2017, through February 15, 2018.

Reasons for closed meetings

Open meeting minutes available from January 9, 2018, through June 4, 2019, did not document the specific reasons or section of law allowing the meeting to be closed for 8 of the 16 closed meetings held.

Section 610.022, RSMo, requires public bodies announce the specific reasons allowed by law for going into a closed meeting and to enter the vote and reason into the minutes.

Allowable topics

Some topics discussed and voted on in the closed meetings held on February 6, 2018, and August 29, 2018, were not allowable under the Sunshine Law. During the February 6, 2018, closed meeting the Board discussed city code related to business license fees and acquiring new police vehicles. During the August 29, 2018, closed meeting the Board discussed whether a former police officer could wear a retired captain's badge.

Section 610.021, RSMo, provides that the discussion topics and actions in closed meetings should be limited to only those specifically allowed by law.

9.3 Meeting notices and agendas

Meeting notices and agendas were not provided for some meetings. No notices and agendas could be provided for meetings held on January 18, 2018, February 15, 2018, and April 10, 2018.

Section 610.020.1, RSMo, requires public entities to give notice of the time, date, and place of each meeting, and its tentative agenda, to advise the public of matters to be considered.

9.4 Ordinances

The city does not properly account for all ordinance numbers and could not locate ordinances for 7 ordinance numbers skipped during 2018, or provide any documentation indicating these ordinances had been presented to or approved by the Board.

Once approved by the Board, bills are assigned a sequential ordinance number and codified. The city maintains codified ordinances in a binder and online for the public to view including a disposition listing of city ordinances in sequential order. The disposition listing is a sequential listing indicating the ordinance number, adoption date, and subject, and provides reference to the applicable city code section, or indicates the ordinance does not affect city code. For 2018, the disposition listing skipped 7 ordinance numbers.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important ordinances be complete and organized.

Recommendations

The Board of Aldermen:

- 9.1 Maintain complete and accurate minutes for all meetings and ensure meeting minutes are signed by the preparer and approved by the Board timely.
- 9.2 Ensure specific reasons for closing a meeting are documented in the open minutes, and ensure only topics allowed by state law are discussed in closed Board meetings.
- 9.3 Ensure notices and agendas are provided to advise the public of public meetings and are retained.
- 9.4 Properly account for all ordinances.

Auditee's Response

- 9.1 *The city agrees with the Auditor's finding that former city officials often did not comply with the requirements of the Sunshine Law. This Board has entered into a consent judgment with the Attorney General's office to correct previous practices. The city accepts and has already begun implementing the recommendation to maintain complete and accurate minutes of meetings that are properly prepared and approved.*
- 9.2 *The current city administration has and will continue the practice of the new administration to abide by the open meetings and records law with regard to authorizing and conducting closed meetings.*
- 9.3 *The current city administration has and will continue to abide by the open meetings and records law with regard to meeting notices and agendas.*
- 9.4 *The city accepts the recommendation of the Auditor and will ensure that a complete and well-organized index of all ordinances passed and rescinded be maintained at city hall, as well as accessible online.*

10. Capital Assets and Insurance Procedures

Controls and procedures over city property need improvement.

The city does not maintain records of its capital assets. As a result, assets are more susceptible to theft or misuse. The city's insurance carrier valued the city property, buildings, and contents at approximately \$4.7 million at December 31, 2018.



City of Bel-Ridge
Management Advisory Report - State Auditor's Findings

The city has not developed procedures to identify capital asset purchases and dispositions throughout the year. In addition, the city does not tag, number, or otherwise identify most property items as belonging to the city, or perform annual physical inventories. Also, the city's property insurance policy did not include loss coverage for 4 residential properties owned by the city or for improvements at a city park. Although, these properties are covered for general liability, the structures and improvements remained uninsured for damage or loss. City officials were unaware these properties and improvements were not insured.

Adequate capital asset records and procedures, including annual inventories, are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage. Capital asset records should be maintained on a perpetual basis. Records should include a detailed description of the assets such as acquisition cost, descriptions, make and model numbers, and asset identification numbers; the physical location of the assets; and, the date and method of disposition of the assets. In addition, property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the city. In addition, without adequate insurance, losses of or damages to city owned assets could prohibit the city from being able to replace necessary buildings or equipment creating further financial strain. Failure to obtain property insurance exposes the city, elected officials, employees, and taxpayers to losses incurred to city property.

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location and subsequent disposition. The Board should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an annual inventory, and ensure all city assets are properly insured.

Auditee's Response

The city started the process of compiling a complete inventory of capital assets that has the description, cost, acquisition date, and location of each asset. Moreover, the Board, in conjunction with city staff, is developing and implementing policies to ensure that city property is properly tagged and identified. As such, the city agrees with the Auditor's recommendation. The city intends to perform regular inventories hereafter.

City of Bel-Ridge

Organization and Statistical Information

The City of Bel-Ridge is located in St. Louis County. The city was incorporated in 1947 as a village, and in 2015 voters approved reclassification to a fourth-class city. The city employed 20 full-time employees and 6 part-time employees on December 31, 2018.

City operations include law enforcement services, maintenance of streets, and parks and recreation. Additionally, the city maintains storm water sewers, but does not provide water or sewer services to residences or businesses.

Mayor and Board of Aldermen

The city government consists of a mayor and 6-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2018, are identified below. The Mayor and Board of Aldermen members are paid \$200 per month.

Willie Fair, Mayor
Reginald Brown, Alderman (1)
Karen Nelson, Alderwoman (1)
Michael Ruff, Alderman (2)
Robbin Russell, Alderwoman and Board President (1)
Glenn Tope, Alderman (3)
Wilma Abernathy, Alderwoman

(1) Clifford Whitaker, Jerome Robinson, and Henry Watts were all elected in April 2019, replacing Reginald Brown, Karen Nelson, and Robbin Russell.
(2) LaTwanya Davis was elected in June 2020 replacing Michael Ruff.
(3) Glenn Tope was elected Board President in April 2019.

Other Principal Officials

The Chief of Police is an appointed position. The City Attorney is a contracted position.

Mark Harris, Chief of Police
Stephen A. Martin, City Attorney (1)

(1) Kevin O'Keefe was appointed in April 2019, replacing Stephen A. Martin as the City Attorney.

Mayor's Transition

When Willie Fair was sworn into office as Mayor in April 2018, he sought a court order allowing him access to city hall and city records, alleging that the previous city Mayor along with other city officials were unlawfully restricting his access and prohibiting him from fully assuming his role as Mayor. The city spent approximately \$14,000 in legal fees with regard to the dispute. The city and Mayor Fair entered into a consent agreement in June 2018 allowing the Mayor access to certain areas of city hall and city records while restricting his access to other areas and records.

Financial Activity

A summary of the city's financial activity for the year ended December 31, 2018, follows:

City of Bel-Ridge
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended December 31, 2018

	General Fund	Police Training Fund	Storm Water Fund	Park Fund	Tax Increment Financing Fund	Total
REVENUES						
Taxes	\$ 1,167,205		68,961	160,917		1,397,083
Permits	58,427					58,427
Licenses	277,664					277,664
Grants	2,856					2,856
Municipal court	249,204					249,204
Sewer lateral fees	17,163					17,163
Tax increment financing					373,523	373,523
Interest	29				380	409
Other	12,231	3,138				15,369
Total Revenues	1,784,779	3,138	68,961	160,917	373,903	2,391,698
EXPENDITURES						
Administration	626,980					626,980
Municipal court	165,388					165,388
Police department	1,040,515					1,040,515
Proposition P (police department)	80,952					80,952
Public Works	249,659					249,659
Parks				67,733		67,733
Storm water			38,296			38,296
Sewer lateral	1,450					1,450
Police training		3,295				3,295
Capital outlay					78,580	78,580
Total Expenditures	2,164,944	3,295	38,296	67,733	78,580	2,352,848
REVENUES OVER (UNDER) EXPENDITURES	(380,165)	(157)	30,665	93,184	295,323	38,850
FUND BALANCE, JANUARY 1, 2018	(222,220)	(30,708)	101,679	425,492	653,298	927,541
FUND BALANCE, DECEMBER 31, 2018	\$ (602,385)	(30,865)	132,344	518,676	948,621	966,391

Source: Revenues and expenditures were obtained from the City of Bel-Ridge 2018 Profit and Loss Statement, and beginning fund balances were obtained from the City of Bel-Ridge audited financial statements for the year ended December 31, 2017.

The seal of the Missouri State Auditor is a circular emblem. It features a central shield with a balance scale and a sword. The shield is surrounded by a wreath. The outer ring of the seal contains the text "SEAL OF THE STATE AUDITOR" at the top, "JULY 1820 MISSOURI 1892" at the bottom, and "WE STAND DIVIDED" on the sides.

Nicole Galloway, CPA

Missouri State Auditor

Douglas County

Report No. 2020-071

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Douglas County

Personnel Policies	The County Commission has not established clear policies regarding leave usage for county employees. In addition, the County Commission and Sheriff disagree on the required number of working hours for deputies within the Sheriff's office.
Sheriff's Controls and Procedures	Sheriff's office personnel do not reconcile the list of liabilities for the civil account to the available cash balance. The Sheriff's office has not established adequate controls and procedures over seized property. The Sheriff's office has not established procedures to routinely follow up on outstanding checks in the civil account.
Recorder of Deeds' Bank Reconciliations	The Recorder of Deeds does not maintain a check register balance or prepare adequate bank reconciliations.
Public Administrator's Bank Reconciliations	The Public Administrator does not prepare bank reconciliations for all wards.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Douglas County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Personnel Policies.....	4
2. Sheriff's Controls and Procedures	5
3. Recorder of Deeds' Bank Reconciliations	6
4. Public Administrator's Bank Reconciliations	7

Organization and Statistical	8
Information	



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Douglas County

We have audited certain operations of Douglas County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

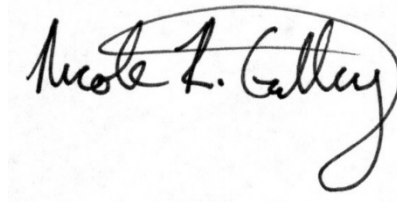
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Douglas County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	Marian Rader, M.Acct., CPA, CFE, CGFM
Audit Staff:	Jacqueline E. Brown, MBA
	Ryan Patterson, M.Acct., CPA

Douglas County

Management Advisory Report

State Auditor's Findings

1. Personnel Policies

The County Commission has not established clear policies regarding leave usage for county employees. In addition, the County Commission and Sheriff disagree on the required number of working hours for deputies within the Sheriff's office.

The county's personnel policy manual states the required work period for Sheriff's office employees is 171 hours in a 28-day period. Any hours worked beyond 171 hours in the 28-day period allow the employee to be eligible for compensatory time in accordance with the Fair Labor Standards Act. The county's policies do not address whether leave usage (sick leave, vacation leave, and compensatory time) can be used to satisfy the 171-hour requirement.

The county processes payroll for all county employees every 2 weeks. The county expects deputies in the Sheriff's office to work at least 80 hours every 2 weeks, although the county policy requires 171 hours over 28 days. The 2-week pay period reduces the scheduling flexibility allowed within the 171 hours over 28 days. This also results in deputies sometimes accumulating more than 171 total hours (work hours plus leave usage) in a 28-day schedule. For example, hours recorded by one deputy during a 28-day work period in 2019 are documented in the table below.

	First Pay Period	Second Pay Period	Total Work Period
Regular hours	49.5	97.0	146.5
Holiday hours	0.0	16.0	16.0
Sick leave hours	32.0	0.0	32.0
Total hours	81.5	113.0	194.5
Required hours			171.0
Over/(Under) required hours			23.5

As a result, the deputy used 23.5 more hours of sick leave than would have been required if the initial sick leave usage counted towards the 171-hour requirement. The county's practice is to not count the leave usage towards the 171-hour requirement. However, the county's personnel policies do not address this issue.

The County Commission and the Sheriff disagree regarding the required work hours of law enforcement employees. The county indicated that deputies are to work a minimum of 171 hours. On January 1, 2020, the Sheriff enacted a policy that establishes the work period for deputies at 160 hours in a 28-day period. According to this policy, deputies are to receive straight compensatory time for hours worked over 160 hours and up to 171 hours (commonly referred to as "gap hours"). In addition, deputies are to receive compensatory



Douglas County
Management Advisory Report - State Auditor's Findings

time at a rate of one and a half times the hours worked for any hours over 171 in a 28-day period.

Written personnel policies that clearly document required working hours, leave usage, and compensation, if any, for "gap hours" and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated.

Recommendation

The County Commission work with the Sheriff to establish policies that clearly document required working hours for deputies, including whether leave hours will count toward the required number of working hours and how compensatory time will be calculated.

Auditee's Response

We will review the personnel policy and make any necessary changes to the policy.

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. Office personnel collected monies for civil paper service, prisoner transportation reimbursement, commissary commissions, and other miscellaneous receipts totaling approximately \$124,000 during the year ended December 31, 2019.

2.1 Civil account liabilities

Sheriff's office personnel do not reconcile the list of liabilities for the civil account to the available cash balance. The December 31, 2019, reconciled bank balance totaled \$3,381. After subtracting the liabilities amount of \$1,213 from the reconciled balance, the account contains an unidentified balance of \$2,168.

Regular identification and comparison of liabilities to the available cash balance is necessary to ensure accounting records are in balance, all amounts received are disbursed, and monies are available to satisfy all liabilities. Differences must be adequately investigated and explained.

2.2 Seized property

The Sheriff's office has not established adequate controls and procedures over seized property. A physical inventory of seized property has not been performed. In addition, the Sheriff does not periodically review cases and dispose of related seized property items. Some seized property has been held for several years.

Considering the often sensitive nature of seized property, adequate internal controls are essential and would significantly reduce the risk of loss, theft, or misuse of the property. Complete and accurate inventory control records should be maintained, and periodic physical inventories performed with the results compared to inventory records to ensure seized property is accounted for properly. Section 542.301, RSMo, provides the requirements for the disposition of seized property that has not been forfeited or returned to the claimant.



Douglas County
Management Advisory Report - State Auditor's Findings

2.3 Outstanding checks

The Sheriff's office has not established procedures to routinely follow up on outstanding checks in the civil account. As of December 31, 2019, 31 checks totaling \$909 had been outstanding for over one year, with 4 checks dating back to 2012.

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

Similar conditions previously reported

A similar condition to section 2.1 was noted in our prior 2 audit reports and a similar condition to section 2.2 was noted in our prior audit report. In addition, Report No. 2016-130, *Follow-Up Report on Audit Findings - Douglas County*, issued in November 2016, reported the statuses, at that time, as partially implemented and in progress, respectively.

Recommendations

The Sheriff:

- 2.1 Reconcile monthly lists of liabilities for the civil account to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.
- 2.2 Ensure a periodic inventory is conducted and reconciled to the seized property evidence log, and investigate any differences. The Sheriff should also make timely and appropriate dispositions of seized property in accordance with state law.
- 2.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.

Auditee's Response

- 2.1 *I am in the process of hiring an accountant, which will resolve this issue.*
- 2.2 *We will continue to work on this as time is available by the evidence officer and the court. I believe our new record management system will alleviate this issue. It is just a matter of getting everything caught up to date from the items we inherited from the prior administration.*
- 2.3 *This will be resolved with the hiring of an accountant.*

3. Recorder of Deeds' Bank Reconciliations

The Recorder of Deeds does not maintain a check register balance or prepare adequate bank reconciliations. The Recorder of Deeds collected various fees totaling approximately \$94,000 related to recording documents, such as marriage licenses and deeds, during the year ended December 31, 2019.



Douglas County
Management Advisory Report - State Auditor's Findings

The Recorder of Deeds does not maintain a check register balance. At the end of each month the Recorder of Deeds subtracts the total amount of outstanding checks from the bank statement balance to obtain a book balance. However, since a balance in the check register is not maintained, the reconciled balance cannot be compared to the book balance. As a result, adequate bank reconciliations cannot be performed because deposits in transit and outstanding checks are not identified individually, and any differences between a check register balance and the reconciled bank balance cannot be investigated and resolved.

Maintaining a check register balance and performing adequate monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded.

A similar condition was noted in our prior audit report. In addition, Report No. 2016-130, *Follow-Up Report on Audit Findings - Douglas County*, issued in November 2016, reported the status, at that time, as partially implemented.

Recommendation

The Recorder of Deeds maintain a check register balance, ensure monthly bank reconciliations are adequately performed, and promptly investigate and resolve differences between the check register balance and the bank reconciliations.

Auditee's Response

I agree and plan to properly update the check register balance and to perform adequate bank reconciliations.

4. Public Administrator's Bank Reconciliations

The Public Administrator does not prepare bank reconciliations for all wards. The Public Administrator's office was responsible for the financial activity of 70 wards and estates as of December 31, 2019.

We reviewed 7 active cases and noted no bank reconciliations were documented for 3 wards. Performing monthly bank reconciliations helps ensure receipts and disbursements have been properly handled and recorded.

Recommendation

The Public Administrator perform monthly bank reconciliations.

Auditee's Response

I agree and will implement the recommendation.

Douglas County

Organization and Statistical Information

Douglas County is a county-organized, third-class county. The county seat is Ava.

Douglas County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 40 full-time employees and 8 part-time employees on December 31, 2019.

In addition, county operations include the Support the Handicapped Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Lance Stillings, Presiding Commissioner	\$	28,400
Craig Cunningham, Associate Commissioner		26,400
Lawson Curtis, Associate Commissioner		26,400
Jacinda Sheppard, Recorder of Deeds		40,000
Karry Davis, County Clerk		40,000
Christopher Wade, Prosecuting Attorney		140,667
Chris Degase, Sheriff		44,000
Theresa Miller, County Treasurer		40,000
Rick Miller, County Coroner		12,000
Shelia Miller, Public Administrator		40,000
Laura Stillings, County Collector, year ended February 29,	40,000	
Alicia Degase, County Assessor, year ended August 31,		40,000
W. Andrew Daniel, County Surveyor (1)		

(1) Compensation on a fee basis.

Certificates of Participation

The County issued Certificates of Participation (COPS) totaling \$5,840,000 in February 2019, for the purpose of paying the costs of construction for the county's new jail and Sheriff's office. The jail and Sheriff's office moved into the new building on February 25, 2020. The payments are made from the Law Enforcement Sales Tax Fund. The COPS are scheduled to be paid off in December 2045. The remaining principal and interest due at December 31, 2019, was \$5,730,000 and \$3,631,381, respectively.



Nicole Galloway, CPA

Missouri State Auditor

City of Center

Report No. 2020-070

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of Center

Background	<p>In June 2019, the State Auditor's Office (SAO) Whistleblower Hotline received a complaint regarding the city's lack of compliance with state law for publishing financial statements and concerns about transparency of city officials and city operation. Subsequently, in early July, the Mayor contacted the SAO about how to initiate a state audit. and the Board of Aldermen passed an ordinance requesting an audit on July 3, 2019. On July 10, 2019, the SAO notified the Board that we accepted the city's request.</p> <p>The SAO issued subpoena's to various companies related to Tracey Ray's potential personal transactions paid using city funds.</p>
Misappropriate Monies	<p>Between January 1, 2015, and July 3, 2019, at least \$316,887 was misappropriated from the city. Improper disbursements totaling \$206,343 were made with city funds to pay the personal credit card bills of the former City Clerk. Personal credit card statements showed she spent over \$140,000 at various retail vendors. She also spent approximately \$23,000 at construction and home improvement stores and \$21,000 on entertainment, travel, and lodging. The former City Clerk also earned an additional \$1,997 of credit card rewards related to transactions paid for from city funds. She also made improper disbursements totaling \$62,013 from city funds for health insurance coverage after the Board voted to discontinue health insurance coverage in 2014.</p> <p>The former City Clerk made an additional \$35,547 in improper disbursements to several different entities, including property tax payments, life insurance companies, mortgage companies, retail stores, restaurants, and various other entities. She also improperly issued herself 5 additional payroll checks totaling \$3,080 and an unauthorized \$500 bonus check. In addition, at least \$7,407 of General and Sewer Fund receipts were not deposited. Audit staff identified an additional \$87,692 in questionable disbursements for which it is unclear if they were personal or related to city business.</p> <p>The former City Clerk falsified Board financial reports and lists of bills prepared for Board meetings to help conceal the improper disbursements.</p>
Oversight and Annual Audits	<p>The Board did not establish adequate oversight of the former City Clerk or obtain annual audits as required by state law.</p>
Accounting Controls and Procedures	<p>The city's procedures for receipting, recording, and depositing payments received are not adequate. The former City Clerk did not perform monthly bank reconciliations for any city bank accounts. Many city financial records could not be located.</p>
Payroll	<p>The city did not have records documenting the established compensation of city officials and employees. No one could provide documentation the former City Clerk prepared a timesheet during the audit period and no one documented review or approval of the former Police Chief's timesheets. In addition to the improper payroll disbursements identified, the former City Clerk and former Police Chief received other questionable payroll disbursements, totaling \$6,378.</p>

Financial Reporting, Published Financial Statements, and Budgets	The city did not comply with state laws regarding submitting annual financial reports, publishing financial statements, and preparing complete annual budgets.
--	--

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Center

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory Report - State Auditor's Findings	
1. Misappropriated Money	6
2. Oversight and Annual Audits	17
3. Accounting Controls and Procedures	18
4. Payroll	20
5. Financial Reporting, Published Financial Statements, and Budgets	23

Organization and Statistical Information	25
---	----

Supporting Documentation of Misappropriated Money and Questionable Disbursements	27
---	----

Appendixes

A	State Auditor Subpoena - Capital One Bank, N.A.	28
B	State Auditor Subpoena - GM Card Services c/o Capital One Bank, N.A.	33
C	State Auditor Subpoenas - Wells Fargo Bank, N.A.	36
D	State Auditor Subpoena - Family Heritage Life Insurance Company of America.....	46
E	State Auditor Subpoena - CITI Bank NA and CITI Mortgage.....	47
F	State Auditor Subpoena - Globe Life and Accident Insurance Company.....	49
G	State Auditor Subpoena - Nationwide	51
H	State Auditor Subpoena - Kohl's Department Store	53
I	State Auditor Subpoena - LaCrosse Lumber Company	56
J	Improper Disbursements to Capital One Bank, N.A.	58
K	Personal Credit Card Charges - Capital One Bank, N.A.	59
L	Improper Disbursements to Anthem Blue Cross and Blue Shield	63
M	Other Improper Disbursements	65
N	Other Improper Disbursements Documented on Receipt Slips and Invoices	68
O	Improper Payroll Disbursements	71
P	Undeposited Cash Receipts - General and Sewer Fund Accounts	72
Q	Questionable Unsupported Disbursements.....	76
R	Questionable Payroll Disbursements.....	86



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Center, Missouri

We have audited certain operations of the City of Center as they relate to the city's finances in fulfillment of our duties under Chapter 29, RSMo. Due to concerns regarding missing monies and improper disbursements, the State Auditor initiated the audit with the approval of the City of Center Board of Aldermen. The scope of our audit included, but was not necessarily limited to the period from January 1, 2015, through July 3, 2019. The objectives of our audit were to:

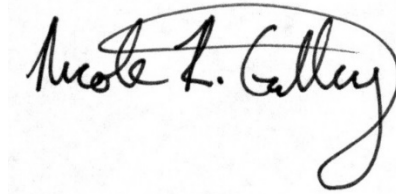
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the extent of monies misappropriated from the city.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) misappropriated monies and improper disbursements totaling at least \$316,887. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Center.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Matthew Schulenberg, CFE, CGAP
Audit Staff:	Terese Summers, MSAS, CPA
	Devin Jackson

City of Center

Introduction

Background

The former City Clerk, Tracey Ray,¹ began employment with the city in May 2004. As City Clerk, Tracey Ray was responsible for the following financial accounting functions and records:

- Receipts - collecting and receipting all payments received by the city, posting transactions to the accounting system and customer sewer accounts, and preparing and making bank deposits. In October 2018, the city hired a part-time clerk to work with the former City Clerk. This clerk receipted some payments received, posted some sewer transactions into the accounting system, and prepared some deposits. The former City Clerk continued to be the only one making deposits.
- Disbursements - making purchases; preparing a list of bills to be paid each month and providing the list to the Board of Aldermen for approval; maintaining supporting documentation; preparing, signing, and distributing checks; posting disbursements to accounting records; and transferring money between city bank accounts. Only the Mayor and former City Clerk were authorized signors on the city bank accounts. Only one signature was required. The former City Clerk signed most checks.
- Payroll - calculating, preparing, and distributing payroll checks (including checks related to the payment of payroll taxes); posting disbursements to the accounting records; and preparing 941 and W-2 forms.
- City billings - preparing and mailing invoices for sewer services; and preparing and mailing tax statements for city personal and real estate property taxes.
- Bank accounts - receiving and reconciling monthly bank statements to accounting records.
- Reporting - preparing Board meeting minutes and financial reports.

In June 2019, the State Auditor's Office (SAO) Whistleblower Hotline received a citizen complaint regarding the city's lack of compliance with state law for publishing financial statements and concerns about the transparency of city officials about city operations. Subsequently, in early July, the Mayor contacted the SAO about how to initiate a state audit.

The Mayor indicated in subsequent discussions with the SAO that when the former City Clerk was on vacation in late June 2019, he was notified by the

¹ Tracey Ray's name at the time of initial employment was Tracey Carman.



City of Center Introduction

Ralls County Clerk that a large fine had been assessed by the state due to failure to file financial statements. He notified the former City Clerk of the fines and she stated she would address the situation upon her scheduled return to work on July 1, 2019. She failed to report for work that day. Investigation by the Mayor and other city officials revealed additional concerns and as a result of those concerns, the Board voted to terminate the former City Clerk's employment on July 3, 2019.

On July 3, 2019, the Board also passed an ordinance formally requesting and authorizing an audit by the SAO. On July 10, 2019, the SAO notified the Board in writing that we accepted the city's request. SAO staff visited the city to attempt to determine the type and extent of records maintained. Most financial data maintained in the city computer, including accounting system data, was not available and we determined financial records and supporting documentation, such as bank statements and reconciliations, invoices, receipt and deposit records, and payroll records were either not available or incomplete. We could not access the city accounting system data due to username and password protections and city officials could not provide access information for the system.

The SAO issued subpoenas to Capital One Bank, N.A., GM Card Services, Wells Fargo Bank, N.A., Family Heritage Life Insurance Company of America, CITI Bank NA and CITI Mortgage, Globe Life & Accident Insurance Company, Nationwide, Kohl's Department Store, and LaCrosse Lumber Company to produce records related to Tracey Ray's potential personal transactions paid using city funds. (See Appendixes A through I) These appendixes include redactions of information of a personal, privileged, or sensitive nature, and/or of information that is not directly related to the information requested in the subpoena.

The city's fiscal year is January 1 through December 31. The scope of our audit included, but was not necessarily limited to the period January 1, 2015, through July 3, 2019, based on the date the City Clerk left employment with the city. We applied procedures to city receipts and disbursements (including payroll), utility billings, and property tax transactions to determine the amount misappropriated, and the methods used to perpetrate and conceal the theft.

Criminal investigation

The Missouri State Highway Patrol and Ralls County Sheriff's Department also investigated criminal charges unrelated to the theft in July 2019. The Attorney General's Office (AGO) was appointed as special prosecutor in that case. The AGO filed charges related to that matter in November 2019 and Tracey Ray is currently awaiting trial on those charges. The FBI was contacted regarding the theft.

City of Center Management Advisory Report State Auditor's Findings

1. Misappropriated Money

Between January 1, 2015, and July 3, 2019, at least \$316,887² was misappropriated from the city. During this period, the former City Clerk, Tracey Ray, used city money to pay personal credit card bills totaling \$206,343 and obtained \$1,997 in credit card rewards points related to transactions paid for from city funds. The former City Clerk made improper payments using city money for health insurance coverage totaling at least \$62,013 and personal expenses totaling at least \$35,547. The former City Clerk also made improper payroll disbursements to herself totaling \$3,580 and did not deposit at least \$7,407 in cash receipts.

The following table provides a summary of the amounts misappropriated.

Type of Misappropriation	Year Ended, December 31, 2018				January 1 to July 3, 2019	
	2015	2016	2017	2018	2019	Total
Personal Credit Card Disbursements to Capital One (Appendix J)	\$ 0	64,307	36,631	55,711	49,694	206,343
Capital One Credit Card Rewards Earned From City Payments	0	556	458	580	403	1,997
Anthem Blue Cross Blue Shield Disbursements (Appendix L)	412	7,848	19,406	21,932	12,415	62,013
Other Improper Disbursements (Appendix M)	3,626	20,779	1,498	2,268	45	28,216
Improper Disbursements From Receipts and Invoices (Appendix N)	4,459	1,969	742	161	0	7,331
Improper Payroll Disbursements (Appendix O)	500	3,080	0	0	0	3,580
Undeposited Cash Receipts (Appendix P)	0	169	1,755	1,798	3,685	7,407
Total	\$ 8,997	98,708	60,490	82,450	66,242	316,887

Improper personal credit card disbursements

The former City Clerk made 30 improper disbursements totaling \$206,343 from 3 city bank accounts to pay personal Capital One/GM³ credit card bills between February 2016 and July 2019. (see Appendix J) Credit card statements from January 1, 2016 through August 2, 2019 were obtained by subpoena and showed the former City Clerk as a card holder for this account from January 2016 until August 1, 2016, when she became the owner after her divorce. The former city Police Chief⁴ became a card holder in August 2017 after he married the former City Clerk. They divorced after the audit period.

² Amounts presented in the report findings are rounded to the nearest dollar. The amounts presented in the report appendices are not rounded.

³ Checks were issued to Capital One and ACH transactions were to Capital One or GM Card Services. Subpoenas were issued to both entities. Credit card records indicate there was only one credit card account for a GM credit card issued by Capital One Bank, N.A.

⁴ The former Police Chief was hired June 1, 2016.



City of Center Management Advisory Report - State Auditor's Findings

Of the 30 improper disbursements, 22, totaling \$180,472, were electronic payments from city accounts, while 8, totaling \$25,871, were checks to Capital One Card Services, written from city bank accounts. Of the total disbursements made on the credit card account during the period of January 16, 2015 through July 2, 2019, only \$15,722 (7.08 percent), came from non-city accounts. Board members indicated the city did not maintain a credit card and they were unaware of the credit card disbursements from city funds. The disbursements to the credit card vendor were not reported on the list of bills presented to the Board for approval. (See Appendixes A and J)

The following table shows the credit card charges by the former City Clerk and other authorized users, between January 1, 2016 through July 3, 2019.

		Year Ended, December 31, 2018			January 1 to July 3, 2019	Total
		2016	2017	2018		
Tracey Ray	\$	60,298	45,360	62,246	43,828	211,752
Other Authorized Users		1,184	4,063	1,199	800	7,246
Total	\$	61,482	49,423	63,465	44,628	218,998 ¹

¹ Totals do not agree to the total improper disbursements because this information represents credit card charges rather than payments.

Our review of the personal credit card statements included scheduling the individual vendor disbursements and attempting to determine if any purchases related to city business that the former City Clerk could have requested reimbursement for. Invoices to support the purchases were not available, but we did not identify any reimbursable purchases or city-related vendors. We determined the former City Clerk spent \$143,290 at various retail vendors, including \$32,946 at Amazon and \$24,893 at Walmart. In addition, credit card statements showed the former City Clerk spent \$23,038 at construction and home improvement stores, including \$15,069 at Lowe's. The statements also showed the former City Clerk spent \$21,881 on entertainment, lodging, and travel, including vendors such as Explore America, HomeAway, Ticketmaster, and multiple hotels. The former City Clerk also spent \$2,645 at a hair salon, \$9,621 at various restaurants, and \$1,788 at various grocery stores. (See Appendix K)

Credit card rewards

In addition to the \$206,343 of improper city disbursements made for the former City Clerk's personal credit card charges, the former City Clerk earned \$1,997⁵ in rewards from those charges and spent \$1,911 of those rewards. The other \$86 remained in the credit card reward balance as of July 3, 2019.

⁵ The amount earned with city monies is 92.92 percent (percent of credit card payments made from city accounts) of the total rewards, \$2,149, earned during the audit period.



City of Center
Management Advisory Report - State Auditor's Findings

**Anthem Blue Cross and
Blue Shield**

The former City Clerk made improper disbursements totaling \$62,013 from December 2015 through June 2019 to Anthem Blue Cross and Blue Shield (Anthem). She made 39 improper payments, totaling \$62,538, to Anthem and deposited 2 refund checks from Anthem, totaling \$525, into the city General Fund bank account. (See Appendix L)

On May 7, 2014, the Board voted to discontinue health insurance coverage for city employees as of July 2014. In December 2015, the former City Clerk began making payments from city funds for a policy with Anthem, without Board approval. The former City Clerk renewed this policy through a local insurance agent with an effective date of August 1, 2016. The former City Clerk paid \$2,058 for the coverage between December 2015 and July 2016 from city funds. Coverage information for this time period is unavailable. Beginning August 1, 2016, the policy with Anthem provided health insurance coverage for Tracey Ray, her husband, and 1 dependent child. The policy was renewed annually in August with coverage for the same individuals. Life and disability insurance was added for Tracey Ray and her husband, effective August 1, 2018.

**Improper personal
purchases**

From January 1, 2015, to July 3, 2019, the former City Clerk made improper disbursements totaling \$35,547. We reviewed bank records, available invoices and purchase receipt slips, and documentation provided upon subpoena to determine if purchases were personal in nature. Invoice and purchase receipt slip records were limited and often did not include the purpose of the purchase. We also discussed the purchases with the Mayor and Mayor Pro Tem and reviewed available accounting system reports and the lists of bills provided to the Board to determine if the purchases could be related to city business.

Improper disbursements determined through reviewing subpoenaed documentation and discussions with the Mayor and Mayor Pro Tem but are otherwise unsupported are included in Appendix M. Improper disbursements determined through reviewing available invoices and purchase receipt slips are included in Appendix N.

Improper tax disbursements

The former City Clerk made a \$1,342 disbursement from the General Fund account to the Audrain County Collector for the 2014 and 2015 real estate property taxes of the former Police Chief in May 2016. She described this disbursement as a "refund" on the accounting system register report. In addition, the former City Clerk made a \$198 disbursement from the General Fund account to the Marion County Collector for the 2014 personal property taxes of an individual in April 2015. We could not obtain contact information for this individual to get any additional information about the transaction. The Mayor and Mayor Pro Tem indicated they were unaware these disbursements occurred and saw no reason for the city to pay the real estate and/or personal



City of Center
Management Advisory Report - State Auditor's Findings

property tax of any individual. It is unlikely these disbursements related to city business. (See Appendix M)

Mortgage payment

The former City Clerk made a disbursement, totaling \$1,000, in May 2016 from the city's General Fund account to CitiMortgage. Documentation provided by CitiMortgage upon subpoena showed the payment was for the former City Clerk's monthly mortgage payment and an additional amount towards the principal of the loan. The former City Clerk described this disbursement as a "refund" on city accounting system reports. The Mayor and Mayor Pro Tem indicated they were unaware this disbursement occurred. (See Appendixes E and M)

Family Heritage Life
Insurance Company of
America

The former City Clerk made 4 disbursements totaling \$2,208 to Family Heritage Life Insurance Company of America (Family Heritage). Of the disbursements, the former City Clerk made 3 from the city's General Fund account, totaling \$1,656, and 1 for \$552, from the city's Sewer Fund account. Documentation provided upon subpoena by Family Heritage showed these disbursements were premium payments for a life insurance policy for Tracey Ray. The Mayor and Mayor Pro Tem indicated they were unaware these disbursement occurred and the city did not offer life insurance as an employee benefit. (See Appendixes D and M)

Globe Life and Accident
Insurance Company

The former City Clerk made 4 disbursements totaling \$996 from the city's General Fund account to Globe Life and Accident Insurance Company (Globe Life). Documentation provided upon subpoena by Globe Life showed these disbursements were premium payments for 2 life insurance policies: 1 for Tracey Ray and 1 for her dependent child. Documentation provided indicates the former City Clerk also made payments for the policies from her personal accounts. The Mayor and Mayor Pro Tem indicated they were unaware these disbursements occurred and the city did not offer life insurance as an employee benefit. An accounting system report could only be located for the November 2016 disbursement. The report listed the purpose of the disbursement as insurance. Board members indicated they were not always provided accounting system reports. (See Appendixes F and M)

Other employee benefits

The former City Clerk made 5 disbursements, totaling \$2,311, including 4 disbursements, totaling \$1,694, from the General Fund account and 1 disbursement, for \$616, from the Sewer Fund account, to Aflac, Inc. (Aflac). The former City Clerk also made 4 disbursements, totaling \$1,165, from the General Fund account to Prudential Financial, Inc. (Prudential). Accounting system reports could only be located for the 3 disbursements made to Aflac and 2 disbursements made to Prudential in 2016. The reports listed the purpose of the disbursements as insurance and employee benefit, respectively. The Mayor and Mayor Pro Tem indicated they were unaware these disbursements occurred. We did not issue a subpoena to Aflac or Prudential because city officials indicated the city did not offer any insurance



City of Center
Management Advisory Report - State Auditor's Findings

or other employee benefits after the Board voted to discontinue health insurance coverage in May 2014. Because all checks were signed solely by the former City Clerk and do not represent a valid city disbursement, these disbursements are considered improper and personal in nature. (See Appendix M)

Wells Fargo Bank

The former City Clerk made 4 improper disbursements totaling \$12,311 to Wells Fargo Bank, N.A. (Wells Fargo). The disbursements included 3, totaling \$12,281, from the Sewer Fund in 2016 and 1 for \$30, from the General Fund in 2017. The Mayor and Mayor Pro Tem indicated they were unaware these disbursements occurred and said the city maintained no accounts with Wells Fargo to justify these disbursements. The former City Clerk identified these disbursements as "refund" in available accounting system reports. If the city had no accounts with the financial institution, the likely only valid refunds to such an institution would relate to real estate property tax payments received. It is doubtful such refunds would be made from the Sewer Fund bank account because city personnel deposited tax receipts in the General Fund account. In addition, we reviewed deposit documentation and noted the city only received \$1,588 from Wells Fargo for taxes in 2015, prior to the 2016 disbursements, further indicating the amounts paid were not valid refunds.

We issued a subpoena to Wells Fargo for information pertaining to these disbursements, but the vendor could not locate related account information. Since all four checks were signed solely by the former City Clerk and do not represent valid refunds, these disbursements are considered improper. (See Appendixes C and M)

Kohl's Department Store

The former City Clerk made 5 disbursements between May 2016 and December 2018, totaling \$3,629, to Kohl's Department Store (Kohl's). The disbursements included 2 from the General Fund totaling \$1,257, 2 from the Sewer Fund totaling \$2,175, and 1 from the Park Fund for \$197. The Mayor and Mayor Pro Tem indicated they were unaware these disbursements occurred and stated the city maintained no accounts with Kohl's to justify these disbursements.

Accounting system reports could only be located for the 3 disbursements made in 2016 and each was identified as being for Park Days, a city annual festival generally held the last Saturday of July. However, the disbursements were made in May, October, and December 2016 indicating they were likely for another purpose than the July event. In addition, the accounting system report listed the October 2016 disbursement going to Kohl Wholesale, a food company, instead of the department store as the check shows. We issued a subpoena to Kohl's for information pertaining to these disbursements, but the vendor could not locate the account associated with these payments. Vendor officials indicated the company did not offer business charge accounts. Since



City of Center
Management Advisory Report - State Auditor's Findings

all five checks were signed solely by the former City Clerk and do not represent valid city disbursements, these disbursements are considered improper and personal in nature. (See Appendixes H and M)

Related party disbursements The former City Clerk wrote 8 checks, totaling \$1,256, to her mother between May 2015 and March 2017. The Mayor and Mayor Pro Tem indicated they were unaware these disbursements occurred and did not know of any business the city had with this individual. Accounting system reports could only be located for the 3 disbursements made in 2016. The reports identified one disbursement from the Park Fund account was a Park Days expense for wristbands and the other two from the Sewer and Street Fund accounts were identified as park maintenance. Of the other 5 disbursements, 4 were from the General Fund account and 1 was from the Street Fund account. The city has no record of a W-2 or 1099 form issued to this individual for city work and there is no personnel file or other documentation to support she worked for the city. Since all 8 checks were signed solely by the former City Clerk and there is no supporting documentation to justify these disbursements, these disbursements are considered improper. (See Appendix M)

Other improper disbursements The former City Clerk made additional improper purchases totaling \$9,131 at retail stores, restaurants, and other various vendors. Our review identified numerous gift card purchases for retail stores and restaurants. She made the restaurant gift cards purchases at Walmart, Lowe's, Sam's Club, and Shopko. Other improper purchases included 2 payments to Hobby Lobby, totaling \$678, identified on accounting system reports as police department expenses. Also, the former City Clerk made a \$675 payment to an actuarial firm for Local Government Employees' Retirement System (LAGERS) valuation services for 2 city employees in 2016. This disbursement was not authorized by the Board and city officials indicated the city does not offer LAGERS retirement benefits and this benefit has not been considered. City officials believe the former City Clerk may have been considering adding such benefits without Board approval. Some of the other items improperly purchased included: boys clothing; curtains and curtain rods; light fixtures; door handles; flooring; a shower curtain, rod, and liner; towels; rugs; flower delivery; candy; groceries including crab legs and shrimp; and party supplies. (See Appendixes M and N)

Improper payroll disbursements The former City Clerk improperly issued herself 5 additional payroll checks, totaling \$3,080, between April 2016 and June 2016 and a \$500 bonus in December 2015. The additional checks were dated the same date for the same amount as 5 other payroll checks issued to the former City Clerk and bank records indicate the former City Clerk signed and endorsed each check. The former City Clerk also improperly issued herself a check for \$500 on December 3, 2015. This check was written on the same day as her weekly paycheck and was signed and endorsed by the former City Clerk. The memo line of the check indicated "bonus," but a review of the Board minutes in late



City of Center
Management Advisory Report - State Auditor's Findings

Undeposited cash
receipts

2015 do not document any discussion or approval of a bonus for the former City Clerk and the Mayor indicated bonuses are not given to employees. (See Appendix O)

At least \$7,407 of recorded General and Sewer Fund account cash receipts, received between January 2016 and June 2019, were not deposited. Receipt slips issued prior to November 15, 2015, are missing and other receipts were included in deposits that were not recorded for this period. Due to the missing records and unrecorded receipts we could not determine the total amount of money received but not deposited; however, it is likely additional money is missing.

City receipts include annual property tax payments due in December, sewer payments due annually until 2018 when the city began billing monthly, merchant license fees, park fees, and other miscellaneous receipts. City personnel also collected cash for Park Days for in 2015, 2016, and 2017.⁶ We compared available receipt slips that indicated cash as the method of payment to deposit documentation. (See Appendix P for details of cash receipt slips, deposits, and the differences in receipts and deposits for the General and Sewer Fund accounts.)

Available receipt slips and other documentation for the period January 2016 through June 2019, indicate cash totaling \$12,893 was received related to General and Sewer Fund activities, but only \$5,486 in cash was deposited in the General and Sewer Fund accounts. No cash receipts were deposited in the General and Sewer Fund accounts in 2016 or 2017, although available receipt slip records and other documentation show the city received cash related to these accounts during that time. Receipt slips indicate the payments were for sewer billings, town hall rentals, building permits, and other miscellaneous city receipts. In addition, documentation provided by the local coffee club indicates the club made cash donations to the city during this period. A representative from the club indicated the club gave the cash directly to the former City Clerk, but the club did not receive a receipt slip.

City officials indicated the city accepted cash payments and receipt slips and other documentation indicate cash payments occurred for sewer payments, property taxes, city stickers, merchant licenses, coffee club donations, and other various items. In addition, some cash was deposited to the General and Sewer Fund bank accounts in 2018 and 2019 indicating at least some customers paid cash and these payments were deposited in the related bank account.

⁶ As of 2018, Park Days operations are handled by a not-for-profit organization that supports the park.



City of Center
Management Advisory Report - State Auditor's Findings

Unsupported
questionable
transactions

The former City Clerk primarily issued the receipts slips and made all the deposits. The current City Clerk, who was formerly the deputy City Clerk, indicated the former City Clerk did not allow her to make deposits.

In addition to the improper disbursements made by the former City Clerk, we also determined 247 disbursements, totaling \$87,692, made by the former City Clerk had no supporting documentation and were considered questionable based on discussions with city officials. (See Appendix Q)

Questionable transactions

We identified questionable transactions, after discussing disbursements from all city bank accounts from January 1, 2015 through July 3, 2019 (approximately \$1.4 million), with the Mayor and Mayor Pro Tem on January 9, 2020. The purpose of the meeting was to identify which vendors city officials believed to be valid and if the disbursements to any of these vendors were for city business. We also considered available transaction reports, the 2016 register report, and the list of bills prepared for the Board in determining the questionable disbursements presented.

These transactions include 76 disbursements, totaling \$38,375, to an individual who was an employee and also performed contract labor for the city. Disbursements identified as payroll for this individual in available accounting records were not questioned. Questionable disbursements also include 4 disbursements to the former City Clerk's then husband, totaling \$6,620; 21 disbursements to Lowe's, totaling \$6,366; 23 disbursements to Walmart, totaling \$6,302; and 9 cash withdrawals, totaling \$2,010.

Questionable related party
disbursements

Supporting documentation was not available for 4 disbursements made to the former City Clerk's husband during the time period the disbursements occurred. The disbursements, made between May and October 2015, totaled \$6,620. The former City Clerk made two of the disbursements, totaling \$1,780 from the General Fund and 2, totaling \$4,840, from the Sewer Fund. The memo line of one of the 2 checks from the Sewer Fund indicated "sewer main repair." When we discussed these disbursements with the Mayor and Mayor Pro Tem, both recalled work done by his construction company in 2015, but neither could determine a reason for the city to pay him personally and there was no documentation to support the disbursements. We located 3 invoices to support disbursements, totaling \$3,835, to his construction company in 2015, and those disbursements were not questioned.

In addition to the direct payments to the former City Clerk's husband in 2015, documentation provided by LaCrosse Lumber Company upon subpoena indicates the former City Clerk made a disbursement, totaling \$4,132, in August 2015, on the account of his construction company. Several of the invoices provided to support this payment made reference the Center Shelter House, which is a structure at the city park according to city officials.



City of Center
Management Advisory Report - State Auditor's Findings

As previously discussed, the Mayor indicated he recalled the construction company performed some park and sewer repair work in 2015, but he could not provide any details or explain why the city would have paid the company's LaCrosse Lumber Company bill directly. The Mayor indicated the Board did not authorize the former City Clerk to pay a bill at the lumber company on her ex-husband's account and a review of the Board minutes identified no discussion or votes on any related topics. Since all checks to the former City Clerk's husband in 2015 were signed solely by the former City Clerk and there is no supporting documentation to justify these disbursements or explain why city funds were paid directly to the lumber company on the husband's company's account, we consider these disbursements to be questionable. (See Appendix Q)

Cash withdrawals

The former City Clerk made 9 unsupported, questionable cash withdrawals, totaling \$2,010. She made the withdrawals by writing checks to cash or the City of Center or through direct withdrawal. It is unclear if the cash was used for city business or personal purposes.

Eight of the cash transactions, totaling \$1,680, came from the Park Fund account. The Mayor indicated the Park Fund account cash transactions could have related to Park Days. One check written to cash for \$500 was dated July 27, 2017 (2 days before the event), and the memo line indicated "Park Day Cash boxes." In addition, two other checks, totaling \$275, written on July 21, 2016 (9 days before the event) had descriptions in the 2016 accounting system register report of "cash for change" and "cash for drink stand." For another check, written in February 2016, the 2016 accounting system register report listed the purpose as a park trivia night expense. No records of amounts brought in or spent on the annual Park Days or trivia night events were maintained to verify these notations. Three of the other 4 cash transactions are unlikely related to the annual Park Days event based on the dates of the transactions and the duties of the former City Clerk. The transactions were in May and June 2017, and July 2018 and the former City Clerk was not involved with Park Days after 2017.

The former City Clerk also wrote one check for \$330 to the City of Center from the Sewer Fund account. The Mayor indicated he does not know why she wrote a check to the City of Center, other than to get cash for an event. The city had no documentation to support this disbursement. She wrote the check in June 2019. The city held no events that month. (See Appendix Q)

Falsified records

The former City Clerk falsified Board financial reports and lists of bills prepared for Board meetings. The Mayor and some Board members indicated the former City Clerk provided various financial records for review at Board meetings, but the information provided was not consistent. Board meeting minutes indicate the Board approved financial statements and a list of bills to be paid monthly. We reviewed the available information including 8 months



City of Center Management Advisory Report - State Auditor's Findings

of account balance reports,⁷ and 7 months of bills to be paid lists⁸ provided to the Board.

Financial reports

The City Clerk falsified the cash balances of some bank accounts on financial reports prepared for monthly Board meetings.

Of the financial information provided to the Board by the former City Clerk, only 8 months of account balance summary reports are available. The bank account balances reported to the Board on these reports did not agree to the corresponding bank statements for 46 of the 48 (96 percent) checking account balances reported. Some balances reported are significantly less than the bank statement balances and others are more than the bank statement balances. Some differences may be due to reconciling items between accounting system records and bank statements; however we found no documentation indicating the former City Clerk prepared bank reconciliations (see MAR finding number 3.2). For example, the City Clerk prepared a report for the Board showing cash balances for each fund account as of December 31, 2018, that reported inaccurate account balances as follows:

Bank account	Account Balances	
	per Financial Report	Actual Bank Account Balances
CD - Sewer(1)	\$ 25,000	25,000
Fire Checking	7,023	4,497
General Checking	32,340	18,842
Park Checking	3,306	3,306
Police Training Checking	384	2,583
Sewer Checking	467,920	296,196
Street Checking	46,378	45,220
Total	\$ 582,351	395,644

(1) The Sewer CD is for 2 CDs; one for \$10,000 and one for \$15,000.

Actual bank statements were not presented at Board meetings according to city officials. The misreporting of these account balances concealed the depletion of the Sewer Fund account by the former City Clerk.

List of bills

The former City Clerk prepared inaccurate and incomplete lists of bills to be paid for monthly Board meetings. For example, the list for February 2019 (approved at the February 6, 2019 board meeting for bills due before the next

⁷ Account balance reports were available for 8 months (November 2016; November 2017; January, March, April, and December 2018; and January and February 2019).

⁸ Lists of bills to be paid were available for March, April, November, and December 2018 and January, February, and March 2019.



City of Center
Management Advisory Report - State Auditor's Findings

Board meeting on March 6, 2019) was missing disbursements including payroll, a February 28 disbursement to South Lake Designs for \$200, a February 28 disbursement to the Postmaster for \$330, and a March 1 disbursement to Capital One for \$5,012. The February list also included items not paid until after the March Board meeting including a \$1,662 disbursement for a taser for the Police Department (paid March 13, 2019) and a \$66 utility bill listed (paid in April when a \$132 disbursement occurred).

Our review of the 7 available lists showed they did not include all payroll disbursements and the expenditures listed as improper in the Appendixes.

Additional falsified financial reports and lists of bills to be paid may have been prepared for other months during the audit period; but no other records could be located by city officials.

Overall conclusion

The Board did not provide sufficient oversight of the former City Clerk and city finances as discussed in the remainder of this report, which resulted in improper disbursements, including personal credit card payments and missing cash receipts going undetected for many years. The unusual nature and excessive number of checks written and electronic payments and lack of cash deposits should have caused suspicion and alerted the Board to the misappropriation. It is apparent the Board did not review the limited financial documents provided for accuracy or compare this information to any supporting documents, such as invoices, checks written, or bank statements. Inaccurate financial records provided to the Board helped conceal the misappropriation.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of the improper disbursements and missing money. The Board should also review the questionable, unsupported disbursements and work with law enforcement officials regarding criminal prosecution of any personal purchases. The Board should take necessary action to obtain restitution for all improper disbursements and missing money. The Board should also ensure all disbursements are necessary and prudent uses of public funds.

Auditee's Response

We will continue to work with our legal counsel and law enforcement officials to pursue criminal prosecution of the former City Clerk. All Board members and the City Clerk will review the questionable disbursements identified in the audit report and work with law enforcement officials to determine if any of those disbursements were, in fact, fraudulent. We plan to pursue obtaining restitution for all fraudulent transactions and missing money and have already collected restitution totaling \$99,054 from the former City Clerk. We also plan to file a claim against her bond, which has coverage of \$25,000. We will take all necessary actions to obtain full restitution to the extent available by law. We have begun changing procedures regarding oversight



City of Center
Management Advisory Report - State Auditor's Findings

of the receipting and disbursement process to ensure all future receipts are deposited and disbursements are valid uses of city funds.

2. Oversight and Annual Audits

2.1 Oversight and segregation of duties

The Board did not establish adequate oversight of the former City Clerk or obtain annual audits as required by state law.

The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the former City Clerk, including various receipting, disbursement, and payroll handling functions, as identified in the background section. The Board also did not perform an adequate review of the documentation provided by the former City Clerk. The weaknesses identified throughout this report are significant and demonstrate a lack of segregation of duties and proper oversight by the Board that led to the misappropriation noted in MAR finding number 1.

The Mayor and Mayor Pro Tem indicated the financial statement documentation and lists of bills to be paid were only briefly reviewed before the Board approved the disbursements. The Board did not compare bank balances or individual transactions to a corresponding bank statement or invoice in order to ensure account balances were accurate, all transactions were accounted for, and expenditures were actually made to the indicated vendor. In addition, accounting system access was limited and checks only required one signature prior to August 2019. The former City Clerk was the primary signor of checks between January 2015 and July 3, 2019. If Board members had performed thorough reviews and required additional oversight of the disbursement process, it is likely they would have noted at least some the improper disbursements and inaccurate and incomplete reports provided.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items or variances is necessary. Good management practices require extensive and detailed oversight by the Board.

2.2 Annual audits

The city does not obtain annual audits as required by state law and city officials do not know when the last audit of city finances occurred. Section 250.150, RSMo, requires the city to obtain annual audits of the sewerage system, and the cost of the audit is to be paid from the revenues received from the system.



City of Center
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures over the city's financial activity.
- 2.2 Obtain annual audits of the sewerage system as required by state law.

Auditee's Response

- 2.1 *We agree and plan to continue to improve oversight procedures to monitor financial activity of the city. We now require 2 signatures on all disbursements and the 2nd signer must review an original vendor invoice at the time of signing. We are working with our City Clerk to determine the reports that will be provided to the Board for review at meetings and a rotating Board member will be responsible for reviewing other financial records periodically in the future.*
- 2.2 *We plan to get an annual audit for the year ended December 31, 2020, in accordance with state law.*

3. Accounting Controls and Procedures

Significant weaknesses exist in the city's accounting controls and procedures.

3.1 Receipting, reconciling, and depositing

The city's procedures for receipting, recording, and depositing payments received are not adequate. As a result, there is no assurance all money collected was properly receipted, recorded, and deposited.

- As noted in MAR finding number 1, receipt slips were not issued for all payments received. Bank records indicate the city deposited approximately \$1,034,600 in cash, checks, and money orders during the period January 2015 - July 3, 2019; however, the city could only provide 201 receipt slips totaling \$20,250 (2 percent of that amount). Receipt records provided indicate city personnel issued receipt slips for cash and check transactions. Deposit slips did not include the individual receipts composing deposits and other deposit records did not include the composition of the receipts. As a result, we could not determine if all payments received were properly accounted for and deposited into a city bank account. (See MAR finding number 1)
- No one independent of the receipting process accounts for the numerical sequence of receipt slips or reconciles the composition of receipts to the composition of deposits. As a result, there is no assurance all payments received are deposited.



City of Center
Management Advisory Report - State Auditor's Findings

- Checks and money orders are not restrictively endorsed immediately upon receipt. The restrictive endorsement is applied when the deposit is prepared.

Failure to implement adequate receipting, reconciling, and depositing procedures along with accountability over city receipts increases the risk that loss, theft, or misuse of money received will go undetected.

3.2 Bank reconciliations

The former City Clerk did not perform monthly bank reconciliations for any city bank accounts. Prior to her termination in July 2019, there is no record of bank reconciliations being performed on any city bank account. In addition, the Mayor indicated the former City Clerk did not provide himself or the Board bank reconciliations to review and approve.

Monthly bank reconciliations help ensure receipts and disbursements have been properly handled and recorded, and increases the likelihood errors will be identified and corrected timely. Thorough independent and/or supervisory reviews of bank reconciliations help ensure all assets are adequately safeguarded.

3.3 Record retention

As noted throughout the report, many city financial records were not properly retained. Manual receipt books, deposit records, financial records provided to Board members, and supporting documentation for numerous disbursements could not be located by the city.

Retention of records is necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. Record retention schedules can be found on the Secretary of State's website.⁹

Recommendations

The Board of Aldermen:

- 3.1 Ensure all money collected is properly receipted. Ensure the numerical sequence of receipt slips are properly accounted for and reconcile the composition of receipts to the composition of deposits. Ensure checks and money orders are restrictively endorsed upon receipt. Ensure deposit slips or other records identify the individual receipts composing deposits.

⁹ <https://www.sos.mo.gov/archives/localrecs/schedules>



City of Center
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 3.2 Perform monthly bank reconciliations of all bank accounts timely and ensure supervisory reviews of bank reconciliations are documented.
- 3.3 Retain all records in accordance with state law.
- 3.1 *Manual receipts slips are issued for all monies received now and those payments are then posted to the computer system. Deposit summaries are prepared to document each receipt deposited and we will include the receipt number on that summary in the future to ensure the numerical sequence of receipt slips is accounted for properly. Checks and money orders are now restrictively endorsed upon receipt and deposit summaries identify the individual payers, which will allow a Board member to ensure deposits were made intact.*
- 3.2 *We have combined all funds into one bank account and while bank reconciliations are not yet being performed, we plan to establish procedures to ensure bank reconciliations are performed monthly and those will be reviewed by a Board member in the future.*
- 3.3 *We will ensure records are retained in accordance with state law in the future.*

4. Payroll

Significant weaknesses exist in the city's payroll controls and procedures.

4.1 Compensation

The city does not maintain documentation of approved pay rates or changes to pay rates in employee personnel files and the compensation for city officials and employees is not set by ordinance as required. In addition, the city does not have adequate controls and procedures in place to ensure payroll disbursements for the Mayor and Aldermen are consistent and accurate.

No documentation is maintained to support the compensation of city officials and employees. Employees are paid weekly but the employee hourly pay rates have not been documented or set by ordinance. In addition, the annual pay for the Mayor and Aldermen is not documented or set by ordinance. The Mayor indicated he believed Mayor and Aldermen pay is based on the number of meetings attended during the year. However, we reviewed payroll disbursements made to the Mayor and Aldermen from April 2014 to March 2019¹⁰ and noted inconsistencies between the annual compensation paid to

¹⁰ This time period is different from our audit period (January 1, 2015 through July 3, 2019) because the Mayor and Aldermen are paid on an April - March year based on when municipal elections occur and the official's term begins (April).



City of Center
Management Advisory Report - State Auditor's Findings

city officials and the number of monthly board meetings attended. See the table below for inconsistent pay from the period April 2018 to March 2019.

Mayor and Aldermen meetings
attended and pay

Position	Meetings Held	Meetings Attended	Annual Compensation
Dennis McMillen, Mayor	10	10	\$ 360
Jason Brown, Alderman	10	10	180
Cristy Browning, Alderwoman	10	10	200
Shawn Couch, Alderman	10	8	240
Aaron Jackson, Alderman	10	9	180

Without documentation of approved pay rates, there is less assurance payments to employees are properly authorized. In addition, documented approval by the Board of all employee pay and ordinances documenting approved pay rates helps ensure equitable treatment and prevent misunderstandings. Section 115.060 of the city code requires the Board to fix the compensation of all officers and employees of the city by ordinance. Section 79.270, RSMo, authorizes the Board to fix the compensation of all city officials and employees by ordinance.

4.2 Timesheets

No one could provide documentation that the former City Clerk prepared timesheets during the audit period and no one documented review and approval of the former Police Chief's timesheets. According to the Mayor, the former City Clerk was an hourly employee and he did not know if she prepared a weekly timesheet and he never approved a timesheet for her. City officials could not locate a timesheet to support any of the time she worked. In addition, the former Police Chief was the only signor on his timesheets and there is no indication of supervisory review or approval of them.

Without timesheets, the city does not have sufficient records to ensure the validity of payroll disbursements. To ensure the accuracy of the hours worked and leave taken, timesheets should be signed by the employees and reviewed and approved by a supervisor. In addition, the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

4.3 Questionable payroll differences

In addition to the improper payroll disbursements identified in MAR finding number 1, additional questionable payroll disbursements, totaling \$6,348, were made to the former City Clerk and former Police Chief. A comparison of payroll disbursements to available accounting system reports identified payroll disbursements in excess of recorded payroll. As previously noted, the Board did not establish adequate oversight of the former City Clerk's payroll procedures, which may have allowed the difference in actual disbursements and amounts reported to go undetected. (See Appendix R)



City of Center
Management Advisory Report - State Auditor's Findings

We compared payroll disbursements per bank statements to the amounts reported on available accounting system register and transaction reports. Our review determined the amount paid to the former City Clerk exceeded the amount recorded by \$4,306 and the amount paid to the former Police Chief exceeded the amount recorded by \$2,042. The Mayor could not explain the differences. As previously noted, timesheets could not be located for the former City Clerk and neither the former City Clerk or former Police Chief had documented approved pay rates. As a result, we could not determine their appropriate pay.

The former City Clerk was solely responsible for issuing and recording payroll disbursements. Accounting system access was limited and the Board did not review any documents not provided by the former City Clerk or original documentation such as bank statements. As a result, the Board did not identify the differences. Good management practices require extensive and detailed oversight by the Board.

Recommendations

The Board of Aldermen:

- 4.1 Ensure pay rates are documented, approved, and established by ordinance as required for all city employees and officials and are maintained.
- 4.2 Ensure timesheets are prepared, approved, and maintained for all city employees.
- 4.3 Ensure reviews of payroll records are performed to ensure the propriety of payroll payments, and review the questionable payroll disbursements and consider working with law enforcement officials regarding criminal prosecution of the questionable disbursements.

Auditee's Response

- 4.1 *We have recently adopted an ordinance regarding Board members pay which establishes an annual payment amount of compensation for each Board member. We will ensure the ordinance is followed in the future. We will adopt ordinances establishing the rate of pay for all city employees and appointed officials.*
- 4.2 *We agree and have already implemented this recommendation.*
- 4.3 *The Mayor or another Board member has been reviewing payroll records and timesheets for employees at least monthly. We will review the questionable payroll transactions and discuss with law enforcement officials whether these payments constitute fraud. We will also attempt to determine if additional overpayments occurred.*



City of Center
Management Advisory Report - State Auditor's Findings

5. Financial Reporting, Published Financial Statements, and Budgets

The city did not comply with state law relating to submitting annual financial reports, publishing financial statements, and preparing complete annual budgets.

5.1 Financial reporting

Neither the Board nor the former City Clerk submitted a financial report to the SAO as required by state law for the years ended December 31, 2018, 2017, or 2016. As a result, the state imposed fines totaling \$157,000 as of July 2019, as provided in Section 105.145, RSMo. The Missouri Department of Revenue (DOR) reduced the city's sales and use tax distributions by \$12,238 to offset part of the fines leaving a balance of \$144,762 as of June 30, 2019. The city incurred another \$5,000 fine for 10 days in July 2019 that the DOR notified the city of in August 2019, and the DOR continued to reduce the city's sales and use tax distributions. The city owed \$148,240 as of October 31, 2019.

DOR records indicate the department first notified the city of the noncompliance and resulting fines in July 2018 and sent letters monthly after that. The Mayor indicated he was unaware of the letters and city officials cannot locate any of the letters sent before July 2019. City officials believe the former City Clerk may have discarded them. In July 2019, the Mayor sent a letter to the DOR indicating the city's records were in the possession of the SAO as of July 10, 2019 and the city could not produce a financial statement. As a result the city stopped incurring fines as of July 11, 2019.

Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the SAO. Section 105.145.5, RSMo, prohibits elected officials from processing disbursements after the deadline to submit the financial statement and until the financial statement is submitted to the SAO. In addition, 15 Code of State Regulations (CSR) 40-3.030, requires each political subdivision to file annual financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the SAO must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement. Failure to timely file a financial statement may subject the political subdivision to a fine of \$500 per day.

5.2 Published financial statements

City officials did not publish semiannual financial statements as required by state law. The Mayor indicated he believed the former City Clerk was publishing the statements, but he contacted the local newspaper and determined they had not been published during the audit period. As a result, information regarding the city's financial activity and condition was not available to all citizens.



City of Center Management Advisory Report - State Auditor's Findings

Section 79.160, RSMo, requires the Board to prepare and publish financial statements semiannually that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. To ensure compliance with state law, the Board should require timely preparation of financial statements and review the statements prior to publication.

5.3 Budgets

The city's budgets do not contain all statutorily required elements and the Board did not approve the annual budgets timely. The 2015, 2018, and 2019 budgets did not include a budget message or budget summary. The city could not locate the 2016 and 2017 budget documents for our review. In addition, the Board meeting minutes indicate the 2015-2019 budgets were approved in January, after the beginning of the fiscal year.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in providing information to the public about city operations and current finances. In addition, Section 67.030, RSMo, states the governing body shall approve and adopt the annual budget prior to the beginning of the fiscal year.

Recommendations

The Board of Aldermen:

- 5.1 Submit annual financial reports to the State Auditor's Office as required by state law.
- 5.2 Publish semiannual financial statements as required by state law.
- 5.3 Prepare annual budgets that contain all information required by state law and approve the budget prior to the beginning of the fiscal year.

Auditee's Response

- 5.1 *We will ensure financial reports are filed with the State Auditor's Office as required in the future. We plan to contact the Department of Revenue to discuss the potential for having our fines waived or significantly reduced.*
- 5.2 *This recommendation has been implemented, The first semiannual financial statement covering the first half of 2020 has already been published.*
- 5.3 *We agree and have already implemented this recommendation.*

City of Center

Organization and Statistical Information

The City of Center is located in Ralls County. The city was founded in 1868 and is currently a fourth-class city. The city employed 2 full-time employees and 4 part-time employees on July 3, 2019.

The city government consists of a mayor and a 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at July 3, 2019, are identified below. The Mayor and Aldermen are paid on an annual basis for their services performed between the months of April and the subsequent March. The amount paid is not set by ordinance.

Mayor and Board of Aldermen

Name	Dates of Service
Dennis McMillen, Mayor	April 2004 to current
Tom Bramblett, Mayor Pro Tem	April 2019 to current
Cristy Browning, Alderwoman	April 2018 to current
Shawn Couch, Alderman	April 2006 to current
Steven Reynolds, Alderman (1)	April 2019 to current

(1) Steve Reynolds was selected to be Mayor Pro Tem in June 2020.

Financial Activity

A summary of the city's financial activity, prepared by the city, for the year ended June 30, 2019, follows:



City of Center
Organizational and Statistical Information

CITY OF CENTER, MISSOURI - FINANCIAL STATEMENT				
January 1, 2019 through December 31, 2019				
	Beginning BALANCE	REVENUE	EXPENSES	Ending BALANCE
General Fund	18842	158,039	131,891	44,990
Sewer Fund	296196	134,504	144,977	285,723
Street Fund	45220	32,387	43,620	33,987
Fire Fund	4497	9,048	4,037	9,508
Park Fund	3306	1,543	4,152	697
Police Fund	2583	57	2,640	0
Totals	370644	335,578	331,317	374,905
We hereby verify that to the best of our knowledge the above statement				
is true and correct according to the unaudited records on file in the office				
of the City of Center, Missouri				
Jeanne Franke			Dennis McMillen	
Acting City Clerk			Mayor	

City of Center

Supporting Documentation of Misappropriated Money and Questionable Disbursements

The following appendixes provide supporting documentation for the subpoenas issued, improper disbursements, undeposited cash receipts, and questionable disbursements discussed in MAR finding number 1 and are summarized in the following table:

Appendix	Type of Supporting Documentation
A	State Auditor Subpoena - Capital One Bank, N.A.
B	State Auditor Subpoena - GM Card Services c/o Capital One Bank, N.A.
C	State Auditor Subpoenas - Wells Fargo Bank, N.A.
D	State Auditor Subpoena - Family Heritage Life Insurance Company of America
E	State Auditor Subpoena - CITI Bank NA and CITI Mortgage
F	State Auditor Subpoena - Globe Life and Accident Insurance Company
G	State Auditor Subpoena - Nationwide
H	State Auditor Subpoena - Kohl's Department Store
I	State Auditor Subpoena - LaCrosse Lumber Company
J	Improper Disbursements to Capital One Bank, N.A.
K	Personal Credit Card Charges - Capital One Bank, N.A.
L	Improper Disbursements to Anthem Blue Cross and Blue Shield
M	Other Improper Disbursements
N	Other Improper Disbursements Documented on Receipt Slips and Invoices
O	Improper Payroll Disbursements
P	Undeposited Cash Receipts - General and Sewer Fund Accounts
Q	Questionable Unsupported Disbursements
R	Questionable Payroll Disbursements



Appendix A
City of Center
State Auditor Subpoena - Capital One Bank, N.A.

The date of birth, social security number, addresses, and account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

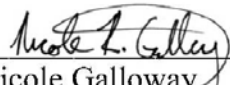
SUBPOENA

**To: Capital One Bank (USA), N.A.
Attn: 12070-7000 (Subpoena Dept.)
15000 Capital One Drive
Richmond, VA 23238-1119**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on Wednesday, January 17, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 18th day of December, 2019, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 1 of 4

Please produce all records of transactions between and including the dates of February 1, 2016, and July 31, 2019, for the following account(s) with Capital One Card Services, individual or joint:

Name(s): Tracey Marie Sharp (Maiden)
Tracey Marie Carman
Tracey Marie Ray

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

Capital One Card Services account number(s): unknown

Account holder may be listed at any of the following addresses:

[REDACTED]

[REDACTED]

[REDACTED]



Appendix A
City of Center
State Auditor Subpoena - Capital One Bank, N.A.



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 2 of 4

Payments to this account(s) were made by city check or electronic fund transfer from the following City of Center accounts:

Account Name:	City of Center General Fund		
Account Number:	██████		
Routing Number:	██████		
	Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
	2/29/2016	16664	1,978.54



Appendix A
City of Center
State Auditor Subpoena - Capital One Bank, N.A.



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 3 of 4

Account Name: City of Center Sewer Fund			
Account Number: [REDACTED]			
Routing Number: [REDACTED]			
	Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
	2/29/2016	2740	1,094.89
	6/14/2016	2761	2,803.15
	7/18/2016	2769	2,908.00
	8/29/2016	2782	4,996.27
	9/26/2016	2789	5,962.18
	10/18/2016	2797	3,153.80
	11/22/2017	ACH	14,000.00
	5/16/2018	ACH	12,272.95
	7/10/2018	ACH	4,882.32
	7/26/2018	ACH	4,862.53
	8/16/2018	ACH	6,091.93
	9/27/2018	ACH	6,048.28
	11/2/2018	ACH	6,393.14
	11/28/2018	ACH	8,952.75
	12/28/2018	ACH	6,206.76
	2/1/2019	ACH	7,294.18
	3/1/2019	ACH	5,012.42
	3/12/2019	ACH	9,014.66
	4/30/2019	ACH	8,538.79
	5/24/2019	ACH	6,712.24
	7/2/2019	ACH	13,121.76



Appendix A
City of Center
State Auditor Subpoena - Capital One Bank, N.A.



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 4 of 4

Account Name:	City of Center Street Fund		
Account Number:	██████		
Routing Number:	██████		
	Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
	2/16/2017	2134	2,973.61

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



The date of birth, social security number, addresses, and account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

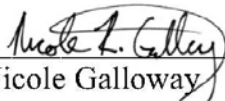
SUBPOENA

To: Capital One Bank (USA), N.A.
Attn: 12070-7000 (Subpoena Dept.)
15000 Capital One Drive
Richmond, VA 23238-1119

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on Wednesday, January 17, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 18th day of December, 2019, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 1 of 2

Please produce all records of transactions between and including the dates of April 1, 2016, and July 31, 2019, for the following account(s) with GM Card Services, individual or joint:

Name(s): Tracey Marie Sharp (Maiden)
Tracey Marie Carman
Tracey Marie Ray

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

GM Card Services account number(s): unknown

Account holder may be listed at any of the following addresses:

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 2 of 2

Payments to this account(s) were made by electronic fund transfer from the following City of Center account:

Account Name:	City of Center Sewer Fund		
Account Number:	[REDACTED]		
Routing Number:	[REDACTED]		
	Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
	4/27/2016	ACH	11,000.00
	9/1/2016	ACH	4,971.78
	11/30/2016	ACH	11,835.57
	12/27/2016	ACH	13,603.17
	5/3/2017	ACH	8,924.30
	7/5/2017	ACH	5,486.88
	8/29/2017	ACH	5,245.68

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



Appendix C
City of Center
State Auditor Subpoenas - Wells Fargo Bank, N.A.

Certain names, dates of birth, social security numbers, addresses, and account numbers have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

January 8, 2020

Wells Fargo Bank, N.A.
221 Bolivar
Jefferson City, MO 65101

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

If you have any questions you may contact Todd Schuler by mail at Fletcher Daniels State Office Building, 615 East 13th Street, Room 306, Kansas City, Missouri 64106, as well as by phone at (816) 889-3658 or e-mail at todd.schuler@auditor.mo.gov.

A handwritten signature in blue ink, appearing to read "Joel E. Anderson".

Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

**To: Wells Fargo Bank, N.A.
221 Bolivar
Jefferson City, MO 65101**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on Friday, February 7, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis or Joel Anderson at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 8th day of January, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by personal delivery on this 8th day of January, 2020.



Matthew S. Anderson



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 1 of 2

Please produce all records of transactions between and including the dates of June 1, 2016, and July 31, 2019, for the following account(s) with Wells Fargo Bank, individual or joint:

Name(s): Tracey Marie Sharp (Maiden)
Tracey Marie Carman
Tracey Marie Ray

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

Wells Fargo Bank account number(s): unknown

Account holder may be listed at any of the following addresses:

[REDACTED]

[REDACTED]

[REDACTED]



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 2 of 2

Payments to this account(s) were made by city check from the following City of Center accounts:

Account Name: City of Center General Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
12/29/2017	17322	30.00

Account Name: City of Center Sewer Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
6/16/2016	2762	2,933.99
7/19/2016	2767	5,726.00
7/19/2016	2768	3,621.00

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

**To: Wells Fargo Bank, N.A.
221 Bolivar
Jefferson City, MO 65101**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street, Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on March 13, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibits A through F attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis or Joel Anderson at 301 W. High St., Room 880, Jefferson City, MO 65101.

ISSUED this 26th day of February, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.

Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by personal delivery on this 26th day of February, 2020.



Appendix C
City of Center
State Auditor Subpoenas - Wells Fargo Bank, N.A.



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 1 of 2

Please produce all records of the four payments listed below payable to any Wells Fargo Bank account. Please ensure that such records show the name or names of the account holders to whose accounts each such payment was applied:

Account Name: City of Center General Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
12/29/2017	17322	30.00

Account Name: City of Center Sewer Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
6/16/2016	2762	2,933.99
7/19/2016	2767	5,726.00
7/19/2016	2768	3,621.00



Appendix C
City of Center
State Auditor Subpoenas - Wells Fargo Bank, N.A.



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 2 of 2

Accounts to which these payments were applied may belong to any of the following account holders:

<p>Name: [REDACTED] Date of Birth: [REDACTED] Last four digits of social security number: [REDACTED] Wells Fargo Bank account number(s): Unknown</p> <p>Account holder may be listed at any of the following addresses:</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>	<p>Name: [REDACTED] [REDACTED] [REDACTED] Date of Birth: [REDACTED] Last four digits of social security number: [REDACTED] Wells Fargo Bank account number(s): Unknown</p> <p>Account holder may be listed at any of the following addresses:</p> <p>[REDACTED] [REDACTED]</p>
<p>Name: [REDACTED] [REDACTED] Date of Birth: [REDACTED] Last four digits of social security number: [REDACTED] Wells Fargo Bank account number(s): Unknown</p> <p>Account holder may be listed at any of the following addresses:</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>	<p>Name: [REDACTED] [REDACTED] Date of Birth: [REDACTED] Last four digits of social security number: [REDACTED] Wells Fargo Bank account number(s): Unknown</p> <p>Account holder may be listed at any of the following addresses:</p> <p>[REDACTED] [REDACTED]</p>
<p>Name: [REDACTED] [REDACTED] Date of Birth: [REDACTED] Last four digits of social security number: [REDACTED] Wells Fargo Bank account number(s): Unknown</p> <p>Account holder may be listed at any of the following addresses:</p> <p>[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p>	



OFFICE OF MISSOURI STATE AUDITOR

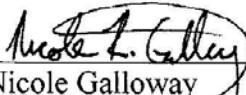
SUBPOENA

**To: Wells Fargo Bank, N.A.
221 Bolivar
Jefferson City, MO 65101**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street, Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on March 16, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis or Joel Anderson at 301 W. High St., Room 880, Jefferson City, MO 65101.

ISSUED this 2nd day of March, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by personal delivery on this 3rd day of March, 2020.





Appendix C
City of Center
State Auditor Subpoenas - Wells Fargo Bank, N.A.



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 1 of 2

Please produce all records of the four payments listed below payable to any Wells Fargo Bank account. Please ensure that such records show the name or names of the account holders to whose accounts each such payment was applied:

Account Name: City of Center General Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
12/29/2017	17322	30.00

Account Name: City of Center Sewer Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
6/16/2016	2762	2,933.99
7/19/2016	2767	5,726.00
7/19/2016	2768	3,621.00



Appendix C
City of Center
State Auditor Subpoenas - Wells Fargo Bank, N.A.



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 2 of 2

Accounts to which these payments were applied may belong to the following account holder:

Name(s): [REDACTED]
[REDACTED]

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

Wells Fargo Bank account number(s): Unknown

Account holder may be listed at any of the following addresses:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



Appendix D
City of Center
State Auditor Subpoena - Family Heritage Life Insurance Company of America

The policy number, addresses,
and name of representative
from Family Heritage Insurance
have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

Family Heritage Insurance:

Per discussion with [REDACTED] in the customer service department, we are requesting documentation of any policies insuring Tracey Ray (possibly Tracey Carman and/or Tracey Sharp as well) or any policies paid with City of Center monies regardless of the named insured. For example, we are aware policy # [REDACTED] was paid using City of Center funds. If there are any others, we would like documentation supporting the payments received (such as bill statement and a declaration of insurance) so we can verify the nature of the policy being paid on. Thank you for your assistance with getting this documentation to us. See below for the names and addresses which may assist you in finding policies.

Please produce all records of transactions for policies linked to:

Name(s): Tracey Marie Sharp (Maiden
Tracey Marie Carman
Tracey Marie Ray

Account holder may be listed at any of the following addresses:

[REDACTED]

[REDACTED]

[REDACTED]

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes).

If any other information is needed please inquire so we may provide it. Thank you.

[REDACTED]

Missouri State Auditor's Office



The date of birth, social security number, addresses, account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

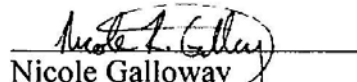
SUBPOENA

**To: CITI Bank NA and CITI Mortgage
c/o Legal Services
Mail Code 1251
Sioux Falls, SD 57117**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street, Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on April 15, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis or Joel Anderson at 301 W. High St., Room 880, Jefferson City, MO 65101, or by electronic mail to Kelly.Davis@auditor.mo.gov or Joel.Anderson@auditor.mo.gov.

ISSUED this 19th day of March, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.


Nicole Galloway
Missouri State Auditor



Appendix E
City of Center
State Auditor Subpoena - CITI Bank NA and CITI Mortgage



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A

Please produce all records of transactions applicable to the payment below for the following account with CITI Bank NA and CITI Mortgage, individual or joint:

Name(s): Tracey Marie Sharp (Maiden)
Tracey Marie Carman
Tracey Marie Ray

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

Account number: [REDACTED]

Account holder may be listed at any of the following addresses:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Payment to account number [REDACTED] made by city check from the following City of Center account:

Account Name: City of Center General Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
5/2/2016	16729	1,000.00

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



The date of birth, social security number, addresses, and account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

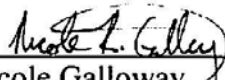
SUBPOENA

To: Globe Life and Accident Insurance Company
Attn: Legal
PO Box 2440
McKinney, TX 75070

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street, Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on April 15, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis or Joel Anderson at 301 W. High St., Room 880, Jefferson City, MO 65101, or by electronic mail to Kelly.Davis@auditor.mo.gov or Joel.Anderson@auditor.mo.gov.

ISSUED this 19th day of March, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor



Appendix F
City of Center
State Auditor Subpoena - Globe Life and Accident Insurance Company



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all records of transactions related to the payments set forth in the charts below, between and including the dates of October 1, 2015, and October 31, 2017, for the following account(s) with Globe Life and Accident Insurance Company, individual or joint:

Name(s): Tracey Marie Sharp (Maiden)
Tracey Marie Carman
Tracey Marie Ray

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

Account number(s): unknown

Account holder may be listed at any of the following addresses:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Payments to this account were made by city check from the following City of Center account:

Account Name: City of Center General Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
10/9/2015	16539	304.55
11/16/2016	16911	304.55
2/10/2017	16998	82.23
10/11/2017	17249	304.55

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



Appendix G
City of Center
State Auditor Subpoena - Nationwide

The date of birth, social security number, addresses, and account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

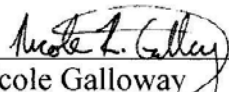
SUBPOENA

To: Nationwide
1 Nationwide Plaza
Attn: Service of Process Team
Mail Code 1-30-405
Columbus, OH 43215

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street, Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on April 15, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis or Joel Anderson at 301 W. High St., Room 880, Jefferson City, MO 65101, or by electronic mail to Kelly.Davis@auditor.mo.gov or Joel.Anderson@auditor.mo.gov.

ISSUED this 19th day of March, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor



Appendix G
City of Center
State Auditor Subpoena - Nationwide



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all records of transactions related to the payment set forth in the chart below, between and including the dates of September 1, 2016, and November 30, 2016, for the following account(s) with Nationwide, individual or joint:

Name(s): Tracey Marie Sharp (Maiden)
Tracey Marie Carman
Tracey Marie Ray

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

Account number(s): unknown for all; possible policy number of [REDACTED]

Account holder may be listed at any of the following addresses:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Payments to this account were made by city check from the following City of Center account:

Account Name: City of Center Fire Fund
Account Number: [REDACTED]
Routing Number: [REDACTED]

Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
10/31/2016	808	303.72

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



The date of birth, social security number, addresses, and account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

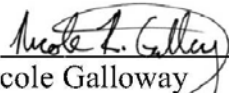
SUBPOENA

**To: Kohl's Department Stores
Att. Legal
N56 W17000 Ridgewood Drive
Menomonee Falls, WI 53051**

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street, Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on April 15, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Kelly Davis or Joel Anderson at 301 W. High St., Room 880, Jefferson City, MO 65101, or by electronic mail to Kelly.Davis@auditor.mo.gov or Joel.Anderson@auditor.mo.gov.

ISSUED this 19th day of March, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor



Appendix H
City of Center
State Auditor Subpoena - Kohl's Department Store



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 1 of 2

Please produce all records of transactions related to the payments set forth in the charts below, between and including the dates of April 1, 2016, and January 31, 2019, for the following account(s) with Kohl's, individual or joint:

Name(s): Tracey Marie Sharp (Maiden)
Tracey Marie Carman
Tracey Marie Ray

Date of Birth: [REDACTED]

Last four digits of social security number: [REDACTED]

Account number(s): unknown for all; possible account number [REDACTED]

Account holder may be listed at any of the following addresses:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Payments to this account were made by city check from the following City of Center accounts:

Account Name:	City of Center General Fund		
Account Number:	[REDACTED]		
Routing Number:	[REDACTED]		
	Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
	5/2/2016	16731	864.87
	10/4/2016	16876	392.16



Appendix H
City of Center
State Auditor Subpoena - Kohl's Department Store



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A - Page 2 of 2

Account Name:	City of Center Sewer Fund		
Account Number:	██████		
Routing Number:	██████		
	Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
	12/13/2016	2808	477.91
	12/31/2018	2945	1,697.52

Account Name:	City of Center Park Fund		
Account Number:	██████		
Routing Number:	██████		
	Date of Payment	Method of Payment (Check Number or ACH)	Payment Amount
	9/24/2018	1368	196.97

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



Appendix I
City of Center
State Auditor Subpoena - LaCrosse Lumber Company

The name of the contact person
and address have been redacted.



OFFICE OF MISSOURI STATE AUDITOR
SUBPOENA

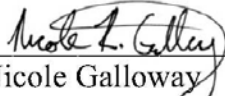
To: LaCrosse Lumber Company

103 S. Madison
P.O. Box 70
Perry, MO 63462

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) Kelly Davis, Todd Schuler, or Joel Anderson at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 10:00 a.m. on Wednesday, July 22, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

*In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Todd Schuler by electronic mail at **Todd.Schuler@auditor.mo.gov**.*

ISSUED this 10th day of July, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor



Appendix I
City of Center
State Auditor Subpoena - LaCrosse Lumber Company



OFFICE OF MISSOURI STATE AUDITOR

Exhibit A

Please produce all records of transactions applicable to the payment for the following account with LaCrosse Lumber Company:

Name: Carman Timber and Construction Company

Account number: Unknown

Account holder may be listed at the following address:



Payment to this account was made by city check from the following City of Center account:

Account Name: City of Center Park Fund
Check Number: 1291
Amount: \$4,132.07
Date of Payment: August 6, 2015

This request for records includes all matters that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computer, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

Appendix J

City of Center
Improper Disbursements to Capital One Bank, N.A.

Payment Date (1)	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (2)	Accounting System Expense Category if Available (2)	Amount
02/29/2016	2740	Sewer	Capital One Card Se	Sewer: Equipment	\$ 1,094.89
02/29/2016	16664	General	Capital One Card Se	City Maintenance	1,978.54
04/27/2016	ACH	Sewer	Capital One Card Se	Sewer: Equipment	11,000.00
06/14/2016	2761	Sewer	Capital One Card Se	Sewer: Equipment	2,803.15
07/18/2016	2769	Sewer	Capital One Card Se	Sewer: Equipment	2,908.00
08/29/2016	2782	Sewer	Capital One Card Se	Sewer: Equipment	4,996.27
09/01/2016	ACH	Sewer	Capital One Card Se	Sewer: Equipment	4,971.78
09/26/2016	2789	Sewer	Capital One Card Se	Sewer: Equipment	5,962.18
10/18/2016	2797	Sewer	Capital One Card Se	Sewer: Equipment	3,153.80
11/30/2016	ACH	Sewer	Chase Card Services (3)	Sewer Maintenance	11,835.57
12/27/2016	ACH	Sewer	Chase Card Services (3)	Sewer Maintenance	13,603.17
Total 2016					<u>64,307.35</u>
02/16/2017	2134	Street			2,973.61
05/03/2017	ACH	Sewer			8,924.30
07/05/2017	ACH	Sewer			5,486.88
08/29/2017	ACH	Sewer			5,245.68
11/22/2017	ACH	Sewer	(4)	(4)	14,000.00
Total 2017					<u>36,630.47</u>
05/16/2018	ACH	Sewer			12,272.95
07/10/2018	ACH	Sewer			4,882.32
07/26/2018	ACH	Sewer			4,862.53
08/16/2018	ACH	Sewer			6,091.93
09/27/2018	ACH	Sewer			6,048.28
11/02/2018	ACH (5)	Sewer	(4)	(4)	6,393.14
11/28/2018	ACH (5)	Sewer	(4)	(4)	8,952.75
12/28/2018	ACH (5)	Sewer	(4)	(4)	6,206.76
Total 2018					<u>55,710.66</u>
02/01/2019	ACH (5)	Sewer	(4)	(4)	7,294.18
03/01/2019	ACH (5)	Sewer			5,012.42
03/12/2019	ACH (5)	Sewer			9,014.66
04/30/2019	ACH	Sewer			8,538.79
05/24/2019	ACH	Sewer			6,712.24
07/02/2019	ACH	Sewer			13,121.76
Total 2019					<u>49,694.05</u>
Total \$					<u><u>206,342.53</u></u>

(1) Payment date is the date the disbursement cleared the city bank account.

(2) Accounting system information was only available for 21 months of our audit period (all months of 2016; November and December 2017; January, March, April, November, and December 2018; and January and February 2019). The 2016 information is from an accounting system register report. The remaining information is from accounting system transaction reports. Description is shown as shown on system reports.

(3) While the accounting system description indicates Chase Card Services, the payments were made on the GM card issued by Capital One.

(4) The disbursements were not included on available accounting system reports.

(5) The disbursements were not included on the available lists of bills provided to the Board.

Appendix K

City of Center

Personal Credit Card Charges - Capital One Bank, N.A.

Vendor or Purpose	Credit Card Transactions					
	Year Ended December 31,			January 1 to	Total	Total Number of Transactions
	2016	2017	2018	July 3, 2019		
Amazon	\$ 9,685.60	8,854.67	10,299.74	4,106.02	32,946.03	666
Hobby Lobby	1,299.72	1,107.46	1,068.09	361.22	3,836.49	32
Walmart	7,451.89	7,639.91	6,528.38	3,272.37	24,892.55	133
PayPal	796.76	989.29	4,302.40	2,850.41	8,938.86	86
Wright Furniture	1,211.33	2,077.92	0.00	874.08	4,163.33	5
Sam's Club	379.90	39.06	2,452.56	272.49	3,144.01	16
Dollar General	123.62	1,108.10	476.68	666.58	2,374.98	36
Target	575.17	214.27	719.27	743.52	2,252.23	13
Etsy.com	398.97	492.45	221.88	809.03	1,922.33	47
Goose Creek Candle	0.00	0.00	1,321.13	232.60	1,553.73	12
Kohl's Department Store	0.00	0.00	0.00	1,015.44	1,015.44	5
Zappos	105.00	501.57	253.87	125.35	985.79	17
Yeti Coolers	448.22	0.00	0.00	0.00	448.22	2
Clothing and accessories	5,639.80	3,072.86	6,175.49	5,500.97	20,389.12	181
Automobile care and parts	2,850.60	2,144.86	736.49	212.50	5,944.45	46
Sporting goods	1,783.13	133.44	1,332.79	848.57	4,097.93	43
Gift shops	520.55	158.96	14.18	210.76	904.45	11
Florist	161.64	103.19	266.07	49.29	580.19	12
Pet care	0.00	0.00	0.00	1,400.77	1,400.77	8
Other shopping (2)	5,370.85	5,309.91	6,361.03	4,457.73	21,499.52	289
Subtotal shopping	38,802.75	33,947.92	42,530.05	28,009.70	143,290.42	1,660
Lowe's	3,331.00	3,002.88	5,889.12	2,846.32	15,069.32	62
Michael's Carpet Outlet	1,443.71	0.00	0.00	0.00	1,443.71	1
Farm & Home Supply	352.08	0.00	570.95	278.93	1,201.96	8
Sherwin-Williams	41.52	147.20	310.61	47.51	546.84	7
Other construction and home improvement (3)	1,480.03	1,371.22	1,184.39	740.70	4,776.34	35

Appendix K

City of Center

Personal Credit Card Charges - Capital One Bank, N.A.

Vendor or Purpose	Credit Card Transactions					
	Year Ended December 31,			January 1 to	Total	Total Number of Transactions
	2016	2017	2018	July 3, 2019		
Subtotal construction and home improvement	6,648.34	4,521.30	7,955.07	3,913.46	23,038.17	113
Explore America	0.00	0.00	190.00	2,930.74	3,120.74	7
HomeAway	0.00	1,627.97	0.00	0.00	1,627.97	8
Ticketmaster	899.40	296.36	251.28	0.00	1,447.04	5
Drury Inn	0.00	265.40	322.26	686.70	1,274.36	5
Harpole's Heartland Lodge	0.00	0.00	0.00	1,043.14	1,043.14	1
Walden Brothers Transportation	504.51	0.00	295.00	0.00	799.51	4
Harbor Shores on Lake Geneva	0.00	0.00	793.40	0.00	793.40	2
Enterprise Rent-A-Car	675.21	0.00	0.00	0.00	675.21	1
Budget Rent-A-Car	0.00	636.40	0.00	0.00	636.40	2
Radisson Hotel Branson	0.00	0.00	429.24	0.00	429.24	1
MGM Grand Las Vegas	407.88	0.00	0.00	0.00	407.88	2
Country Thunder Music Festival	0.00	0.00	378.58	0.00	378.58	1
Quality Inn Estes Park	0.00	304.01	0.00	0.00	304.01	1
Residence Inn Breckenridge	0.00	302.03	0.00	0.00	302.03	1
Avis Rent-A-Car	281.96	0.00	0.00	0.00	281.96	1
Ameristar Casino Resort & Spa	34.00	219.95	0.00	0.00	253.95	2
Other entertainment, lodging, and travel (4)	2,629.58	823.01	2,521.30	2,131.26	8,105.15	151
Subtotal entertainment, lodging, and travel	5,432.54	4,475.13	5,181.06	6,791.84	21,880.57	195
Hair Company	488.63	646.56	734.73	774.66	2,644.58	26
Walgreen's	167.07	0.00	665.06	350.94	1,183.07	17
International Eye Care	0.00	690.40	0.00	0.00	690.40	1
Synergi MedSpa	600.00	0.00	0.00	0.00	600.00	2
Lens Crafters	0.00	0.00	585.53	0.00	585.53	1
Hannibal Regional Hospital Business Office	0.00	530.68	0.00	0.00	530.68	1

Appendix K

City of Center

Personal Credit Card Charges - Capital One Bank, N.A.

Vendor or Purpose	Credit Card Transactions					
	Year Ended December 31,			January 1 to	Total	Total Number of Transactions
	2016	2017	2018	July 3, 2019		
Other medical/health	189.63	91.60	93.34	643.45	1,018.02	9
Other personal care	0.00	254.09	60.54	275.00	589.63	10
Subtotal medical/health and personal care	1,445.33	2,213.33	2,139.20	2,044.05	7,841.91	67
Restaurants	3,494.71	2,225.72	1,888.97	2,011.82	9,621.22	348
Professional services	1,847.56	234.57	0.00	0.00	2,082.13	11
Grocery stores	648.45	585.93	339.15	213.99	1,787.52	23
Gas and convenience stores	610.37	300.00	360.97	215.63	1,486.97	54
Utilities	0.00	0.00	1,380.00	0.00	1,380.00	1
Personal property taxes (5)	878.74	0.00	0.00	0.00	878.74	2
City of Hannibal - Traffic Ticket	0.00	0.00	0.00	139.95	139.95	1
Globe Life and Accident Insurance Company	0.00	0.00	388.85	0.00	388.85	1
Television subscriptions	95.88	113.88	82.16	0.00	291.92	27
Interest	181.90	277.76	943.32	466.90	1,869.88	29
ATM withdrawal/cash advance	1,087.50	0.00	0.00	566.00	1,653.50	5
Cash Advance Fee	45.00	0.00	0.00	30.00	75.00	5

Appendix K

City of Center

Personal Credit Card Charges - Capital One Bank, N.A.

Vendor or Purpose	Credit Card Transactions					
	Year Ended December 31,			January 1 to	Total	Total Number of Transactions
	2016	2017	2018	July 3, 2019		
Late Charges	50.00	123.00	103.00	152.00	428.00	13
Miscellaneous (6)	212.78	404.15	173.84	72.30	863.07	24
Total (1)	\$ 61,481.85	49,422.69	63,465.64	44,627.64	218,997.82	2,579

- (1) Totals do not agree to the totals on Appendix J because that appendix shows credit card billing payments while this Appendix shows credit card charges. In addition, payments totaling \$15,722 were made on this account from non-city funds.
- (2) Vendors in this category include, but were not limited to,: Ancestry.com, Bath & Body Works, Bed Bath & Beyond, Big Lots, Coach, Gordmans, Hallmark, Packer's Pro Shop, Party City, QVC, RTIC Coolers, Scentsy, Scholastic, Inc., Shopko, The Container Store, The Pampered Chef, Thirty-One Gifts, US Cellular, and Wayfair.com.
- (3) Vendors in this category include, but were not limited to, Ace Hardware, At Home Store, Hannibal Homestore, Home Depot, LaCrosse Lumber Company, Orscheln Farm & Home, Quincy Farm Supply, and Riback Supply.
- (4) Vendors in this category include, but were not limited to, American Airlines, Best of Boston, Big Cedar Lodge, Cub Creek Science and Animal Camp, Dogwood Canyon, Gulf Adventure, Hard Rock Las Vegas, Lodge of Four Seasons Lake Ozark, Microsoft Xbox Live, Rocky Mountain Gateway Estes Park, Sirius XM Radio, Southwest Airlines, and The Nomadik Company.
- (5) Payment was for the former City Clerk's 2016 personal property taxes and credit card processing fee.
- (6) Vendors in this category include, but were not limited to, Catholic Company, Deters Sign Company, Dollar Shave Club, Facebook, and UPS.

Appendix L

City of Center

Improper Disbursements to Anthem Blue Cross and Blue Shield

Payment Date (1)	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (3)	Accounting System Expense Category, if Available (3)	Amount
12/31/2015	ACH	General			\$ 411.71
				Total 2015	411.71
03/07/2016	16671	General	Anthem BCBS Indiv	Employee Benefit: Health	411.71
05/02/2016	16730	General	Anthem Blue Cross	Employee Benefit: Health	411.71
05/24/2016	16767	General	Anthem Blue Cross	Employee Benefit: Health	411.71
07/06/2016	16811	General	Anthem Blue Cross	Employee Benefit: Health	411.71
08/02/2016	16825	General	Anthem Blue Cross B	Employee Benefit: Health	1,240.17
09/07/2016	2089	Street	Anthem Blue Cross	Employee Benefit: Health	1,240.17
09/27/2016	2792	Sewer	Anthem Blue Cross	Employee Benefit: Health	1,240.17
10/18/2016	2802	Sewer	Anthem Blue Cross	Employee Benefit: Health	1,240.17
12/06/2016	16929	General	Anthem Blue Cross	Employee Benefit: Health	1,240.17
				Total 2016	7,847.69
01/03/2017	16950	General	Anthem Blue Cross	Employee Benefit: Health	1,240.17
01/25/2017	16977	General			1,783.33
02/28/2017	17011	General			1,511.75
04/05/2017	17045	General			1,511.75
04/28/2017	17073	General			1,511.75
05/23/2017	17100	General			1,511.75
07/05/2017	17141	General			1,511.75
08/02/2017	17175	General			1,763.31
09/06/2017	17208	General			1,763.31
10/02/2017	17240	General			3,529.12
10/17/2017	17257	General			2.50
12/12/2017	17310	General	(4)	(4)	1,765.81
				Total 2017	19,406.30
01/04/2018	17331	General	(4)	(4)	1,765.81
02/05/2018	17362	General			1,765.81
03/07/2018	17399	(6) General	(4)	(4)	1,765.81
04/06/2018	17423	(6) General	(4)	(4)	1,765.81
05/01/2018	17454	General			1,765.81
05/30/2018	17492	General			1,765.81
07/06/2018	17529	General			1,765.81
07/24/2018	17555	General			1,765.81
08/22/2018	17583	General			2,272.69
10/03/2018	17622	General			2,019.25
10/04/2018	Refund	(5) General			(286.36)
10/04/2018	Refund	(5) General			(239.00)
11/06/2018	17641	(6) General	(4)	(4)	2,019.25
12/05/2018	17696	(6) General	(4)	(4)	2,019.25
				Total 2018	21,931.56

Appendix L

City of Center

Improper Disbursements to Anthem Blue Cross and Blue Shield

Payment Date (1)	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (3)	Accounting System Expense Category, if Available (3)	Amount
01/15/2019	2954	(6)	Sewer (4)	(4)	2,019.25
01/30/2019	17737	(6)	General (4)	(4)	2,019.25
04/16/2019	17797		General		6,057.75
05/06/2019	17813		General		150.00
06/25/2019	17867		General		2,169.25
Total 2019 (2)					12,415.50
Total					\$ 62,012.76

- (1) Payment date is the date the transaction cleared the city bank account.
- (2) The Board of Aldermen approved a \$1,869.25 disbursement in July 2019 to Anthem Blue Cross and Blue Shield. This disbursement was approved for payment at the advice of the city's legal counsel, so it is not included here as an improper payment.
- (3) Accounting system information was only available for 21 months of our audit period (all months of 2016; November and December 2017; January, March, April, November, and December 2018; and January and February 2019). The 2016 information is from an accounting system register report. The remaining information is from accounting system transaction reports. Description is shown as shown on system reports.
- (4) The disbursements were not included on available accounting system reports.
- (5) Deposit documentation included two checks from Anthem. The total amount of the checks is deducted from the improper payments because the checks were deposited into the city General Fund account.
- (6) The disbursements were not included on the available lists of bills provided to the Board.

Appendix M

City of Center
Other Improper Disbursements

Payment Date (1)	Vendor	Check Number	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
01/16/2015	Aflac, Inc.	16214	General			\$ 616.20
03/09/2016	Aflac, Inc.	16675	General	AFLAC	Insurance	154.05
04/25/2016	Aflac, Inc.	16723	General	AFLAC	Insurance	308.10
10/19/2016	Aflac, Inc.	2798	Sewer	AFLAC	Insurance	616.20
10/13/2017	Aflac, Inc.	17248	General			616.20
					Subtotal	2,310.75
05/05/2016 (2)	Audrain County Collector	16732	General	Audrain County Col	Refund	1,341.80
					Subtotal	1,341.80
05/02/2016 (7)	CitiMortgage Inc.	16729	General	Citimortgage	Refund	1,000.00
					Subtotal	1,000.00
04/08/2015	Family Heritage Life Insurance Company	16297	General			552.00
09/16/2015	Family Heritage Life Insurance Company	16518	General			552.00
03/22/2016	Family Heritage Life Insurance Company	16690	General	Family Heritage Life	Employee Benefit	552.00
10/18/2016	Family Heritage Life Insurance Company	2799	Sewer	Family Heritage Life	Employee Benefit	552.00
					Subtotal	2,208.00
11/06/2015	Fiddlestiks	16564	General			50.00
					Subtotal	50.00
10/09/2015	Globe Life and Accident Insurance Company	16539	General			304.55
11/16/2016	Globe Life and Accident Insurance Company	16911	General	Globe Life & Acciden	Insurance	304.55
02/10/2017	Globe Life and Accident Insurance Company	16998	General			82.23
10/11/2017	Globe Life and Accident Insurance Company	17249	General			304.55
					Subtotal	995.88
06/01/2016	Hobby Lobby	16773	(3) General	Hobby Lobby	Police Department	317.74
07/22/2016	Hobby Lobby	2080	Street	Hobby Lobby	Police Department	360.48
					Subtotal	678.22
05/02/2016 (4)	Kohl's Department Store	16731	General	Kohls	Park Day Expense	864.87
10/04/2016 (4)	Kohl's Department Store	16876	General	Kohl Wholesale (8)	Park Day Expense	392.16
12/13/2016 (4)	Kohl's Department Store	2808	Sewer	Kohls	Park Day Expense	477.91
09/24/2018 (4)	Kohl's Department Store	1368	Park			196.97
12/31/2018 (4)	Kohl's Department Store (11)	2945	Sewer	(9)	(9)	1,697.52
					Subtotal	3,629.43

Appendix M

City of Center
Other Improper Disbursements

Payment Date (1)	Vendor	Check Number	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
05/29/2015	Marie Lewandowski	16376	General			250.00
08/04/2015	Marie Lewandowski	16469	General			200.00
09/23/2015	Marie Lewandowski	2047	Street			50.00
10/01/2015	Marie Lewandowski	16521	General			200.00
07/19/2016	Marie Lewandowski	1314	Park	Marie Lewandowski, Wristbands	Park Day Expense	27.98
07/19/2016	Marie Lewandowski	2771	Sewer	Marie Lewandowski	Park: Maintenance	400.00
10/20/2016	Marie Lewandowski	2109	Street	Marie Lewandowski	Park: Maintenance	100.00
03/22/2017	Marie Lewandowski	16989	General			28.45
					Subtotal	1,256.43
04/23/2015 (5)	Marion County Collector	16314	General			198.47
					Subtotal	198.47
08/02/2016	Prudential Financial, Inc.	16839	General	Prudential	Employee Benefit	145.58
10/25/2016	Prudential Financial, Inc.	16899	General	Prudential	Employee Benefit	582.32
02/07/2017	Prudential Financial, Inc.	16997	General			145.58
08/08/2017	Prudential Financial, Inc.	17179	General			291.16
					Subtotal	1,164.64
04/01/2015	Scholastic, Inc.	1265	Park			30.00
11/18/2015	Scholastic, Inc.	1293	Park			12.00
11/18/2015	Scholastic, Inc.	1296	Park			51.00
01/14/2019	Scholastic, Inc.	(11) 17716	General	(9)	(9)	45.00
					Subtotal	138.00
08/27/2018	The Studio	17574	General			124.60
					Subtotal	124.60
06/08/2018	Vander Financial	17500	General			248.40
					Subtotal	248.40
06/16/2016 (10)	Wells Fargo Bank, N.A.	2762	Sewer	Wells Fargo	Refund	2,933.99
07/19/2016 (10)	Wells Fargo Bank, N.A.	2767	Sewer	Wells Fargo Financi	Refund	5,726.00

Appendix M

City of Center
Other Improper Disbursements

Payment Date (1)	Vendor	Check Number	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
07/19/2016 (10)	Wells Fargo Bank, N.A.	2768	Sewer	Wells Fargo Financi	Refund	3,621.00
12/29/2017 (10)	Wells Fargo Bank, N.A.	17322	General	Wells Fargo Financial Nation	Refund	30.00
					Subtotal	12,310.99
07/16/2015	Yeti Coolers	1275	Park			559.98
					Subtotal	559.98
					Total \$	28,215.59

- (1) Payment date is the date the disbursement cleared the city bank account.
- (2) Payment was for the former Police Chief's 2014 and 2015 real estate property taxes.
- (3) Check number 16772 was recorded in the accounting system for this transaction.
- (4) The SAO issued a subpoena to Kohl's Department Store (Appendix H); however, the vendor could not provide additional documentation about the disbursements.
- (5) Payment was for an individual's 2014 personal property taxes.
- (6) Accounting system information was only available for 21 months of our audit period (all months of 2016; November and December 2017; January, March, April, November, and December 2018; and January and February 2019).
The 2016 information is from an accounting system register report. The remaining information is from accounting system transaction reports. Description is shown as shown on system reports.
- (7) Documentation provided by CitiMortgage, Inc. upon subpoena indicates the disbursement was for the former City Clerk's personal mortgage.
- (8) While accounting system reports indicate the disbursement was to Kohl Wholesale (a food company), bank documentation indicates the check was written to and negotiated by Kohl's Department Store.
- (9) The disbursements were not included on available accounting system reports.
- (10) The SAO issued a subpoena to Wells Fargo Bank, N.A., (Appendix C); however, the vendor could not provide additional documentation about the disbursements.
- (11) The disbursements were not included on available lists of bills provided to the Board.

Appendix N

City of Center
Other Improper Disbursements Documented on Receipt Slips and Invoices

Date (1)	Check Number	Fund	Vendor	Item Description as Indicated on Related Invoices	Accounting System Description and Memo, if Available (3)	Accounting System Expense Category, if Available (3)	Amount (2)
06/01/2016	16772	General	Ace Hardware	Pavers, mulch, solar flag stakes	Ace Hardware	City Maintenance	\$ 113.41
						Subtotal	113.41
10/08/2015	16536	General	County Market	Pumpkins		Subtotal	33.79
07/21/2015	16458	General	Griffen's Flowers	Flower delivery		Subtotal	49.95
01/04/2018	1348	Park	Griffen's Flowers	Flower delivery	(4)	(4)	33.45
						Subtotal	83.40
05/17/2016	16745	General	Farm & Home Supply	Toolbox, hitch, trimmer line, grass seed	Farm & Home Supply	City Maintenance:	
						Tools	477.45
06/14/2018	1357	Park	Farm & Home Supply	Hardware, sprinkler			128.04
						Subtotal	605.49
10/24/2016	2801	Sewer	Gabriel, Roeder, Smith and Co.	Actuarial valuation of LAGERS pension benefits	Gabriel, Roeder, Smi...LAGERS	Administrative Expense	675.00
						Subtotal	675.00
05/19/2015	16350	General	Hobby Lobby	Sewing materials			65.63
05/27/2015	1269	Park	Hobby Lobby	Fabric			12.91
						Subtotal	78.54
01/14/2015	16208	General	Lowe's	Door handle			44.97
02/18/2015	16244	General	Lowe's	Flooring, glass lamp shades, light fixtures, other home improvement			355.76
05/12/2015	16346	General	Lowe's	Flowers			151.96
08/11/2015	16443	General	Lowe's	Roofing materials	(5)		110.37
08/12/2015	16470	General	Lowe's	Roof vent	(5)		77.50
10/28/2015	16559	General	Lowe's	Door handle			58.97
11/25/2015	16566	General	Lowe's	Outside lighting, door handle; Starbucks, Amazon, and Lowe's Gift Cards.			371.63
12/01/2016	16918	General	Lowe's	Christmas decorations	(7)	Lowe's	Lights for Christmas, City Maintenance
							135.58
01/30/2017	16978	General	Lowe's	Lumber, hardware			130.02
01/31/2017	16979	General	Lowe's	Lumber, moulding			49.08
07/10/2017	17135	General	Lowe's	Ceiling fan light kit			29.98
07/19/2017	17147	General	Lowe's	Texas Roadhouse gift card			43.36
						Subtotal	1,559.18
06/27/2016	2073	Street	Orscheln Farm & Home	Trimmer, oil, and line	(7)	Orscheln Farm & Home, Weedeater	City Maintenance:
						Tools	243.96
						Subtotal	243.96
04/21/2015	2676	Sewer	Sam's Club	Dairy Queen gift cards			42.78

Appendix N

City of Center
Other Improper Disbursements Documented on Receipt Slips and Invoices

Date (1)	Check Number	Fund	Vendor	Item Description as Indicated on Related Invoices	Accounting System Description and Memo, if Available (3)	Accounting System Expense Category, if Available (3)	Amount (2)
08/03/2015	16440	General	Sam's Club	Groceries including crab legs, snow crab, salmon, and a Subway gift card			388.98
10/05/2015	16532	General	Sam's Club	Groceries, batteries, laundry detergent			250.55
03/07/2017	16987	General	Sam's Club	Shop lights on private business account			339.03
						Subtotal	1,021.34
01/27/2015	16224	General	Sears	Power tool			395.99
						Subtotal	395.99
04/22/2016	16717	General	Sherwin-Williams	Paint	Sherwin Williams	City Maintenance:	
						City Shed	296.51
07/27/2016	16832	General	Sherwin-Williams	Duplicate payment for paint	Sherwin Williams	Street Maintenance	26.68
03/15/2017	17025	General	Sherwin-Williams	Paint			34.59
08/30/2017	17198	General	Sherwin-Williams	Paint			45.76
						Subtotal	403.54
04/24/2015	1267	Park	Shopko	Rugs and home décor			224.98
04/24/2015	16290	General	Shopko	Rugs, curtains, candy, Buffalo Wild Wings gift card			219.81
						Subtotal	444.79
06/02/2015	16371	General	Target	Gum, paper goods, lawn supplies			110.74
09/09/2015	16494	General	Target	Candy, cookies, greeting cards			104.09
						Subtotal	214.83
08/01/2017	1337	Park	Texas Roadhouse	Carryout food order - 13 dozen rolls (6)			70.06
						Subtotal	70.06
02/03/2015	16243	General	Walmart	Shower curtain, towels, shower curtain liner, and rod			67.28
03/10/2015	16270	General	Walmart	Vacuum cleaner			178.00
04/24/2015	16327	General	Walmart	Curtain rods			20.64
05/12/2015	16347	General	Walmart	Graduation cards and Walmart gift cards			134.85
05/21/2015	16349	General	Walmart	Walmart gift card			25.00
05/19/2015	16361	General	Walmart	Groceries, kitchen towels, flowers, Walmart gift card			148.93
07/31/2015	1285	Park	Walmart	Shrimp			32.90
07/31/2015	1286	Park	Walmart	Walmart gift card			25.00
08/18/2015	16478	General	Walmart	Subway gift card			25.00
08/26/2015	16495	General	Walmart	Subway gift card			25.00
11/06/2015	1300	Park	Walmart	Groceries, boys clothing, dog food			285.18
11/13/2015	16565	General	Walmart	Party supplies and favors, cookies, candy			114.66

Appendix N

City of Center Other Improper Disbursements Documented on Receipt Slips and Invoices

<u>Date (1)</u>	<u>Check Number</u>	<u>Fund</u>	<u>Vendor</u>	<u>Item Description as Indicated on Related Invoices</u>	<u>Accounting System Description and Memo, if Available (3)</u>	<u>Accounting System Expense Category, if Available (3)</u>	<u>Amount (2)</u>
11/23/2015	16571	General	Walmart	Groceries; candy; DVD; Subway, Dairy Queen, and Walmart gift cards			
							305.50
						Subtotal	1,387.94
						Total \$	<u>7,331.26</u>

- (1) Payment date is the date the disbursement cleared the city bank account.
- (2) The amount represents the total of items questioned per receipt slips or invoices. Only items that appeared to be personal in nature were questioned. Sales tax is included, if paid, as sales tax is an improper disbursement of the city.
- (3) Accounting system information was only available for 21 months of our audit period (all months of 2016; November and December 2017; January, March, April, November, and December 2018; and January and February 2019). The 2016 information is from an accounting system register report. The remaining information is from accounting system transaction reports. Description is shown as shown on system reports.
- (4) The disbursements were not included on available accounting system reports.
- (5) The Board discussed a bid proposal for a new roof for city hall in November 2015, after these purchases, indicating they are not for city purposes.
- (6) The timing and amount of food purchased indicate this purchase may have been for Park Days; however, the Mayor does not recall this food item at the event and does not believe this to be a valid purchase, so it is included as improper.
- (7) City officials indicated the items purchased are not located at the city, indicating they were not for city purposes.

Appendix O

City of Center
Improper Payroll Disbursements

Payroll Disbursements to Former City Clerk Tracey Ray (1)

Check Date(2)	Date Check Cleared Bank	Check #	Account	Pay Period Ending (3)	Amount
12/03/2015	12/04/2015	16595	General	11/26/2015	\$ 616.00
12/03/2015	12/04/2015	16596	General	(5)	500.00
04/14/2016	04/20/2016	16715	General	04/07/2016	616.00
04/21/2016	04/27/2016	16727	General	04/14/2016	616.00
04/21/2016	04/28/2016	16728	(4) General	04/14/2016	616.00
04/28/2016	05/02/2016	16733	General	04/21/2016	616.00
05/05/2016	05/09/2016	16740	General	04/28/2016	616.00
05/05/2016	06/06/2016	16781	(4) General	04/28/2016	616.00
05/12/2016	05/17/2016	16747	General	05/05/2016	616.00
05/19/2016	05/20/2016	16756	General	05/12/2016	616.00
05/19/2016	05/20/2016	16757	General	05/12/2016	616.00
05/25/2016	05/27/2016	16777	(4) General	05/19/2016	616.00
05/26/2016	05/27/2016	16775	General	05/19/2016	616.00
06/02/2016	06/08/2016	16784	General	05/26/2016	616.00
06/09/2016	06/10/2016	16786	General	06/02/2016	616.00
06/09/2016	06/09/2016	16787	General	06/02/2016	616.00
06/16/2016	06/20/2016	16796	General	06/09/2016	616.00
06/23/2016	06/28/2016	16805	General	06/16/2016	616.00
06/30/2016	06/30/2016	16812	General	06/23/2016	616.00
07/07/2016	07/07/2016	16816	General	06/30/2016	616.00
Total Payments					\$ <u>12,204.00</u>
Less Amount That Should Have Been Paid					<u>(8,624.00)</u>
Total Overpayments (6)					\$ <u><u>3,580.00</u></u>

(1) Canceled checks indicate all checks were endorsed by Tracey Ray.

(2) Duplicated payroll disbursements only occurred for pay periods between April and June 2016.

(3) City officials indicated payroll disbursements were issued weekly on Thursday for the prior week. The pay period ending date is considered to be the date 7 days prior to the date the check was written.

(4) Payroll checks were handwritten. Other payroll checks listed were computer generated.

(5) No pay period indicated. Memo line of the check indicates "bonus."

(6) Based on payroll disbursements, the former City Clerk's pay was \$616 between November 2015 and June 2016. An unauthorized bonus and five duplicate payments occurred during this period resulting in \$3,580 in improper payroll disbursements.

Appendix P

City of Center

Undeposited Cash Receipts - General and Sewer Fund Accounts

			Cash Received By Fund (1)			Cash Deposit Amount Per Fund Bank Account				Difference Between Cash Receipts and Deposits		
Receipt Slip		Purpose Per Receipt				Deposit Slip		Total Cash				
Date	Receipt Number	Slip or Other Documentation	General	Sewer	Total Cash Receipts	Date	General	Sewer	Total Cash Deposits	General	Sewer	Total Cash Differences*
05/03/2016	962261	Building Permit	\$ 25.00		25.00							
05/22/2016	962259	Dog Impound Fee	54.00		54.00							
07/06/2016	962270	Dog Impound Fee	65.00		65.00							
08/01/2016	962266	Building Permit	25.00		25.00							
		Total 2016	169.00		169.00					(169.00)		(169.00)
01/09/2017	962272	Filing Fee	25.00		25.00							
02/01/2017	962273	Business License	25.00		25.00							
06/08/2017	962275	Taxes	1,100.00		1,100.00							
08/28/2017	962281	Building Permit	25.00		25.00							
09/05/2017	No receipt slip	Coffee Club Donation	75.00		75.00							
09/28/2017	962283	Permit	15.00		15.00							
10/02/2017	962284	Lego Table and Chairs (2)	100.00		100.00							
10/02/2017	No receipt slip	Coffee Club Donation	100.00		100.00							
10/31/2017	No receipt slip	Coffee Club Donation	100.00		100.00							
11/21/2017	962287	Town Hall Rental	25.00		25.00							
11/28/2017	No receipt slip	Coffee Club Donation	125.00		125.00							
12/01/2017	962289	Christmas Donation	40.00		40.00							
		Total 2017	1,755.00		1,755.00					(1,755.00)		(1,755.00)
01/03/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
01/22/2018	No receipt slip	Coffee Club Donation	200.00		200.00							
01/22/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
02/01/2018	962291	Wastewater		180.00	180.00							
02/06/2018	962292	Wastewater		400.00	400.00							
02/07/2018	962293	Wastewater		40.00	40.00							
02/13/2018	962295	Wastewater		40.00	40.00							
02/14/2018	962297	Wastewater		40.00	40.00							
02/14/2018	962298	Town Hall	40.00		40.00							
02/27/2018	No receipt slip	Coffee Club Donation	125.00		125.00							
03/15/2018	958201	Wastewater		40.00	40.00	03/06/2018		1,490.00	1,490.00			
03/15/2018	958203	Wastewater		160.00	160.00							
03/15/2018	958204	Wastewater		80.00	80.00							
03/27/2018	No receipt slip	Coffee Club Donation	125.00		125.00	03/22/2018		780.00	780.00			
04/11/2018	958211	Wastewater		80.00	80.00							
04/12/2018	958216	Wastewater		40.00	40.00							
04/25/2018	958218	Taxes	120.00		120.00	04/23/2018		200.00	200.00			
05/01/2018	No receipt slip	Coffee Club Donation	100.00		100.00							
05/03/2018	958219	Wastewater		40.00	40.00							
05/29/2018	No receipt slip	Coffee Club Donation	100.00		100.00	05/30/2018		240.00	240.00			
05/31/2018	958231	Wastewater		80.00	80.00							
06/07/2018	958234	Wastewater		160.00	160.00							
06/18/2018	958238	Wastewater		40.00	40.00							

Appendix P

City of Center

Undeposited Cash Receipts - General and Sewer Fund Accounts

			Cash Received By Fund (1)			Cash Deposit Amount Per Fund Bank Account				Difference Between Cash Receipts and Deposits		
Receipt Slip Date	Receipt Number	Purpose Per Receipt Slip or Other Documentation	General	Sewer	Total Cash Receipts	Deposit Slip Date	General	Sewer	Total Cash Deposits	General	Sewer	Total Cash Differences*
06/20/2018	958240	Wastewater		40.00	40.00							
06/25/2018	958241	Wastewater		140.00	140.00							
06/25/2018	958242	Wastewater		80.00	80.00							
06/26/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
06/28/2018	958244	Wastewater		80.00	80.00							
						07/02/2018		640.00	640.00			
						07/02/2018	150.00		150.00			
07/09/2018	958246	Wastewater		40.00	40.00							
07/11/2018	958248	Wastewater		40.00	40.00							
07/11/2018	958249	Wastewater		40.00	40.00							
						07/16/2018		240.00	240.00			
07/17/2018	958252	Wastewater		40.00	40.00							
07/25/2018	958253	Wastewater		40.00	40.00							
07/25/2018	958254	Wastewater		40.00	40.00							
07/31/2018	958256	Wastewater		40.00	40.00							
07/31/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
08/06/2018	958258	Wastewater		40.00	40.00							
08/06/2018	958261	Wastewater		40.00	40.00							
08/06/2018	958262	Wastewater		40.00	40.00							
08/09/2018	958263	Wastewater		40.00	40.00							
08/14/2018	958264	Wastewater		40.00	40.00	08/14/2018		120.00	120.00			
08/15/2018	958266	Wastewater		160.00	160.00							
08/28/2018	958271	Wastewater		100.00	100.00							
08/28/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
09/10/2018	958272	Wastewater		40.00	40.00							
09/10/2018	958273	Wastewater		40.00	40.00							
09/17/2018	958275	Wastewater		160.00	160.00							
09/18/2018	958280	Wastewater		40.00	40.00							
09/25/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
09/26/2018	958282	Wastewater		40.00	40.00							
09/27/2018	958283	Building Permit	25.00		25.00							
09/27/2018	958284	Wastewater		40.00	40.00							
10/09/2018	958286	Wastewater		60.00	60.00							
10/11/2018	958287	Wastewater		40.00	40.00							
10/15/2018	958288	Wastewater		40.00	40.00							
10/15/2018	958289	Wastewater		40.00	40.00							
10/15/2018	958290	Wastewater		40.00	40.00							
10/16/2018	958291	Wastewater		50.00	50.00							
10/18/2018	958294	Wastewater		40.00	40.00							
10/18/2018	958295	Wastewater		40.00	40.00							
10/29/2018	958297	Wastewater		40.00	40.00							
10/30/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
11/05/2018	958300	Taxes and City Sticker	48.49		48.49							
						11/06/2018		120.00	120.00			

Appendix P

City of Center

Undeposited Cash Receipts - General and Sewer Fund Accounts

			Cash Received By Fund (1)			Cash Deposit Amount Per Fund Bank Account				Difference Between Cash Receipts and Deposits		
Receipt Slip		Purpose Per Receipt	Total Cash			Deposit Slip		Total Cash		Total Cash		
Date	Receipt Number	Documentation	General	Sewer	Receipts	Date	General	Sewer	Deposits	General	Sewer	Differences*
11/13/2018	958304	Wastewater		40.00	40.00							
						11/14/2018		200.00	200.00			
11/15/2018	958307	Wastewater		40.00	40.00	11/15/2018		40.00	40.00			
11/15/2018	958310	Wastewater		100.00	100.00							
11/20/2018	958311	Wastewater		40.00	40.00							
11/20/2018	958312	Wastewater		100.00	100.00	11/20/2018		100.00	100.00			
11/29/2018	No receipt slip	Coffee Club Donation	150.00		150.00							
12/04/2018	958313	Wastewater		45.00	45.00							
12/05/2018	958317	Wastewater		80.00	80.00							
12/05/2018	958318	Town Hall	25.00		25.00							
						12/06/2018	21.03		21.03			
12/11/2018	958320	Wastewater		40.00	40.00	12/13/2018	30.16		30.16			
12/14/2018	958321	Wastewater		80.00	80.00							
12/17/2018	958322	Wastewater		160.00	160.00							
12/18/2018	958323	Wastewater		40.00	40.00							
						12/20/2018	35.78		35.78			
						12/28/2018	31.84		31.84			
12/31/2018	958328	Wastewater		80.00	80.00	12/31/2018	6.37		6.37			
no date on receipt slip	958305	Wastewater		40.00	40.00							
		Total 2018	2,108.49	4,135.00	6,243.49		275.18	4,170.00	4,445.18	(1,833.31)	35.00	(1,798.31)
01/01/2019	No receipt slip	Coffee Club Donation	100.00		100.00							
01/03/2019	958327	Wastewater		40.00	40.00							
01/07/2019	958329	Wastewater		160.00	160.00							
						01/09/2019		42.40	42.40			
						01/16/2019		40.00	40.00			
01/22/2019	958333	Wastewater		160.00	160.00							
01/22/2019	958334	Wastewater		90.00	90.00							
01/31/2019	958336	Taxes	400.00		400.00							
02/04/2019	No receipt slip	Coffee Club Donation	150.00		150.00							
02/07/2019	958337	Wastewater		30.00	30.00							
02/11/2019	958339	Wastewater		200.00	200.00							
02/11/2019	958341	Wastewater		35.18	35.18							
02/11/2019	958342	Wastewater		30.00	30.00							
						02/13/2019		60.00	60.00			
						02/14/2019		30.00	30.00			
02/19/2019	958343	Wastewater		40.00	40.00							
02/21/2019	958344	Wastewater		70.00	70.00							
02/21/2019	958345	Taxes	50.00		50.00							
02/28/2019	958346	Taxes and Wastewater	1,060.00	40.00	1,100.00							
03/04/2019	No receipt slip	Coffee Club Donation	150.00		150.00							
03/05/2019	958347	Wastewater		120.00	120.00							
03/05/2019	958348	Wastewater		40.00	40.00	03/05/2019		30.00	30.00			

Appendix P

City of Center

Undeposited Cash Receipts - General and Sewer Fund Accounts

			Cash Received By Fund (1)			Cash Deposit Amount Per Fund Bank Account			Difference Between Cash Receipts and Deposits			
Receipt Slip Date	Receipt Number	Purpose Per Receipt Slip or Other Documentation	General	Sewer	Total Cash Receipts	Deposit Slip Date	General	Sewer	Total Cash Deposits	General	Sewer	Total Cash Differences*
03/11/2019	958349	Wastewater		113.00	113.00							
04/01/2019	No receipt slip	Coffee Club Donation	150.00		150.00							
04/02/2019	958352	City Sticker	5.00		5.00							
04/03/2019	958353	Wastewater		30.00	30.00							
04/03/2019	958354	Wastewater		50.00	50.00							
04/04/2019	958355	Wastewater		294.87	294.87							
04/09/2019	958356	No Purpose Listed		20.00	20.00							
						04/10/2019		47.79	47.79			
04/15/2019	958357	No Purpose Listed		100.00	100.00							
04/15/2019	958359	Wastewater		30.00	30.00	04/15/2019		12.21	12.21			
						04/17/2019		31.61	31.61			
04/30/2019	No receipt slip	Coffee Club Donation	150.00		150.00							
						05/07/2019		30.00	30.00			
						05/15/2019		142.70	142.70			
05/16/2019	824802	Wastewater		200.00	200.00	05/16/2019		30.00	30.00			
						05/24/2019		0.92	0.92			
05/29/2019	No receipt slip	Coffee Club Donation	100.00		100.00							
06/03/2019	958361	Wastewater		40.00	40.00							
06/03/2019	958362	Wastewater		240.00	240.00							
						06/06/2019		58.51	58.51			
						06/14/2019		349.69	349.69			
06/20/2019	824807	Wastewater		208.00	208.00							
						06/21/2019		30.00	30.00			
						06/21/2019		38.08	38.08			
06/24/2019	624603	Wastewater		30.00	30.00							
						06/25/2019		67.00	67.00			
	Total 2019		2,315.00	2,411.05	4,726.05		0.00	1,040.91	1,040.91	(2,315.00)	(1,370.14)	(3,685.14)
	Total	\$	6,347.49	6,546.05	12,893.54		275.18	5,210.91	5,486.09	(6,072.31)	(1,335.14)	(7,407.45)

*The table provides supporting documentation for undeposited recorded cash receipts totaling \$7,407.45 for the General and Sewer Fund accounts.

(1) Cash received was classified by bank account based on the purpose on the receipt slip or other documentation. Receipts were classified as General Fund account receipts if the receipt slip purpose was not specific and/or no other documentation was available to indicate the purpose. All coffee club donations were classified as recorded to the General Fund.

(2) This receipt slip is included because it was included with other city receipt slips; however, it is unknown if this was a city transaction.

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
04/29/2016	Ace Hardware	2748	Sewer	Ace Hardware	Sewer Materials	\$ 196.21
					Subtotal	196.21
07/25/2017	Amy Niffen	17167	General			200.00
					Subtotal	200.00
11/20/2015	B&S Electric Motor Services	793	Fire			885.00
					Subtotal	885.00
03/15/2016	Bill Pettey	16681	General	Bill Pettey	City Maintenance: City Hall	80.00
08/02/2017	Bill Pettey	17177	General			75.00
					Subtotal	155.00
01/13/2015	Brandon Essig	2024	Street			40.00
					Subtotal	40.00
06/30/2015	Brandon Pemberton	16418	General			60.00
07/14/2015	Brandon Pemberton	16432	General			90.00
					Subtotal	150.00
12/20/2018	BW Gas & Convenience Retail (4)	17695	General	(7)	(7)	170.30
03/14/2019	BW Gas & Convenience Retail (4)	17767	General			21.99
04/16/2019	BW Gas & Convenience Retail	2983	Sewer			43.98
					Subtotal	236.27
07/31/2015	Cash	1287	Park			500.00
02/26/2016	Cash	1306	Park	RCSBank	Park: Trivia Night Expense	150.00
07/21/2016	Cash	1320	Park	Cash for Change	Park Day Expense	250.00
07/21/2016	Cash	1322	Park	Cash for Drink Stand	Park Day Expense	25.00
05/17/2017 (2)	Cash	-	Park			80.00
06/28/2017 (2)	Cash	-	Park			75.00
07/27/2017	Cash	1334	Park			500.00
07/26/2018	Cash	1362	Park			100.00
					Subtotal	1,680.00
01/02/2019	Christopher Belcher (4)	2948	Sewer	(7)	(7)	75.00
					Subtotal	75.00
06/03/2019	City of Center	2987	Sewer			330.00
					Subtotal	330.00
02/04/2015	Cornerstone Auto Care Center	16242	General			47.25
					Subtotal	47.25
09/24/2018	Country Butcher Shop	1371	Park			78.17

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
					Subtotal	78.17
05/27/2016	County Market	16746	General	County Market	Park: Equipment	120.88
07/17/2017	County Market	1329	Park			73.57
					Subtotal	194.45
05/17/2018	Co-op	1353	Park			95.00
					Subtotal	95.00
06/26/2015	Crossroads	1272	Park			22.00
06/30/2015	Crossroads	16425	General			35.00
07/14/2015	Crossroads	1276	Park			29.18
					Subtotal	86.18
06/07/2016	Dana Potts	16779	General	Dana Potts	City Maintenance	75.00
					Subtotal	75.00
01/16/2015	David Roberts	(9) 16221	General			2,350.00
06/30/2015	David Roberts	16426	General			150.00
08/05/2015	David Roberts	16442	General			400.00
09/03/2015	David Roberts	2707	Sewer			900.00
09/24/2015	David Roberts	2712	Sewer			2,200.00
11/13/2015	David Roberts	2053	Street			950.00
11/25/2015	David Roberts	16588	General			1,000.00
12/11/2015	David Roberts	2057	Street			1,600.00
12/31/2015	David Roberts	2059	Street			850.00
01/29/2016	David Roberts	16644	General	David Roberts	City Maintenance	260.08
05/26/2016	David Roberts	802	Fire	David Roberts	Fire Dept. Expenses	375.00
06/16/2016	David Roberts	16795	General	S David Roberts, Oil, Barrels, Shop To...	Reimbursement	34.00
06/30/2016	David Roberts	2764	Sewer	David Roberts	Sewer Maintenance	1,081.14
07/08/2016	David Roberts	16818	General	David Roberts	City Maintenance	350.00
07/15/2016	David Roberts	16822	General	David Roberts	City Maintenance	602.33
07/29/2016	David Roberts	2082	Street	David Roberts	City Maintenance	1,162.66
10/17/2016	David Roberts	2100	Street	David Roberts	Street Maintenance	800.00
10/21/2016	David Roberts	2110	Street	David Roberts	Street Maintenance	512.51
11/04/2016	David Roberts	2111	Street	David Roberts	Street Maintenance	(3) 943.76
11/23/2016	David Roberts	2114	Street	David Roberts	Street Materials	117.19
12/02/2016	David Roberts	2120	Street	David Roberts	Street Maintenance	1,236.78

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
12/16/2016	David Roberts	2118	Street	David Roberts	Street Maintenance	358.28
01/03/2017	David Roberts	2129	Street	David Roberts	Street Maintenance	321.72
01/13/2017	David Roberts	16964	General			501.66
01/27/2017	David Roberts	16980	General			71.12
01/27/2017	David Roberts	16983	General			403.99
02/10/2017	David Roberts	2132	Street			475.03
02/24/2017	David Roberts	2136	Street			903.20
03/30/2017	David Roberts	2826	Sewer			210.00
03/23/2017	David Roberts	17035	General			796.68
03/23/2017	David Roberts	17036	General			225.00
04/07/2017	David Roberts	2141	Street			1,315.01
04/21/2017	David Roberts	2144	Street			924.91
05/09/2017	David Roberts	17085	General			776.82
05/22/2017	David Roberts	17103	General			366.50
06/02/2017	David Roberts	17117	General			617.89
06/20/2017	David Roberts	17128	General			314.94
07/05/2017	David Roberts	2146	Street			521.22
07/13/2017	David Roberts	17162	General			274.46
07/28/2017	David Roberts	2847	Sewer			288.31
08/25/2017	David Roberts	17196	General			756.32
09/08/2017	David Roberts	17221	General			495.98
09/22/2017	David Roberts	17230	General			200.35
10/06/2017	David Roberts	2150	Street			574.63
10/20/2017	David Roberts	2151	Street			379.53
10/20/2017	David Roberts	17269	General			271.92
02/09/2018	David Roberts	17373	General			77.82
02/26/2018	David Roberts	17392	General			219.20
03/09/2018	David Roberts	(4) 2886	Sewer	(7)	(7)	76.98
05/07/2018	David Roberts	17468	General			155.94
05/18/2018	David Roberts	17481	General			303.17
06/01/2018	David Roberts	17495	General			482.12
06/15/2018	David Roberts	17510	General			350.40
06/15/2018	David Roberts	2167	Street			81.83
06/15/2018	David Roberts	2910	Sewer			46.72

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
07/02/2018	David Roberts	17532	General			194.49
07/12/2018	David Roberts	17543	General			278.88
07/12/2018	David Roberts	2914	Sewer			73.44
07/12/2018	David Roberts	2168	Street			150.93
08/15/2018	David Roberts	17570	General			379.28
08/27/2018	David Roberts	17592	General			297.61
08/27/2018	David Roberts	2169	Street			151.71
09/07/2018	David Roberts	17604	General			107.53
10/05/2018	David Roberts	2171	Street			236.98
10/18/2018	David Roberts	17633	General			200.52
11/19/2018	David Roberts	(4) 2938	Sewer	(7)	(7)	320.94
03/11/2019	David Roberts	(4) 17776	General			122.38
03/21/2019	David Roberts	(4) 2975	Sewer			583.70
04/08/2019	David Roberts	2176	Street			247.05
04/16/2019	David Roberts	17811	General			200.00
05/06/2019	David Roberts	2979	Sewer			300.00
06/03/2019	David Roberts	2995	Sewer			496.81
12/02/2016	M. David Roberts	2117	Street	David Roberts	Street Maintenance	100.00
03/09/2017	M. David Roberts	2137	Street			991.02
08/15/2017	M. David Roberts	17189	General			541.92
04/18/2019	M. David Roberts	17812	General			385.21
					Subtotal	38,375.50
11/25/2015	David Smith	1301	Park			50.00
					Subtotal	50.00
12/19/2016	Dollar General	16920	General	Dollar General	City Hall Supplies	156.94
11/03/2017	Dollar General	17256	General	(7)	(7)	17.02
11/20/2017	Dollar General	1347	Park	(7)	(7)	78.28
04/18/2018	Dollar General	(4) 17411	General	(7)	(7)	85.08
05/17/2018	Dollar General	17459	General			55.88
08/07/2018	Dollar General	17535	General			83.34
10/16/2018	Dollar General	17615	General			71.94
12/17/2018	Dollar General	(4) 17703	General	(7)	(7)	80.73
					Subtotal	629.21
01/30/2017	Donald Kent	16984	General			200.00

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
05/04/2017	Donald Kent	17070	General			260.00
07/06/2017	Donald Kent	17136	General			50.00
02/02/2018	Donald Kent	17355	General			125.00
06/18/2019	Donald Kent	17868	General			205.81
					Subtotal	840.81
06/14/2017	Fleet Safety Equipment	ACH	Police Training			2,199.00
					Subtotal	2,199.00
02/03/2017	F.O.P (Fraternal Order of Police) Lodge 103	16967	General			360.00
05/29/2018	F.O.P (Fraternal Order of Police) Lodge 103	17478	General			360.00
					Subtotal	720.00
05/03/2018	(4) Gary Freyworth	2904	Sewer			289.00
					Subtotal	289.00
08/04/2017	George Arch	17178	General			150.00
					Subtotal	150.00
04/25/2016	Griffen's Flowers	1308	Park	Griffen's Flowers	Park Day Expense	53.00
					Subtotal	53.00
03/29/2016	Garner Sales & Service	799	Fire	Garner Sales & Serv, Nozzle, Bolt Cutter, He...	Fire Dept Expenses	588.30
					Subtotal	588.30
10/27/2017	Farm & Home Supply	9999	Community Organization			299.99
12/19/2017	Farm & Home Supply	17311	General	(7)	(7)	98.92
01/31/2018	Farm & Home Supply	17353	General	(7)	(7)	39.99
11/14/2018	Farm & Home Supply	(4) 2929	Sewer	(7)	(7)	199.99
12/06/2018	Farm & Home Supply	(4) 1373	Park	(7)	(7)	41.93
					Subtotal	680.82
12/07/2015	Home Depot	16572	General			118.48
					Subtotal	118.48
08/15/2017	Jennifer Epperson	1343	Park			75.00
					Subtotal	75.00
08/31/2017	Jimmy Allen	17219	General			1,197.86

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
					Subtotal	1,197.86
05/01/2015	Jon Mickels	16335	General			52.50
05/12/2015	Jon Mickels	16345	General			24.00
05/18/2015	Jon Mickels	16355	General			40.00
06/22/2015	Jon Mickels	16411	General			36.00
					Subtotal	152.50
05/27/2015	Karla B's	1268	Park			43.29
					Subtotal	43.29
06/01/2015	Kevin Huse	2682	Sewer			100.00
					Subtotal	100.00
12/10/2018	KJ Beaver	(4) 2931	Sewer	(7)	(7)	300.00
12/12/2018	KJ Beaver	(4) 17699	General	(7)	(7)	300.00
					Subtotal	600.00
04/27/2015	Kyle Evans	16315	General			485.30
					Subtotal	485.30
08/12/2015	LaCrosse Lumber Company	1291	Park			4,132.07
					Subtotal	4,132.07
07/21/2016	LeeAnn Brown	1319	Park	Leeann Brown	Park Day Expense	50.00
					Subtotal	50.00
05/28/2015	Lowe's	1270	Park			40.82
06/09/2015	Lowe's	16380	General			199.00
10/02/2015	Lowe's	2048	Street			31.00
04/08/2016	Lowe's	16702	General	Lowe's	City Maintenance: City Shed	747.14
04/08/2016	Lowe's	16703	General	Lowe's	City Maintenance: City Shed	42.87
04/19/2016	Lowe's	16712	General	Lowe's	City Maintenance: City Shed	161.90
04/19/2016	Lowe's	2747	Sewer	Lowe's	Sewer Materials	34.77
05/04/2016	Lowe's	16736	General	Lowe's	City Maintenance: City Shed	152.33
06/10/2016	Lowe's	16782	General	Lowe's	City Maintenance: Tools	528.85
06/27/2016	Lowe's	16791	General	Lowe's	City Maintenance: City Shed	502.67
07/07/2016	Lowe's	2074	Street	Lowe's	City Maintenance	367.13
03/29/2017	Lowe's	17013	General			132.62
03/30/2017	Lowe's	17012	General			93.74
10/06/2017	Lowe's	17245	General			99.40
07/10/2018	Lowe's	17531	General			513.64

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
08/16/2018	Lowe's	1364	Park			954.18
08/17/2018	Lowe's	1365	Park			51.97
11/16/2018	Lowe's	(4) 2930	Sewer	(7)	(7)	1,237.67
12/03/2018	Lowe's	(4) 2939	Sewer	(7)	(7)	90.73
01/23/2019	Lowe's	(4) 2943	Sewer	(7)	(7)	210.90
04/12/2019	Lowe's	17783	General			172.98
					Subtotal	6,366.31
06/02/2017	Mary Riley	17111	General			265.00
					Subtotal	265.00
08/03/2018	Matt Hawkins	1363	Park			1,099.06
					Subtotal	1,099.06
02/20/2015	McKnight Tire & Auto Center	16249	General			445.08
					Subtotal	445.08
06/19/2015	Menards	16399	General			56.81
					Subtotal	56.81
05/08/2015	Michael Carman	16305	General			1,250.00
07/17/2015	Michael Carman	16438	General			530.00
09/24/2015	Michael Carman	2710	Sewer			2,864.00
10/13/2015	Michael Carman	2716	Sewer			1,976.42
					Subtotal	6,620.42
12/22/2015	NBFSA	16608	General			99.00
					Subtotal	99.00
10/30/2015	Nick Johnson	2720	Sewer			300.00
					Subtotal	300.00
01/20/2015	Niemann Foods	16213	General			30.93
07/22/2015	Niemann Foods	16454	General			98.58
11/30/2015	Niemann Foods	16590	General			4.49
06/20/2018	Niemann Foods	17515	General			21.99
					Subtotal	155.99
07/23/2015	Oriental Trading Company	16444	General			123.86
12/22/2015	Oriental Trading Company	16610	General			31.70
09/06/2017	Oriental Trading Company	17181	General			264.72
					Subtotal	420.28
03/29/2019	Precision Safety Lock & Security	(4) 17782	General			294.00

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
					Subtotal	294.00
10/02/2018	Quick Lane	17625	General			121.79
					Subtotal	121.79
09/03/2015	Quincy K-9 Connection	16496	General			100.00
					Subtotal	100.00
05/24/2018	Riback Supply Company	1354	Park			984.17
06/15/2018	Riback Supply Company	1356	Park			873.89
					Subtotal	1,858.06
04/21/2015	Sam's Club	1266	Park			211.82
06/15/2015	Sam's Club	16400	General			93.77
12/14/2015	Sam's Club	16587	General			100.00
03/22/2016	Sam's Club	16684	(8) General	Sams	Town Hall Supplies	107.92
07/21/2016	Sam's Club	1317	Park	Sam's Club	Park Day Expense	716.18
07/27/2016	Sam's Club	1323	Park	Sam's Club	Park Day Expense	96.05
09/24/2018	Sam's Club	1369	Park			97.62
					Subtotal	1,423.36
11/06/2018	Sherwin-Williams	17651	General	Sherwin Williams	Park Maintenance	44.88
					Subtotal	44.88
08/01/2016	Shopko	1316	Park	Curtains and folding tables	Park Day Expense	291.93
					Subtotal	291.93
04/14/2015	Stacy Beer	16306	General			25.00
					Subtotal	25.00
07/17/2015	Sterling Long	1277	Park			500.00
					Subtotal	500.00
04/26/2019	Stone Castle Hotel and Conference Center	1065	Police Training			286.00
					Subtotal	286.00
08/10/2015	Sue Ann Westhoff	1280	Park			150.00
					Subtotal	150.00
07/28/2017	Teresa Benner	17176	General			120.00
08/15/2017	Teresa Benner	17190	General			120.00
08/25/2017	Teresa Benner	17197	General			120.00
09/08/2017	Teresa Benner	17222	General			120.00
09/22/2017	Teresa Benner	17233	General			120.00

Appendix Q

City of Center
Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
10/06/2017	Teresa Benner	17254	General			120.00
10/20/2017	Teresa Benner	17270	General			120.00
11/06/2017	Teresa Benner	17283	General	Teresa Benner	City Maintenance	120.00
11/17/2017	Teresa Benner	17300	General	Teresa Benner	City Maintenance	120.00
12/01/2017	Teresa Benner	17307	General	Teresa Benner	City Maintenance	120.00
05/11/2018	Teresa Benner	17450	General			240.00
05/24/2018	Teresa Benner	17488	General			163.02
06/08/2018	Teresa Benner	17504	General			144.00
06/25/2018	Teresa Benner	17507	General			24.00
06/22/2018	Teresa Benner	17517	General			180.00
07/11/2018	Teresa Benner	17538	General			120.00
08/27/2018	Teresa Benner	17565	General			180.00
09/06/2018	Teresa Benner	17595	General			120.00
09/06/2018	Teresa Benner	17603	General			129.00
11/02/2018	Teresa Benner	17645	General	(7)	(7)	120.00
					Subtotal	2,620.02
12/15/2015	Thomas Barnett	16597	General			1,712.72
					Subtotal	1,712.72
03/17/2016	Virgil Poage	16682	General	Virgil Poage	City Maintenance: City Hall	80.00
					Subtotal	80.00
02/17/2015	Walmart	16245	General			124.23
03/11/2016	Walmart	16676	General	Wal-Mart	City Hall Supplies	105.71
03/22/2016	Walmart	16685	(5) General	Wal-Mart	City Hall Supplies	315.19
04/07/2016	Walmart	16704	General	Wal-Mart, new weed eaters	City Maintenance: Mowing	354.92
04/14/2016	Walmart	16711	General	Wal-Mart	City Hall Supplies	113.81
04/25/2016	Walmart	16713	General	Wal-Mart	City Hall Supplies	341.68
05/10/2016	Walmart	16742	General	Wal-Mart	City Hall Supplies	266.10
05/26/2016	Walmart	16770	General	Wal-Mart	City Hall Supplies	311.09
06/06/2016	Walmart	16778	General	Wal-Mart	City Maintenance: Tools	258.28
06/09/2016	Walmart	2759	Sewer	Wal-Mart	Sewer Materials	278.56
06/23/2016	Walmart	16790	General	Wal-Mart	City Hall Supplies	517.11
06/30/2016	Walmart	16807	General	Wal-Mart	Park Day Expense	511.99
07/05/2016	Walmart	16808	General	Wal-Mart	Park Day Expense	265.82
07/06/2016	Walmart	16809	General	Wal-Mart	Park Day Expense	281.30

Appendix Q

City of Center Questionable Unsupported Disbursements

Payment Date (1)	Vendor	Check Number Or ACH	City Bank Account	Accounting System Description and Memo, if Available (6)	Accounting System Expense Category, if Available (6)	Amount
07/27/2016	Walmart	16836	General	Wal-Mart	City Hall Supplies	218.38
08/22/2016	Walmart	2781	Sewer	Wal-Mart	City Hall Supplies	443.16
10/11/2016	Walmart	2098	Street	Wal-Mart	Street Materials	565.74
01/23/2017	Walmart	16968	General			233.26
05/30/2017	Walmart	17097	General			85.95
07/31/2017	Walmart	1340	Park			45.95
10/16/2017	Walmart	17220	General			70.37
09/24/2018	Walmart	1370	Park			43.99
03/25/2019	Walmart	(4) 17730	General			549.90
Subtotal						6,302.49
Total						\$ 87,691.87

- (1) Payment date is the date the disbursement cleared the city bank account.
- (2) There is not a check number indicated for this disbursement because this was a DDA Debit directly from the city's bank account.
- (3) The amount of this transaction was recorded as \$643.76 in the November 2016 Transaction Report for City Council, but was recorded as \$943.76, which is the actual amount of the check, in the 2016 Register Report.
- (4) The disbursement was not included on available lists of bills provided to the Board.
- (5) Check number 16885 was recorded in the accounting system for this transaction.
- (6) Accounting system information was only available for 21 months of our audit period (all months of 2016; November and December 2017; January, March, April, November, and December 2018; and January and February 2019). The 2016 information is from an accounting system register report. The remaining information is from accounting system transaction reports. Description is shown as shown on system reports.
- (7) The disbursements were not included on available accounting system reports.
- (8) Check number 16884 was recorded in the accounting system for this disbursement.
- (9) David Roberts is a part-time city employee who also performed contract labor for the city. Payments to this individual not indicated as payroll in accounting system reports or otherwise supported are included in this appendix.

Appendix R

City of Center
Questionable Payroll Disbursements

Questionable Payroll Disbursements to Former City Clerk Tracey Ray

Payroll Disbursements Per Cleared Check					Payroll Disbursements Recorded in City Accounting System (1)		
Date of Check (1)	Date Check Cleared Bank	Check Number	Account	Amount	Date	Amount	Possible Overpayment
11/02/2017	11/07/2017	17276	General	\$ 601.39	11/02/2017	\$ (493.71)	\$ 107.68
11/09/2017	11/13/2017	17285	General	601.39	11/09/2017	(493.71)	107.68
11/16/2017	11/17/2017	17291	General	601.39	11/16/2017	(493.71)	107.68
11/22/2017	11/24/2017	17302	General	601.39	11/22/2017	(493.71)	107.68
12/07/2017	12/08/2017	17301	General	601.39	12/07/2017	(493.71)	107.68
11/30/2017	12/04/2017	17305	General	601.39	11/30/2017	(493.71)	107.68
12/14/2017	12/15/2017	17321	General	601.39	12/14/2017	(493.71)	107.68
12/21/2017	12/22/2017	17323	General	601.39	12/21/2017	(493.71)	107.68
12/28/2017	01/03/2018	17327	General	601.39	12/28/2017	(493.71)	107.68
		Subtotal		5,412.51		(4,443.39)	969.12
01/04/2018	01/08/2018	17332	General	601.39	01/04/2018	(493.71)	107.68
01/11/2018	01/17/2018	17336	General	601.39	01/11/2018	(493.71)	107.68
01/18/2018	01/22/2018	17347	General	601.39	01/18/2018	(493.71)	107.68
01/25/2018	01/29/2018	17351	General	601.39	01/25/2018	(493.71)	107.68
03/01/2018	03/05/2018	17387	General	601.39	03/01/2018	(493.71)	107.68
03/08/2018	03/12/2018	17400	General	601.39	03/08/2018	(493.71)	107.68
03/15/2018	03/19/2018	17406	General	601.31	03/15/2018	(493.71)	107.60
03/22/2018	03/26/2018	17413	General	601.39	03/22/2018	(493.71)	107.68
03/29/2018	04/02/2018	17416	General	601.39	03/29/2018	(493.71)	107.68
04/05/2018	04/09/2018	17431	General	601.39	04/05/2018	(493.71)	107.68
04/12/2018	04/13/2018	17437	General	601.39	04/12/2018	(493.71)	107.68
04/19/2018	04/23/2018	17448	General	601.39	04/19/2018	(493.71)	107.68
04/26/2018	05/01/2018	17457	General	601.39	04/26/2018	(493.71)	107.68
11/01/2018	11/02/2018	17665	General	601.31	11/01/2018	(493.71)	107.60
11/08/2018	11/09/2018	17667	General	601.31	11/08/2018	(493.71)	107.60
11/15/2018	11/19/2018	17678	General	601.31	11/15/2018	(493.71)	107.60
11/22/2018	11/23/2018	17682	General	601.31	11/22/2018	(493.71)	107.60

Appendix R

City of Center
Questionable Payroll Disbursements

Questionable Payroll Disbursements to Former City Clerk Tracey Ray

Payroll Disbursements Per Cleared Check					Payroll Disbursements Recorded in City Accounting System (1)		
Date of Check (1)	Date Check Cleared Bank	Check Number	Account	Amount	Date	Amount	Possible Overpayment
11/29/2018	12/03/2018	17690	General	601.31	11/29/2018	(493.71)	107.60
12/06/2018	12/07/2018	17702	General	601.31	12/06/2018	(493.71)	107.60
12/13/2018	12/14/2018	17707	General	601.31	12/13/2018	(493.71)	107.60
12/20/2018	12/21/2018	17710	General	601.31	12/20/2018	(493.71)	107.60
12/27/2018	12/28/2018	17713	General	601.31	12/27/2018	(493.71)	107.60
		Subtotal		13,229.78		(10,861.62)	2,368.16
01/03/2019	01/04/2019	17718	General	601.31	01/03/2019	(493.71)	107.60
01/10/2019	01/14/2019	17722	General	601.31	01/10/2019	(493.71)	107.60
01/17/2019	01/18/2019	17725	General	601.31	01/17/2019	(493.71)	107.60
01/24/2019	01/25/2019	17734	General	601.31	01/24/2019	(493.71)	107.60
01/31/2019	02/04/2019	17744	General	601.31	01/31/2019	(493.71)	107.60
02/07/2019	02/08/2019	17745	General	601.31	02/07/2019	(493.71)	107.60
02/14/2019	02/19/2019	17751	General	601.31	02/14/2019	(493.71)	107.60
02/21/2019	02/22/2019	17755	General	601.31	02/21/2019	(493.71)	107.60
02/28/2019	03/01/2019	17758	General	601.31	02/28/2019	(493.71)	107.60
		Subtotal		5,411.79		(4,443.39)	968.40
				\$ 24,054.08		\$ (19,748.40)	\$ 4,305.68

(1) Accounting system information was only available for 21 months of our audit period (all months of 2016; November and December 2017; January, March, April, November, and December 2018; and January and February 2019). The 2016 information is from an accounting system register report. The remaining information is from accounting system transaction reports.

Appendix R

City of Center Questionable Payroll Disbursements

Questionable Payroll Disbursements to Former Police Chief David Ray

Payroll Disbursements Per Cleared Check					Payroll Disbursements Recorded in City Accounting System (2)		
Date of Check (1)	Date Check Cleared Bank	Check Number	Account	Amount	Date	Amount	Possible Overpayment
11/09/2017	11/13/2017	17284	General	\$ 478.24	11/09/2017	\$ (436.22)	\$ 42.02
11/16/2017	11/17/2017	17290	General	529.04	11/16/2017	(429.04)	100.00
11/22/2017	11/24/2017	17303	General	529.04	11/22/2017	(429.04)	100.00
11/30/2017	12/04/2017	17306	General	529.04	11/30/2017	(429.04)	100.00
12/07/2017	12/08/2017	17309	General	529.04	12/07/2017	(429.04)	100.00
12/14/2017	12/15/2017	17320	General	529.04	12/14/2017	(429.04)	100.00
		Subtotal		3,123.44		(2,581.42)	542.02
12/28/2017	01/03/2018	17326	General	525.65	12/28/2017	(425.65)	100.00
01/04/2018	01/08/2018	17333	General	469.16	01/04/2018	(369.16)	100.00
01/11/2018	01/17/2018	17338	General	454.69	01/11/2018	(354.69)	100.00
01/18/2018	01/22/2018	17348	General	557.98	01/18/2018	(457.98)	100.00
03/01/2018	03/05/2018	17370	General	562.98	03/01/2018	(462.98)	100.00
03/08/2018	03/12/2018	17401	General	431.83	03/08/2018	(331.83)	100.00
03/15/2018	03/19/2018	17407	General	564.98	03/15/2018	(464.98)	100.00
03/22/2018	03/26/2018	17412	General	841.57	03/22/2018	(441.57)	400.00
03/29/2018	04/02/2018	17415	General	435.91	03/29/2018	(335.91)	100.00
04/12/2018	04/13/2018	17436	General	563.98	04/12/2018	(463.98)	100.00
04/19/2018	04/23/2018	17447	General	561.98	04/19/2018	(461.98)	100.00
04/26/2018	05/01/2018	17456	General	561.98	04/26/2018	(461.98)	100.00
		Subtotal		6,532.69		(5,032.69)	1,500.00
		Total	\$	9,656.13		\$ (7,614.11)	\$ 2,042.02

(1) David Ray began employment with the city in 2016.

(2) Accounting system information was only available for 21 months of our audit period (all months of 2016; November and December 2017; January, March, April, November, and December 2018; and January and February 2019).

The 2016 information is from an accounting system register report. The remaining information is from accounting system transaction reports.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Vernon County, Missouri

The Office of the State Auditor contracted for an audit of Vernon County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-069



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Vernon County

Bank Reconciliations

We recommend that the Collector/Treasurer ensure that stale outstanding checks are followed up in a timely manner and removed from the bank reconciliation when it becomes apparent that checks will not be cashed. Checks that have remained unclaimed for more than three years are deemed abandoned and are required to be turned over immediately to the State Treasurer pursuant to state statutes.

ANNUAL FINANCIAL REPORT

VERNON COUNTY, MISSOURI

For the Years Ended
December 31, 2019 and 2018

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

VERNON COUNTY, MISSOURI

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
List of Elected Officials 2018-2019	i
FINANCIAL SECTION	
Independent Auditor's Report	ii
BASIC FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis	17
Notes to the Financial Statements	18
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	27
Findings and Recommendations	29
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31

INTRODUCTORY SECTION

VERNON COUNTY, MISSOURI
List of Elected Officials 2018-2019

County Commission

Presiding Commissioner – Joe Hardin

Commissioner Northern District – Cindy Thompson

Commissioner Southern District – Everett Wolfe

Other Elected Officials

Assessor – Cherie K. Roberts

Circuit Clerk – Carrie Poe

Collector/Treasurer – Brent Banes

County Clerk – Sean M. Buehler

Coroner – David L. Ferry

Prosecuting Attorney – Brandi McInroy

Public Administrator – Tammy Bond

Recorder – Shelly Baldwin

Sheriff – Jason M. Mosher

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Vernon County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Vernon County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018 and 2019, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Vernon County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Vernon County, Missouri, as of December 31, 2018 and 2019, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Vernon County, Missouri, as of December 31, 2018 and 2019, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 6, 2020, on our consideration of Vernon County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Vernon County, Missouri’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 6, 2020

VERNON COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund	Cash and Cash Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Cash Equivalents December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Cash Equivalents December 31, 2019
General Revenue	\$ 754,445	\$ 4,729,107	\$ 4,756,705	\$ 726,847	\$ 4,993,526	\$ 4,655,282	\$ 1,065,091
Special Road & Bridge	656,401	1,417,988	1,355,261	719,128	1,288,966	1,230,555	777,539
Assessment	18,610	250,558	259,358	9,810	231,026	224,618	16,218
Quarter % Assessment	7,563	50,308	38,750	19,121	52,538	35,645	36,014
Sheriff's Discretionary	7,713	16,481	17,553	6,641	15,546	17,891	4,296
Law Enforcement Training	2,642	3,575	1,543	4,674	3,439	2,386	5,727
Prosecuting Attorney Training	1,731	638	684	1,685	1,070	568	2,187
Sewer	-	5,790	5,790	-	5,902	5,902	-
Election	-	79,562	79,562	-	39,020	39,020	-
Law Enforcement Sales Tax	111,418	1,048,790	1,059,177	101,031	1,106,052	1,055,050	152,033
Local Emergency Planning Commission	18,272	3,233	432	21,073	3,330	196	24,207
Law Enforcement Restitution	35,883	27,457	25,265	38,075	24,127	38,933	23,269
Election Service	43,808	8,297	39,322	12,783	8,571	5,939	15,415
Tax Maintenance	11,329	32,328	34,384	9,273	32,762	32,013	10,022
Help America Vote Act	9,957	9,580	14,957	4,580	7,068	7,031	4,617
Inmate Security	13,294	75,326	56,656	31,964	76,458	99,004	9,418
Prosecuting Attorney Administrative Cost	2,822	5,392	5,997	2,217	4,471	5,334	1,354
Shelter	-	4,540	4,540	-	4,055	4,055	-
Recycling	8,237	18,701	22,701	4,237	8,499	12,732	4
Federal Seizure	2,940	12	2,738	214	3,203	3,417	-
United Way DARE	1,234	3,006	3,099	1,141	3,006	2,816	1,331
Vernon County DARE	1,316	755	1,160	911	951	1,032	830
Recorder User Fee	65,162	12,371	9,000	68,533	10,376	42,266	36,643
Bond Reserve	586	713	1,299	-	-	-	-
Capital Improvement	456,330	95,000	181,239	370,091	80,000	49,885	400,206
Sheriff's Revolving (CCW)	15,225	3,506	12,107	6,624	7,652	7,414	6,862
Katy Allen Lake	35,331	-	22,818	12,513	-	5,832	6,681
Prosecuting Attorney Tax Collection	175	1	-	176	1	-	177
Fairground Building	-	312,662	100,000	212,662	64,164	276,826	-
Total	<u>\$ 2,282,424</u>	<u>\$ 8,215,677</u>	<u>\$ 8,112,097</u>	<u>\$ 2,386,004</u>	<u>\$ 8,075,779</u>	<u>\$ 7,861,642</u>	<u>\$ 2,600,141</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2018		2019	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 449,500	\$ 480,485	\$ 448,000	\$ 472,898
Sales taxes	1,050,000	1,046,567	1,050,000	1,104,474
Intergovernmental	820,128	832,252	711,561	918,735
Charges for services	1,590,568	1,794,748	1,592,938	1,912,144
Interest	6,000	6,760	-	7,485
Other	33,410	39,257	32,798	63,312
Transfers in	543,500	529,038	516,278	514,478
Total Receipts	<u>\$ 4,493,106</u>	<u>\$ 4,729,107</u>	<u>\$ 4,351,575</u>	<u>\$ 4,993,526</u>
DISBURSEMENTS				
County Commission	\$ 108,547	\$ 108,571	\$ 107,915	\$ 108,627
County Clerk	165,062	163,028	169,910	169,307
Elections	105,000	42,000	13,300	2,100
Buildings and grounds	262,896	229,805	192,993	182,678
Employee fringe benefits	686,197	602,275	714,150	625,436
Treasurer	136,078	135,737	135,988	135,189
Recorder of Deeds	96,752	95,461	88,035	87,854
Circuit Clerk	39,100	33,049	37,600	29,298
Court administration	26,970	20,420	31,070	23,542
Public Administrator	98,273	95,851	98,031	96,429
Sheriff	914,193	873,300	939,052	921,144
Jail	1,468,762	1,508,809	1,527,588	1,510,450
Prosecuting Attorney	227,752	225,198	230,800	222,142
Juvenile Officer	155,400	126,841	156,300	123,066
Coroner	41,736	39,492	45,506	42,520
Other County government	316,784	285,219	309,661	292,298
Health and welfare	2,000	2,000	7,000	2,000
Transfers out	147,936	169,805	85,027	81,201
Emergency fund	125,745	(156)	121,120	1
Total Disbursements	<u>\$ 5,125,183</u>	<u>\$ 4,756,705</u>	<u>\$ 5,011,046</u>	<u>\$ 4,655,282</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (632,077)	\$ (27,598)	\$ (659,471)	\$ 338,244
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>754,445</u>	<u>754,445</u>	<u>726,847</u>	<u>726,847</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 122,368</u></u>	<u><u>\$ 726,847</u></u>	<u><u>\$ 67,376</u></u>	<u><u>\$ 1,065,091</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD & BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 130,000	\$ 131,518	\$ 130,000	\$ 132,550	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,701,254	1,271,203	1,449,945	1,133,987	-	-	-	-
Charges for services	-	-	-	-	221,334	233,181	229,233	230,346
Interest	3,000	4,038	3,000	4,749	200	349	300	417
Other	2,400	5,460	4,400	11,799	70	369	400	263
Transfers in	33,000	5,769	6,475	5,881	29,936	16,659	1,427	-
Total Receipts	<u>\$ 1,869,654</u>	<u>\$ 1,417,988</u>	<u>\$ 1,593,820</u>	<u>\$ 1,288,966</u>	<u>\$ 251,540</u>	<u>\$ 250,558</u>	<u>\$ 231,360</u>	<u>\$ 231,026</u>
DISBURSEMENTS								
Salaries	\$ 290,534	\$ 285,088	\$ 293,433	\$ 239,315	\$ 181,276	\$ 174,943	\$ 159,482	\$ 152,111
Employee fringe benefits	99,315	94,496	96,952	80,107	66,799	61,558	59,413	53,143
Materials and supplies	60,500	62,687	76,440	75,549	17,075	14,894	16,275	15,167
Services and other	138,785	91,782	124,785	51,710	5,000	7,963	6,000	4,197
Capital outlay	167,500	113,838	78,500	74,212	-	-	-	-
Construction	1,260,124	642,832	1,089,685	639,549	-	-	-	-
Transfers out	75,000	64,538	70,000	70,113	-	-	-	-
Total Disbursements	<u>\$ 2,091,758</u>	<u>\$ 1,355,261</u>	<u>\$ 1,829,795</u>	<u>\$ 1,230,555</u>	<u>\$ 270,150</u>	<u>\$ 259,358</u>	<u>\$ 241,170</u>	<u>\$ 224,618</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (222,104)	\$ 62,727	\$ (235,975)	\$ 58,411	\$ (18,610)	\$ (8,800)	\$ (9,810)	\$ 6,408
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>656,401</u>	<u>656,401</u>	<u>719,128</u>	<u>719,128</u>	<u>18,610</u>	<u>18,610</u>	<u>9,810</u>	<u>9,810</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 434,297</u>	<u>\$ 719,128</u>	<u>\$ 483,153</u>	<u>\$ 777,539</u>	<u>\$ -</u>	<u>\$ 9,810</u>	<u>\$ -</u>	<u>\$ 16,218</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	QUARTER % ASSESSMENT FUND				SHERIFF'S DISCRETIONARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	46,900	50,117	49,400	52,322	14,000	16,340	15,000	15,460
Interest	140	143	140	186	-	48	45	39
Other	-	48	-	30	-	93	-	47
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 47,040</u>	<u>\$ 50,308</u>	<u>\$ 49,540</u>	<u>\$ 52,538</u>	<u>\$ 14,000</u>	<u>\$ 16,481</u>	<u>\$ 15,045</u>	<u>\$ 15,546</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	1,600	1,601	-	-	-	-
Services and other	46,803	32,594	66,261	34,044	21,713	17,553	21,686	17,891
Capital outlay	6,800	5,156	800	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	1,000	1,000	-	-	-	-	-	-
Total Disbursements	<u>\$ 54,603</u>	<u>\$ 38,750</u>	<u>\$ 68,661</u>	<u>\$ 35,645</u>	<u>\$ 21,713</u>	<u>\$ 17,553</u>	<u>\$ 21,686</u>	<u>\$ 17,891</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (7,563)	\$ 11,558	\$ (19,121)	\$ 16,893	\$ (7,713)	\$ (1,072)	\$ (6,641)	\$ (2,345)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>7,563</u>	<u>7,563</u>	<u>19,121</u>	<u>19,121</u>	<u>7,713</u>	<u>7,713</u>	<u>6,641</u>	<u>6,641</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 19,121</u>	<u>\$ -</u>	<u>\$ 36,014</u>	<u>\$ -</u>	<u>\$ 6,641</u>	<u>\$ -</u>	<u>\$ 4,296</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	1,087	1,000	1,041	-	-	-	-
Charges for services	3,000	2,466	2,400	2,123	500	628	600	1,059
Interest	-	22	-	36	-	10	-	11
Other	-	-	-	239	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 3,000</u>	<u>\$ 3,575</u>	<u>\$ 3,400</u>	<u>\$ 3,439</u>	<u>\$ 500</u>	<u>\$ 638</u>	<u>\$ 600</u>	<u>\$ 1,070</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,642	1,543	8,074	2,386	2,231	684	2,285	568
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 5,642</u>	<u>\$ 1,543</u>	<u>\$ 8,074</u>	<u>\$ 2,386</u>	<u>\$ 2,231</u>	<u>\$ 684</u>	<u>\$ 2,285</u>	<u>\$ 568</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,642)	\$ 2,032	\$ (4,674)	\$ 1,053	\$ (1,731)	\$ (46)	\$ (1,685)	\$ 502
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>2,642</u>	<u>2,642</u>	<u>4,674</u>	<u>4,674</u>	<u>1,731</u>	<u>1,731</u>	<u>1,685</u>	<u>1,685</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 4,674</u>	<u>\$ -</u>	<u>\$ 5,727</u>	<u>\$ -</u>	<u>\$ 1,685</u>	<u>\$ -</u>	<u>\$ 2,187</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SEWER FUND				ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 6,000	\$ 5,760	\$ 6,500	\$ 5,870	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	31,000	20,415	41,574	39,020
Charges for services	-	-	-	-	-	-	-	-
Interest	-	30	-	32	-	-	-	-
Other	23,000	-	-	-	-	-	-	-
Transfers in	-	-	-	-	60,000	59,147	-	-
Total Receipts	<u>\$ 29,000</u>	<u>\$ 5,790</u>	<u>\$ 6,500</u>	<u>\$ 5,902</u>	<u>\$ 91,000</u>	<u>\$ 79,562</u>	<u>\$ 41,574</u>	<u>\$ 39,020</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	21	25	21	91,000	67,701	41,574	31,189
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	29,000	5,769	6,475	5,881	-	11,861	-	7,831
Total Disbursements	<u>\$ 29,000</u>	<u>\$ 5,790</u>	<u>\$ 6,500</u>	<u>\$ 5,902</u>	<u>\$ 91,000</u>	<u>\$ 79,562</u>	<u>\$ 41,574</u>	<u>\$ 39,020</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				LOCAL EMERGENCY PLANNING COMMISSION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,050,000	1,046,031	1,075,000	1,103,505	-	-	-	-
Intergovernmental	-	-	-	-	3,863	3,233	3,250	3,330
Charges for services	-	-	-	-	-	-	-	-
Interest	-	2,047	-	2,547	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	712	-	-	-	-	-	-
Total Receipts	<u>\$ 1,050,000</u>	<u>\$ 1,048,790</u>	<u>\$ 1,075,000</u>	<u>\$ 1,106,052</u>	<u>\$ 3,863</u>	<u>\$ 3,233</u>	<u>\$ 3,250</u>	<u>\$ 3,330</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	649,453	634,177	669,253	623,272	7,530	432	24,323	196
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	425,000	425,000	416,778	431,778	-	-	-	-
Total Disbursements	<u>\$ 1,074,453</u>	<u>\$ 1,059,177</u>	<u>\$ 1,086,031</u>	<u>\$ 1,055,050</u>	<u>\$ 7,530</u>	<u>\$ 432</u>	<u>\$ 24,323</u>	<u>\$ 196</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (24,453)	\$ (10,387)	\$ (11,031)	\$ 51,002	\$ (3,667)	\$ 2,801	\$ (21,073)	\$ 3,134
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>111,418</u>	<u>111,418</u>	<u>101,031</u>	<u>101,031</u>	<u>18,272</u>	<u>18,272</u>	<u>21,073</u>	<u>21,073</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ 86,965</u>	<u>\$ 101,031</u>	<u>\$ 90,000</u>	<u>\$ 152,033</u>	<u>\$ 14,605</u>	<u>\$ 21,073</u>	<u>\$ -</u>	<u>\$ 24,207</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT RESTITUTION FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,700	1,017	1,000	1,847
Charges for services	32,000	27,234	25,000	23,899	-	-	-	-
Interest	-	223	-	228	-	215	-	93
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	4,550	7,065	6,378	6,631
Total Receipts	<u>\$ 32,000</u>	<u>\$ 27,457</u>	<u>\$ 25,000</u>	<u>\$ 24,127</u>	<u>\$ 6,250</u>	<u>\$ 8,297</u>	<u>\$ 7,378</u>	<u>\$ 8,571</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	50,058	39,322	20,161	5,939
Services and other	67,883	11,265	63,075	6,633	-	-	-	-
Capital outlay	-	-	-	32,300	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	14,000	-	-	-	-	-	-
Total Disbursements	<u>\$ 67,883</u>	<u>\$ 25,265</u>	<u>\$ 63,075</u>	<u>\$ 38,933</u>	<u>\$ 50,058</u>	<u>\$ 39,322</u>	<u>\$ 20,161</u>	<u>\$ 5,939</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (35,883)	\$ 2,192	\$ (38,075)	\$ (14,806)	\$ (43,808)	\$ (31,025)	\$ (12,783)	\$ 2,632
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>35,883</u>	<u>35,883</u>	<u>38,075</u>	<u>38,075</u>	<u>43,808</u>	<u>43,808</u>	<u>12,783</u>	<u>12,783</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 38,075</u>	<u>\$ -</u>	<u>\$ 23,269</u>	<u>\$ -</u>	<u>\$ 12,783</u>	<u>\$ -</u>	<u>\$ 15,415</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				HELP AMERICA VOTE ACT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	4,729	4,729	4,637	4,637
Charges for services	28,500	32,189	28,500	32,633	-	-	-	-
Interest	180	139	100	129	-	51	-	31
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	4,800	4,800	1,600	2,400
Total Receipts	<u>\$ 28,680</u>	<u>\$ 32,328</u>	<u>\$ 28,600</u>	<u>\$ 32,762</u>	<u>\$ 9,529</u>	<u>\$ 9,580</u>	<u>\$ 6,237</u>	<u>\$ 7,068</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	28,009	22,384	25,873	21,413	-	-	-	-
Services and other	-	-	-	-	19,486	14,953	10,817	7,031
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	12,000	12,000	12,000	10,600	-	4	-	-
Total Disbursements	<u>\$ 40,009</u>	<u>\$ 34,384</u>	<u>\$ 37,873</u>	<u>\$ 32,013</u>	<u>\$ 19,486</u>	<u>\$ 14,957</u>	<u>\$ 10,817</u>	<u>\$ 7,031</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (11,329)	\$ (2,056)	\$ (9,273)	\$ 749	\$ (9,957)	\$ (5,377)	\$ (4,580)	\$ 37
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>11,329</u>	<u>11,329</u>	<u>9,273</u>	<u>9,273</u>	<u>9,957</u>	<u>9,957</u>	<u>4,580</u>	<u>4,580</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 9,273</u>	<u>\$ -</u>	<u>\$ 10,022</u>	<u>\$ -</u>	<u>\$ 4,580</u>	<u>\$ -</u>	<u>\$ 4,617</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				PROSECUTING ATTORNEY ADMINISTRATIVE COST FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,000	8,875	7,500	4,173	6,000	5,367	4,284	4,445
Interest	-	96	-	202	-	25	-	26
Other	62,000	66,355	60,000	72,083	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 66,000</u>	<u>\$ 75,326</u>	<u>\$ 67,500</u>	<u>\$ 76,458</u>	<u>\$ 6,000</u>	<u>\$ 5,392</u>	<u>\$ 4,284</u>	<u>\$ 4,471</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	6,500	1,497	6,501	834
Services and other	14,200	16,117	15,200	11,522	-	-	-	-
Capital outlay	65,094	40,539	84,264	87,482	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	4,500	-	4,500
Total Disbursements	<u>\$ 79,294</u>	<u>\$ 56,656</u>	<u>\$ 99,464</u>	<u>\$ 99,004</u>	<u>\$ 6,500</u>	<u>\$ 5,997</u>	<u>\$ 6,501</u>	<u>\$ 5,334</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (13,294)	\$ 18,670	\$ (31,964)	\$ (22,546)	\$ (500)	\$ (605)	\$ (2,217)	\$ (863)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>13,294</u>	<u>13,294</u>	<u>31,964</u>	<u>31,964</u>	<u>2,822</u>	<u>2,822</u>	<u>2,217</u>	<u>2,217</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 31,964</u>	<u>\$ -</u>	<u>\$ 9,418</u>	<u>\$ 2,322</u>	<u>\$ 2,217</u>	<u>\$ -</u>	<u>\$ 1,354</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHELTER FUND				RECYCLING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	2,250	1,500	2,000	2,250
Charges for services	5,250	4,528	6,000	4,044	-	-	-	-
Interest	-	12	-	11	-	26	-	8
Other	-	-	-	-	20,000	17,175	25,000	6,241
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 5,250</u>	<u>\$ 4,540</u>	<u>\$ 6,000</u>	<u>\$ 4,055</u>	<u>\$ 22,250</u>	<u>\$ 18,701</u>	<u>\$ 27,000</u>	<u>\$ 8,499</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	5,250	4,540	6,000	4,055	28,500	22,701	27,237	12,732
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	4,000	-
Total Disbursements	<u>\$ 5,250</u>	<u>\$ 4,540</u>	<u>\$ 6,000</u>	<u>\$ 4,055</u>	<u>\$ 28,500</u>	<u>\$ 22,701</u>	<u>\$ 31,237</u>	<u>\$ 12,732</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ -	\$ -	\$ -	\$ (6,250)	\$ (4,000)	\$ (4,237)	\$ (4,233)
CASH AND CASH EQUIVALENTS, JANUARY 1	-	-	-	-	8,237	8,237	4,237	4,237
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,987</u>	<u>\$ 4,237</u>	<u>\$ -</u>	<u>\$ 4</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	FEDERAL SEIZURE FUND				UNITED WAY DARE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	12	3	3	-	6	-	6
Other	-	-	3,200	3,200	3,000	3,000	3,000	3,000
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	\$ -	\$ 12	\$ 3,203	\$ 3,203	\$ 3,000	\$ 3,006	\$ 3,000	\$ 3,006
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	2,440	2,687	3,200	3,397	-	-	-	-
Services and other	500	51	217	20	4,234	3,099	4,141	2,816
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	\$ 2,940	\$ 2,738	\$ 3,417	\$ 3,417	\$ 4,234	\$ 3,099	\$ 4,141	\$ 2,816
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (2,940)	\$ (2,726)	\$ (214)	\$ (214)	\$ (1,234)	\$ (93)	\$ (1,141)	\$ 190
CASH AND CASH EQUIVALENTS, JANUARY 1	2,940	2,940	214	214	1,234	1,234	1,141	1,141
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 214	\$ -	\$ -	\$ -	\$ 1,141	\$ -	\$ 1,331

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	VERNON COUNTY DARE FUND				RECORDER USER FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	123	-	-	-	-
Charges for services	-	-	-	-	10,000	11,971	10,000	9,982
Interest	-	5	-	3	400	400	400	394
Other	-	750	1,000	825	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 755</u>	<u>\$ 1,000</u>	<u>\$ 951</u>	<u>\$ 10,400</u>	<u>\$ 12,371</u>	<u>\$ 10,400</u>	<u>\$ 10,376</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	1,316	1,160	1,911	1,032	41,000	-	60,000	33,266
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	9,000	9,000	9,000	9,000
Total Disbursements	<u>\$ 1,316</u>	<u>\$ 1,160</u>	<u>\$ 1,911</u>	<u>\$ 1,032</u>	<u>\$ 50,000</u>	<u>\$ 9,000</u>	<u>\$ 69,000</u>	<u>\$ 42,266</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (1,316)	\$ (405)	\$ (911)	\$ (81)	\$ (39,600)	\$ 3,371	\$ (58,600)	\$ (31,890)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>1,316</u>	<u>1,316</u>	<u>911</u>	<u>911</u>	<u>65,162</u>	<u>65,162</u>	<u>68,533</u>	<u>68,533</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 911</u>	<u>\$ -</u>	<u>\$ 830</u>	<u>\$ 25,562</u>	<u>\$ 68,533</u>	<u>\$ 9,933</u>	<u>\$ 36,643</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	BOND RESERVE FUND				CAPITAL IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1	-	-	-	-	-	-
Other	-	712	-	-	-	-	-	-
Transfers in	-	-	-	-	95,000	95,000	80,000	80,000
Total Receipts	<u>\$ -</u>	<u>\$ 713</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,000</u>	<u>\$ 95,000</u>	<u>\$ 80,000</u>	<u>\$ 80,000</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	586	-	-	-	-	-	-
Capital outlay	-	-	-	-	551,330	56,239	425,091	4,885
Construction	-	-	-	-	-	-	-	-
Transfers out	-	713	-	-	-	125,000	25,000	45,000
Total Disbursements	<u>\$ -</u>	<u>\$ 1,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 551,330</u>	<u>\$ 181,239</u>	<u>\$ 450,091</u>	<u>\$ 49,885</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ (586)	\$ -	\$ -	\$ (456,330)	\$ (86,239)	\$ (370,091)	\$ 30,115
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>586</u>	<u>586</u>	<u>-</u>	<u>-</u>	<u>456,330</u>	<u>456,330</u>	<u>370,091</u>	<u>370,091</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 586</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 370,091</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 400,206</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF'S REVOLVING (CCW) FUND				KATY ALLEN LAKE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	3,437	3,500	7,599	-	-	-	-
Interest	-	69	-	53	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 3,506</u>	<u>\$ 3,500</u>	<u>\$ 7,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	15,225	12,107	10,124	7,414	-	-	-	-
Capital outlay	-	-	-	-	35,331	22,818	12,513	5,832
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 15,225</u>	<u>\$ 12,107</u>	<u>\$ 10,124</u>	<u>\$ 7,414</u>	<u>\$ 35,331</u>	<u>\$ 22,818</u>	<u>\$ 12,513</u>	<u>\$ 5,832</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (15,225)	\$ (8,601)	\$ (6,624)	\$ 238	\$ (35,331)	\$ (22,818)	\$ (12,513)	\$ (5,832)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>15,225</u>	<u>15,225</u>	<u>6,624</u>	<u>6,624</u>	<u>35,331</u>	<u>35,331</u>	<u>12,513</u>	<u>12,513</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ 6,624</u>	<u>\$ -</u>	<u>\$ 6,862</u>	<u>\$ -</u>	<u>\$ 12,513</u>	<u>\$ -</u>	<u>\$ 6,681</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TAX COLLECTION FUND				FAIRGROUND BUILDING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1	-	1	-	-	-	-
Other	-	-	-	-	300,000	187,662	50,000	7,650
Transfers in	-	-	-	-	-	125,000	25,000	56,514
Total Receipts	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 300,000</u>	<u>\$ 312,662</u>	<u>\$ 75,000</u>	<u>\$ 64,164</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	300,000	100,000	287,662	276,826
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>	<u>\$ 100,000</u>	<u>\$ 287,662</u>	<u>\$ 276,826</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ -	\$ 1	\$ -	\$ 1	\$ -	\$ 212,662	\$ (212,662)	\$ (212,662)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>175</u>	<u>175</u>	<u>176</u>	<u>176</u>	<u>-</u>	<u>-</u>	<u>212,662</u>	<u>212,662</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 175</u></u>	<u><u>\$ 176</u></u>	<u><u>\$ 176</u></u>	<u><u>\$ 177</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 212,662</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

VERNON COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund/Account	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2018	2018	2018	December 31, 2018	2019	2019	December 31, 2019
Treasurer Township	\$ 47,883	\$ 1,497,740	\$ 1,497,162	\$ 48,461	\$ 1,463,934	\$ 1,477,043	\$ 35,352
Treasurer School	272,295	10,696,776	10,687,162	281,909	10,543,754	10,640,295	185,368
Treasurer School Fine	45,096	75,667	82,400	38,363	96,051	81,458	52,956
Treasurer Health Unit	7,306	276,929	276,773	7,462	268,021	270,714	4,769
Treasurer Unclaimed Fees	3,289	474	3,104	659	205	-	864
Treasurer Overplus	3,192	340	-	3,532	12,826	684	15,674
Treasurer Ambulance	10,848	415,445	415,206	11,087	402,114	406,024	7,177
Treasurer Deputy Sheriff Supplemental	750	8,020	8,130	640	12,898	13,078	460
Treasurer Criminal Cost	26,683	230,473	257,156	-	406,973	383,496	23,477
Treasurer State Revenue	2,051	84,271	84,114	2,208	81,566	82,357	1,417
Treasurer City	16,741	1,103,917	1,101,467	19,191	1,061,030	1,073,964	6,257
Treasurer CERF	-	244,647	244,647	-	259,561	256,235	3,326
Treasurer Surtax	60,223	451,150	448,279	63,094	419,608	439,314	43,388
Treasurer Prosecuting Attorney \$5 Fee	40	395	370	65	415	480	-
Treasurer Circuit Clerk Over/Under	1,004	43	-	1,047	25	-	1,072
Collector's Account	9,416,797	15,147,645	13,471,228	11,093,214	15,860,264	14,947,828	12,005,650
Collector's Credit Card Sweep	-	810,156	810,156	-	936,598	936,598	-
Collector's Clearing	3,824	968	4,592	200	1	201	-
Collector's In-Out	100	1,151,292	1,150,817	575	682,104	682,679	-
Recorder	9,828	130,852	131,705	8,975	119,898	117,210	11,663
Public Administrator	356,136	1,373,977	1,362,989	367,124	1,549,638	1,504,593	412,169
Prosecuting Attorney	170	9,636	9,726	80	7,779	6,078	1,781
Sheriff's Account	108,206	1,381,369	1,394,702	94,873	1,581,628	1,558,448	118,053
Sheriff's CCW	85	4,252	3,427	910	7,029	7,599	340
Sheriff's Evidence	30,639	14,585	4,720	40,504	1,665	5,928	36,241
Sheriff's Commissary	24,976	435,243	437,519	22,700	292,867	296,434	19,133
Total	<u>\$ 10,448,162</u>	<u>\$ 35,546,262</u>	<u>\$ 33,887,551</u>	<u>\$ 12,106,873</u>	<u>\$ 36,068,452</u>	<u>\$ 35,188,738</u>	<u>\$ 12,986,587</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

VERNON COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Vernon County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Vernon County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector/Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceed budgeted amounts for the Bond Reserve Fund in 2018.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation were:

	2019	2018
Real Estate	\$ 169,460,630	\$ 168,294,370
Personal Property	69,198,054	66,589,029
Railroad and Utilities	27,806,714	27,197,957
Total	<u>\$ 266,465,398</u>	<u>\$ 262,081,356</u>

For calendar years 2019 and 2018, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2019	2018
General Revenue	0.1876	0.1749

In addition to the levy above, the County assesses a .50 levy on parcels of land that are part of the sewer district and receives 5% of Road & Bridge taxes levied and collected by each township in the County.

F. Cash Deposits and Cash Equivalents

Deposits and cash equivalents are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash equivalent balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been

eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND CASH EQUIVALENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Cash Equivalents" caption. Cash and cash equivalents includes deposits and short-term investments with maturities that are less than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019 and 2018, the carrying amounts of the County's deposits were \$2,600,141 and \$2,386,004, respectively, and the bank balances were \$2,658,102 and \$2,156,261, respectively. Of the bank balances, \$250,000 and \$250,000 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2019 and 2018, County officeholders held, in addition to the cash and cash equivalents listed above, cash and cash equivalents held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2019 and 2018, the carrying amounts of the County's custodial funds were \$12,986,587 and \$12,106,873, respectively, and the bank balances were \$9,489,324 and \$9,169,599, respectively. Of the bank balances, \$856,902 and \$756,347 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Vernon County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Vernon County do not contribute to the pension plan. The June 30th statutorily required contribution rates were 7.7% and 7.4% (General), and 12.5% and 12.8% (Police) of annual covered payroll for 2019 and 2018, respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2019 and 2018, the County contributed \$192,192 and \$190,764 to LAGERS.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different

prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2019 and 2018, the County collected and remitted to CERF employee withholdings of \$81,828 and \$81,073, respectively, for the years then ended.

C. Deferred 457 Pension Plan

Participation in the plan is voluntary for all full-time employees. Part-time employees are not eligible to participate in the plan. Plan participants can elect to contribute any whole percentage or dollar amount of their earnings to the plan. Fifty cents on the dollar is matched by CERF on the first 6% of an employee's contribution. The County does not contribute to the plan. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 were \$51,107 and \$47,709, respectively.

D. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2019 and 2018.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides employees with up to a maximum of six weeks of sick leave, to accrue at 5.5 hours per pay period for full-time employees and 4 hours per pay period for part-time employees. Upon termination, employees are not compensated for accrued sick time. Vacation time is accrued for every full-time employee, and accrues at the rate of 5 day per year up to twenty days per year depending on length of employment. Vacation time must be used in its entirety within one year of being earned unless approved by the supervisor and County Commission.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2019:

- A. The County issued \$6,860,000 in Certificates of Participation, Series 2007, to provide funds for the construction of a new law enforcement facility and to repay the related bond anticipation notes. The County created a Law Enforcement Sales Tax Fund and a Bond Reserve Fund in which the activity for this project and the bond reserve are recorded. Sales tax revenue bonds are payable from a one-half cent sales tax plus the interest from the Bond Reserve Fund. In December 2016, the County paid down the debt using funds from the Bond Reserve Fund and refinanced the remaining balance. Principal payments are due on October 1 each year through 2027. Interest is due on April 1 and October 1 each year with rates increasing from 2% up to 3.1%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 515,000	\$ 112,353	\$ 627,353
2021	520,000	102,052	622,052
2022	530,000	90,613	620,613
2023	535,000	77,892	612,892
2024	545,000	64,518	609,518
2025-2027	1,705,000	103,567	1,808,567
Totals	<u>\$ 4,350,000</u>	<u>\$ 550,995</u>	<u>\$ 4,900,995</u>

- B. On December 4, 2015, the county entered into a \$64,756, 48 month capital lease for two 2016 Police Interceptor Utility AWD vehicles for the Sheriff's Department. The lease is to be paid in annual payments of \$17,618, which includes interest of 5.95%. The final payment was made during 2018.
- C. In June 2017, the County entered into a \$132,941 loan for the purchase of dispatch equipment. The loan originally called for a maturity date of June 2022, however, the final payment was made during 2019.
- D. In September 2019, the County entered into a \$69,700 lease-purchase agreement for a Ford Transit Cargo Van. The agreement calls for an initial payment of \$29,456 and two payments of \$22,228, with an interest rate of 6.9%. The schedule of remaining payments and interest is listed below:

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 19,451	\$ 2,777	\$ 22,228
2021	20,793	1,435	22,228
Totals	<u>\$ 40,244</u>	<u>\$ 4,212</u>	<u>\$ 44,456</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
COPS	\$ 5,350,000	\$ -	\$ (500,000)	\$ 4,850,000	\$ 132,353
2016 Interceptors	16,629	-	(16,629)	-	989
Dispatch equipment	89,404	-	(42,189)	47,215	2,811

The following schedule shows changes in long-term debt during the year ended December 31, 2019:

Description	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
COPS	\$ 4,850,000	\$ -	\$ (500,000)	\$ 4,350,000	\$ 122,353
Dispatch equipment	47,215	-	(47,215)	-	939
Cargo Van	-	69,700	(29,456)	40,244	-

8. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 6, 2020, the date the financial statements were available to be issued.

Subsequent to December 31, 2019, the County has been impacted by the coronavirus pandemic in the United States. This event has led to a decrease in business and consumer activity within the County and could have a negative impact on sales and other tax revenues in 2020, as well as potentially affecting the availability of grants and other assistance from the state and federal governments.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Vernon County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Vernon County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018 and 2019, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Vernon County, Missouri's basic financial statements and have issued our report thereon dated August 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Vernon County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vernon County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Vernon County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vernon County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 6, 2020

FINDINGS AND RECOMMENDATIONS

VERNON COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

None

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2018 and 2019, we considered Vernon County's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 6, 2020. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Bank Reconciliations

The bank reconciliation for the Treasurer's account at December 31, 2018 and 2019 included outstanding checks that were greater than 120 days old totaling \$7,331 and \$18,067, respectively. The December 31, 2018 reconciliation included 3 checks that were more than a year old, and the December 31, 2019 reconciliation included 15 checks that were more than a year old. The majority of these checks were written to the City of Harwood and the Collector/Treasurer is investigating a resolution.

We recommend that the Collector/Treasurer ensure that stale outstanding checks are followed up in a timely manner and removed from the bank reconciliation when it becomes apparent that checks will not be cashed. Checks that have remained unclaimed for more than three years are deemed abandoned and are required to be turned over immediately to the State Treasurer pursuant to state statutes.

VERNON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Vernon County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2017 and 2016.

2017-001: Actual expenditures exceeded budget expenditures for one fund in 2017 and four funds in 2016. In addition the County did not adopt a formal budget for one fund in 2016.

Status: Resolved.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Oregon County, Missouri

The Office of the State Auditor contracted for an audit of the Oregon County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-068



Recommendations in the contracted audit of Oregon County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-003	The County Treasurer should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.
2019-004	The county should implement procedures to ensure that the documentation of internal controls over federal awards are addressed going forward.
2019-005	The county should implement procedures to ensure that the 45-day public comment period compliance requirement for this federal grant is met.

THE COUNTY OF OREGON
ALTON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF OREGON
ALTON, MISSOURI
TABLE OF CONTENTS**

FINANCIAL SECTION **PAGE**

Independent Auditor's Report.....	1-3
-----------------------------------	-----

FINANCIAL STATEMENTS

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances- All Governmental Funds-Regulatory Basis	
Year Ended December 31, 2019.....	4
Year Ended December 31, 2018.....	5

Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances- Budget and Actual-All Governmental Funds-Regulatory Basis	
Years Ended December 31, 2019 and 2018.....	6-19

Fiduciary Funds:

Statements of Assets and Liabilities Arising From Cash Transactions- Agency Funds - Regulatory Basis	
As of December 31, 2019.....	20
As of December 31, 2018.....	21

Notes to the Financial Statements.....	22-32
--	-------

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

Schedule of State Findings.....	33
---------------------------------	----

FEDERAL COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	34-35
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	36-38
Schedule of Expenditures of Federal Awards.....	39
Notes to the Schedule of Expenditures of Federal Awards.....	40
Schedule of Findings and Questioned Costs Years Ended December 31, 2019 and 2018.....	41-45
Summary Schedule of Prior Year Findings and Questioned Costs.....	46-48

FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Oregon, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Oregon ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the county on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

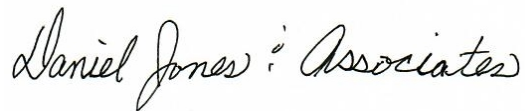
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Oregon’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2020, on our consideration of the County of Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Oregon's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 9, 2020

FINANCIAL STATEMENTS

THE COUNTY OF OREGON
ALTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH AND INVESTMENT BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 2,322,625.56	\$ 1,524,662.19	\$ 1,167,865.54	\$ 2,679,422.21
Special Road and Bridge Fund	625,226.03	1,054,214.28	932,529.52	746,910.79
Assessment Fund	-	156,587.90	156,587.90	-
Prosecuting Attorney Training Fund	2,650.64	261.24	2,468.34	443.54
Sheriff Legal Education Fund	5,629.17	1,041.71	750.00	5,920.88
Federal Law Enforcement Fund	294.58	6.75	-	301.33
River and Forest Patrol Fund	-	1,937.47	1,937.47	-
Prosecuting Attorney Special Fund	4,312.68	77.25	2,831.89	1,558.04
Tax Maintenance Fund	40,674.69	13,585.82	8,869.25	45,391.26
Recorder User Fee Fund	8,998.76	6,242.55	7,059.05	8,182.26
Operation Cash Crop Fund	-	-	-	-
Law Enforcement Donation Fund	2,419.67	2,848.10	2,416.00	2,851.77
Administrative Handling Cost Fund	1,339.63	4,029.96	2,939.00	2,430.59
Election Fund	6,749.35	3,060.41	-	9,809.76
Forest Services Title III Fund	27,632.65	19,633.34	27,632.65	19,633.34
Senior Citizens Service Board Fund	10,410.00	47,415.00	49,809.00	8,016.00
Election HAVA Fund	9,902.62	2,825.16	1,714.94	11,012.84
Sheriff's Revolving Fund	10,204.83	3,763.86	400.00	13,568.69
Sheriff Civil Fund	1,713.31	7,064.19	7,286.99	1,490.51
Inmate Security Fund	27,069.92	15,800.28	10,618.83	32,251.37
Deputy Sheriff Salary Supplementation Fund	(4,096.32)	31,871.79	28,909.72	(1,134.25)
Senate Bill 40 Board Fund	152,553.68	97,045.80	90,100.00	159,499.48
Law Enforcement Sales Tax Trust Fund	75,292.13	447,373.65	446,049.50	76,616.28
TCM Developmental Board Fund	244,933.20	397,829.25	309,985.34	332,777.11
911 Service Fund	-	2,535.32	-	2,535.32
TOTAL	\$ 3,576,536.78	\$ 3,841,713.27	\$ 3,258,760.93	\$ 4,159,489.12

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 1,938,531.76	\$ 1,568,675.83	\$ 1,184,582.03	\$ 2,322,625.56
Special Road and Bridge Fund	472,652.77	861,697.44	709,124.18	625,226.03
Assessment Fund	-	158,837.31	158,837.31	-
Prosecuting Attorney Training Fund	2,418.74	231.90	-	2,650.64
Sheriff Legal Education Fund	5,069.66	1,309.51	750.00	5,629.17
Federal Law Enforcement Fund	289.10	5.48	-	294.58
River and Forest Patrol Fund	566.40	2,001.57	2,567.97	-
Prosecuting Attorney Special Fund	4,232.44	80.24	-	4,312.68
Tax Maintenance Fund	35,767.84	14,095.92	9,189.07	40,674.69
Recorder User Fee Fund	8,764.35	5,924.75	5,690.34	8,998.76
Operation Cash Crop Fund	27.97	3,000.00	3,027.97	-
Law Enforcement Donation Fund	1,883.48	536.19	-	2,419.67
Administrative Handling Cost Fund	811.80	2,822.79	2,294.96	1,339.63
Election Fund	6,009.15	740.20	-	6,749.35
Forest Services Title III Fund	6,076.87	21,555.78	-	27,632.65
Senior Citizens Service Board Fund	10,635.00	53,587.00	53,812.00	10,410.00
Election HAVA Fund	7,696.99	2,205.63	-	9,902.62
Sheriff's Revolving Fund	8,683.47	1,636.36	115.00	10,204.83
Sheriff Civil Fund	9,489.97	5,400.56	13,177.22	1,713.31
Inmate Security Fund	17,202.04	16,987.84	7,119.96	27,069.92
Deputy Sheriff Salary Supplementation Fund	(3,112.13)	27,521.12	28,505.31	(4,096.32)
Senate Bill 40 Board Fund	55,435.63	177,218.05	80,100.00	152,553.68
Law Enforcement Sales Tax Trust Fund	67,724.27	435,559.82	427,991.96	75,292.13
TCM Developmental Board Fund	203,641.24	418,065.04	376,773.08	244,933.20
TOTAL	<u>\$ 2,860,498.81</u>	<u>\$ 3,779,696.33</u>	<u>\$ 3,063,658.36</u>	<u>\$ 3,576,536.78</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 118,500.00	\$ 129,749.70	\$ 114,500.00	\$ 135,454.49
Sales Taxes	890,000.00	950,008.17	890,000.00	926,940.03
Intergovernmental	178,160.00	247,720.41	202,995.00	315,871.57
Charges for Services	122,480.00	125,522.89	122,401.00	131,919.87
Interest	20,000.00	56,942.47	15,000.00	36,711.13
Other	10,462.37	14,718.55	10,191.60	11,473.18
Transfers In	-	-	-	10,305.56
TOTAL RECEIPTS	1,339,602.37	1,524,662.19	1,355,087.60	1,568,675.83
DISBURSEMENTS				
County Commission	81,660.00	81,074.00	81,850.00	80,158.00
County Clerk	101,140.26	99,692.65	97,163.26	92,846.23
Elections	32,551.00	21,973.74	64,185.00	47,153.45
Buildings and Grounds	61,687.00	59,445.76	60,337.00	62,584.64
Employee Fringe Benefits	178,948.60	168,190.24	172,995.00	175,425.25
County Treasurer	43,700.00	41,069.99	44,457.00	42,077.42
Collector	84,513.00	83,544.08	81,753.00	79,483.07
Recorder of Deeds	68,202.63	67,262.63	68,309.63	66,627.45
Circuit Clerk	38,969.00	15,467.74	40,819.00	21,959.43
Court Administration	2,310.00	1,281.07	2,607.00	1,293.83
Public Administrator	58,000.00	54,088.84	57,518.00	52,240.43
Jail	66,544.56	90,926.00	67,344.56	66,638.73
Prosecuting Attorney	103,940.63	96,243.86	107,097.18	104,954.11
Juvenile Officer	73,283.27	63,483.48	68,543.25	62,449.89
Coroner	14,500.00	12,215.57	14,500.00	12,264.84
Other	678,143.60	162,095.61	334,704.03	168,494.11
Health and Welfare	500.00	-	500.00	-
Transfers Out	56,418.07	49,810.28	53,647.65	47,931.15
Emergency Fund	42,000.00	-	42,000.00	-
TOTAL DISBURSEMENTS	1,787,011.62	1,167,865.54	1,460,330.56	1,184,582.03
RECEIPTS OVER (UNDER) DISBURSEMENTS	(447,409.25)	356,796.65	(105,242.96)	384,093.80
CASH AND INVESTMENT BALANCES, JANUARY 1	2,322,625.56	2,322,625.56	1,938,531.76	1,938,531.76
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1,875,216.31	\$ 2,679,422.21	\$ 1,833,288.80	\$ 2,322,625.56

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SPECIAL ROAD AND BRIDGE FUND				
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 156,100.00	\$ 170,773.05	\$ 155,700.00	\$ 169,968.24
Sales Taxes	-	-	-	-
Intergovernmental	593,071.00	672,326.25	582,580.00	680,064.11
Charges for Services	-	-	-	-
Interest	4,000.00	16,746.75	4,000.00	10,082.99
Other	150,100.01	194,368.23	150,300.01	1,582.10
Transfers In	-	-	-	-
TOTAL RECEIPTS	903,271.01	1,054,214.28	892,580.01	861,697.44
DISBURSEMENTS				
Salaries	315,354.63	315,354.72	287,241.79	291,857.75
Employee Fringe Benefits	123,509.52	122,491.32	114,060.00	112,447.91
Supplies	153,600.00	126,032.50	132,000.00	128,397.50
Insurance	19,282.40	19,410.40	18,500.00	17,518.80
Road and Bridge Materials	95,750.00	68,900.95	95,000.00	32,396.08
Equipment Repairs	30,000.00	43,064.36	33,000.00	21,324.74
Equipment Purchases	200,000.00	137,540.00	200,000.00	-
Rentals	4,500.00	2,890.09	2,689.01	3,589.01
Road and Bridge Construction	91,000.00	90,343.11	86,000.00	96,609.77
Services and Other	9,906.00	6,502.07	25,520.00	4,982.62
TOTAL DISBURSEMENTS	1,042,902.55	932,529.52	994,010.80	709,124.18
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(139,631.54)	121,684.76	(101,430.79)	152,573.26
CASH AND INVESTMENT				
BALANCES, JANUARY 1	625,226.03	625,226.03	472,652.77	472,652.77
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 485,594.49	\$ 746,910.79	\$ 371,221.98	\$ 625,226.03

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

ASSESSMENT FUND				
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ 105,988.66	\$ 103,695.13	\$ 105,155.61	\$ 108,441.17
Charges for Services	-	2,760.00	-	2,085.00
Interest	90.00	264.42	90.00	148.23
Other	2,050.00	58.07	1,550.00	231.76
Transfers In	56,418.07	49,810.28	53,647.65	47,931.15
TOTAL RECEIPTS	164,546.73	156,587.90	160,443.26	158,837.31
DISBURSEMENTS				
Salaries	91,705.51	93,732.66	88,705.26	86,876.93
Employee Fringe Benefits	8,423.46	8,170.98	8,840.00	8,319.05
Office	8,313.08	7,132.39	10,432.00	7,292.97
Equipment	1,500.00	-	2,000.00	497.00
Mileage and Training	2,500.00	2,674.99	2,500.00	2,250.28
Insurance	21,820.68	14,620.68	22,041.00	20,503.57
Computer Program	13,175.00	13,173.43	14,125.00	13,121.41
GIS Website	4,000.00	1,350.00	6,500.00	5,400.00
GIS Charges	9,600.00	13,597.70	1,000.00	1,930.40
Services and Other	3,509.00	2,135.07	4,300.00	2,340.14
Transfers Out	-	-	-	10,305.56
TOTAL DISBURSEMENTS	164,546.73	156,587.90	160,443.26	158,837.31
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY TRAINING FUND				SHERIFF LEGAL EDUCATION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	200.00	208.18	250.00	184.42	1,000.00	408.00	1,000.00	705.50
Interest	5.00	36.62	20.00	47.48	30.00	133.71	30.00	104.01
Other	-	16.44	-	-	500.00	500.00	500.00	500.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	205.00	261.24	270.00	231.90	1,530.00	1,041.71	1,530.00	1,309.51
DISBURSEMENTS								
Training and Mileage	1,150.00	971.60	500.00	-	1,000.00	-	2,000.00	-
Services and Other	1,500.00	1,496.74	250.00	-	950.00	750.00	700.00	750.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,650.00	2,468.34	750.00	-	1,950.00	750.00	2,700.00	750.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,445.00)	(2,207.10)	(480.00)	231.90	(420.00)	291.71	(1,170.00)	559.51
CASH AND INVESTMENT BALANCES, JANUARY 1	2,650.64	2,650.64	2,418.74	2,418.74	5,629.17	5,629.17	5,069.66	5,069.66
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 205.64	\$ 443.54	\$ 1,938.74	\$ 2,650.64	\$ 5,209.17	\$ 5,920.88	\$ 3,899.66	\$ 5,629.17

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	FEDERAL LAW ENFORCEMENT FUND				RIVER AND FOREST PATROL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00	\$ 1,937.47	\$ 6,000.00	\$ 2,001.57
Charges for Services	-	-	-	-	-	-	-	-
Interest	3.00	6.75	3.00	5.48	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3.00	6.75	3.00	5.48	6,000.00	1,937.47	6,000.00	2,001.57
DISBURSEMENTS								
Salaries	-	-	-	-	4,148.00	653.75	4,148.00	1,490.00
Employee Fringe Benefits	-	-	-	-	352.00	51.08	352.00	119.37
Mileage	-	-	-	-	1,500.00	-	1,500.00	-
Services and Other	200.00	-	200.00	-	-	1,232.64	-	958.60
Transfers Out	-	-	-	-	-	-	566.40	-
TOTAL DISBURSEMENTS	200.00	-	200.00	-	6,000.00	1,937.47	6,566.40	2,567.97
RECEIPTS OVER (UNDER) DISBURSEMENTS	(197.00)	6.75	(197.00)	5.48	-	-	(566.40)	(566.40)
CASH AND INVESTMENT BALANCES, JANUARY 1	294.58	294.58	289.10	289.10	-	-	566.40	566.40
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 97.58	\$ 301.33	\$ 92.10	\$ 294.58	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY SPECIAL FUND				TAX MAINTENANCE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	13,100.00	12,612.79	11,800.00	13,369.44
Interest	5.00	77.25	20.00	80.24	500.00	973.03	300.00	726.48
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5.00	77.25	20.00	80.24	13,600.00	13,585.82	12,100.00	14,095.92
DISBURSEMENTS								
Equipment	3,000.00	1,840.90	3,000.00	-	2,500.00	1,481.41	2,500.00	1,450.91
Computer Software	-	-	-	-	7,000.00	5,257.50	7,200.00	5,547.50
Office	-	-	-	-	275.00	-	830.00	400.08
Training and Mileage	-	-	-	-	1,250.00	970.32	1,250.00	1,012.90
Professional Fees	-	-	-	-	250.00	175.00	300.00	175.00
Services and Other	1,300.00	990.99	1,000.00	-	2,315.00	985.02	3,635.00	602.68
TOTAL DISBURSEMENTS	4,300.00	2,831.89	4,000.00	-	13,590.00	8,869.25	15,715.00	9,189.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,295.00)	(2,754.64)	(3,980.00)	80.24	10.00	4,716.57	(3,615.00)	4,906.85
CASH AND INVESTMENT BALANCES, JANUARY 1	4,312.68	4,312.68	4,232.44	4,232.44	40,674.69	40,674.69	35,767.84	35,767.84
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 17.68	\$ 1,558.04	\$ 252.44	\$ 4,312.68	\$ 40,684.69	\$ 45,391.26	\$ 32,152.84	\$ 40,674.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	RECORDER USER FEE FUND				OPERATION CASH CROP FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	\$ -	\$ 3,000.00	\$ 3,000.00
Charges For Services	5,600.00	6,034.50	5,600.00	5,752.00	-	-	-	-
Interest	100.00	208.05	60.00	172.75	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,700.00	6,242.55	5,660.00	5,924.75	3,000.00	-	3,000.00	3,000.00
DISBURSEMENTS								
Salaries	1,264.20	1,264.20	1,884.00	1,467.96	1,843.00	-	2,000.00	-
Employee Fringe Benefits	115.00	105.81	158.80	115.75	157.00	-	-	-
Supplies and Equipment	4,000.00	4,000.00	4,000.00	2,728.75	1,000.00	-	500.00	-
Services and Other	2,300.00	1,689.04	2,800.00	1,377.88	-	-	500.00	3,027.97
Transfers Out	-	-	-	-	-	-	27.97	-
TOTAL DISBURSEMENTS	7,679.20	7,059.05	8,842.80	5,690.34	3,000.00	-	3,027.97	3,027.97
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,979.20)	(816.50)	(3,182.80)	234.41	-	-	(27.97)	(27.97)
CASH AND INVESTMENT BALANCES, JANUARY 1	8,998.76	8,998.76	8,764.35	8,764.35	-	-	27.97	27.97
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 7,019.56	\$ 8,182.26	\$ 5,581.55	\$ 8,998.76	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT DONATION FUND				ADMINISTRATIVE HANDLING COST FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	2,500.00	3,999.04	3,850.00	2,779.71
Interest	35.00	53.10	15.00	36.19	20.00	30.92	20.00	43.08
Other	2,800.00	2,795.00	2,800.00	500.00	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,835.00	2,848.10	2,815.00	536.19	2,520.00	4,029.96	3,870.00	2,822.79
DISBURSEMENTS								
Salaries	-	-	-	-	2,322.00	2,313.00	1,946.08	1,946.08
Employee Fringe Benefits	-	-	-	-	185.00	181.00	763.25	148.88
Supplies	-	-	-	-	-	-	-	-
Training and Mileage	2,800.00	2,416.00	3,000.00	-	-	-	-	-
Services and Other	-	-	-	-	420.00	445.00	400.00	200.00
TOTAL DISBURSEMENTS	2,800.00	2,416.00	3,000.00	-	2,927.00	2,939.00	3,109.33	2,294.96
RECEIPTS OVER (UNDER) DISBURSEMENTS	35.00	432.10	(185.00)	536.19	(407.00)	1,090.96	760.67	527.83
CASH AND INVESTMENT BALANCES, JANUARY 1	2,419.67	2,419.67	1,883.48	1,883.48	1,339.63	1,339.63	811.80	811.80
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,454.67	\$ 2,851.77	\$ 1,698.48	\$ 2,419.67	\$ 932.63	\$ 2,430.59	\$ 1,572.47	\$ 1,339.63

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ELECTION FUND				FOREST SERVICES TITLE III FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	\$ 18,952.29	\$ 10,000.00	\$ 21,196.35
Charges For Services	-	-	-	-	-	-	-	-
Interest	120.00	182.63	55.00	120.40	50.00	681.05	50.00	359.43
Other	600.00	2,877.78	2,600.00	619.80	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	720.00	3,060.41	2,655.00	740.20	10,050.00	19,633.34	10,050.00	21,555.78
DISBURSEMENTS								
Elections	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	27,632.65	27,632.65	-	-
Salaries	-	-	-	-	-	-	5,000.00	-
Employee Fringe Benefits	-	-	-	-	-	-	382.50	-
Services and Other	5,000.00	-	6,000.00	-	-	-	-	-
TOTAL DISBURSEMENTS	5,000.00	-	6,000.00	-	27,632.65	27,632.65	5,382.50	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,280.00)	3,060.41	(3,345.00)	740.20	(17,582.65)	(7,999.31)	4,667.50	21,555.78
CASH AND INVESTMENT BALANCES, JANUARY 1	6,749.35	6,749.35	6,009.15	6,009.15	27,632.65	27,632.65	6,076.87	6,076.87
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 2,469.35</u>	<u>\$ 9,809.76</u>	<u>\$ 2,664.15</u>	<u>\$ 6,749.35</u>	<u>\$ 10,050.00</u>	<u>\$ 19,633.34</u>	<u>\$ 10,744.37</u>	<u>\$ 27,632.65</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SENIOR CITIZENS SERVICE BOARD FUND				ELECTION HAVA FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 49,034.00	\$ 47,415.00	\$ 47,794.00	\$ 49,024.00	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	4,563.00	4,563.00	-	-	-	-
Charges For Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	170.00	233.16	65.00	167.83
Other	-	-	-	-	2,200.00	2,592.00	4,700.00	2,037.80
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	49,034.00	47,415.00	52,357.00	53,587.00	2,370.00	2,825.16	4,765.00	2,205.63
DISBURSEMENTS								
Senior Services	59,150.00	49,560.00	60,563.00	53,563.00	-	-	-	-
Election Expenses	-	-	-	-	7,000.00	1,714.94	7,000.00	-
Office Expenses	250.00	249.00	250.00	249.00	-	-	-	-
TOTAL DISBURSEMENTS	59,400.00	49,809.00	60,813.00	53,812.00	7,000.00	1,714.94	7,000.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,366.00)	(2,394.00)	(8,456.00)	(225.00)	(4,630.00)	1,110.22	(2,235.00)	2,205.63
CASH AND INVESTMENT BALANCES, JANUARY 1	10,410.00	10,410.00	10,635.00	10,635.00	9,902.62	9,902.62	7,696.99	7,696.99
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 44.00	\$ 8,016.00	\$ 2,179.00	\$ 10,410.00	\$ 5,272.62	\$ 11,012.84	\$ 5,461.99	\$ 9,902.62

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFFS REVOLVING FUND				SHERIFF CIVIL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	28.97	3,536.18	2,989.47	3,536.18	974.10
Charges For Services	2,000.00	3,504.50	2,000.00	1,435.00	5,000.00	4,015.54	5,000.00	4,204.90
Interest	147.00	259.36	147.00	172.39	100.00	39.62	50.00	121.61
Other	-	-	-	-	-	19.56	-	99.95
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,147.00	3,763.86	2,147.00	1,636.36	8,636.18	7,064.19	8,586.18	5,400.56
DISBURSEMENTS								
Supplies	2,000.00	255.00	6,000.00	115.00	-	-	-	-
Mileage and Training	1,000.00	-	1,000.00	-	-	-	6,000.00	-
Equipment	-	-	-	-	6,500.00	2,206.67	11,600.00	10,159.00
Services and Other	4,200.00	145.00	200.00	-	3,500.00	5,080.32	-	3,018.22
TOTAL DISBURSEMENTS	7,200.00	400.00	7,200.00	115.00	10,000.00	7,286.99	17,600.00	13,177.22
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,053.00)	3,363.86	(5,053.00)	1,521.36	(1,363.82)	(222.80)	(9,013.82)	(7,776.66)
CASH AND INVESTMENT BALANCES, JANUARY 1	10,204.83	10,204.83	8,683.47	8,683.47	1,713.31	1,713.31	9,489.97	9,489.97
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5,151.83	\$ 13,568.69	\$ 3,630.47	\$ 10,204.83	\$ 349.49	\$ 1,490.51	\$ 476.15	\$ 1,713.31

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	INMATE SECURITY FUND				DEPUTY SHERIFF SALARY SUPPLEMENTATION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500.00	953.70	2,500.00	1,744.71	32,850.91	31,871.79	32,325.87	27,521.12
Charges For Services	10,500.00	14,156.97	10,000.00	14,821.26	-	-	-	-
Interest	400.00	689.61	145.00	421.87	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	13,400.00	15,800.28	12,645.00	16,987.84	32,850.91	31,871.79	32,325.87	27,521.12
DISBURSEMENTS								
Salaries	-	-	-	-	30,023.08	26,855.26	25,523.08	26,479.87
Employee Fringe Benefits	-	-	-	-	2,310.00	2,054.46	1,954.00	2,025.44
Jail Supplies	3,000.00	312.64	5,000.00	835.65	-	-	-	-
Training and Mileage	2,000.00	-	2,000.00	250.00	-	-	-	-
Services and Other	15,000.00	10,306.19	10,000.00	6,034.31	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	20,000.00	10,618.83	17,000.00	7,119.96	32,333.08	28,909.72	27,477.08	28,505.31
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(6,600.00)	5,181.45	(4,355.00)	9,867.88	517.83	2,962.07	4,848.79	(984.19)
CASH AND INVESTMENT								
BALANCES, JANUARY 1	27,069.92	27,069.92	17,202.04	17,202.04	(4,096.32)	(4,096.32)	(3,112.13)	(3,112.13)
CASH AND INVESTMENT								
BALANCES, DECEMBER 31	<u>\$ 20,469.92</u>	<u>\$ 32,251.37</u>	<u>\$ 12,847.04</u>	<u>\$ 27,069.92</u>	<u>\$ (3,578.49)</u>	<u>\$ (1,134.25)</u>	<u>\$ 1,736.66</u>	<u>\$ (4,096.32)</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SENATE BILL 40 BOARD FUND				LAW ENFORCEMENT SALES TAX TRUST FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 92,000.00	\$ 94,827.30	\$ 90,000.00	\$ 116,224.87	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	410,000.00	429,616.51	410,000.00	418,228.17
Intergovernmental	-	-	-	-	5,850.00	3,891.66	6,500.00	5,347.99
Charges For Services	-	-	-	-	5,500.00	6,273.52	5,700.00	4,943.03
Interest	-	2,218.50	350.00	993.18	500.00	2,559.28	500.00	1,054.02
Other	-	-	-	60,000.00	5,050.04	5,032.68	5,050.04	5,986.61
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	92,000.00	97,045.80	90,350.00	177,218.05	426,900.04	447,373.65	427,750.04	435,559.82
DISBURSEMENTS								
Salaries	-	-	-	-	269,725.91	253,986.82	266,225.99	258,690.41
Employee Fringe Benefits	-	-	-	-	96,068.67	82,721.40	90,889.00	83,486.26
Services	-	-	-	-	6,311.64	5,292.87	6,378.20	5,548.35
Vehicle Maintenance	-	-	-	-	54,954.00	67,775.65	56,400.00	56,523.23
Office	-	-	-	-	8,400.00	8,980.81	8,600.00	6,862.13
Training	-	-	-	-	3,000.00	1,664.51	3,000.00	1,942.22
Equipment	-	-	-	-	7,500.00	6,353.78	3,000.00	189.99
Prisoner Transport	-	-	-	-	10,000.00	10,447.80	10,000.00	5,851.18
Supplies	-	-	-	-	12,400.00	8,825.86	14,200.00	8,898.19
Bond Insurance	100.00	100.00	100.00	100.00	-	-	-	-
Transfer Workshop	90,000.00	90,000.00	80,000.00	80,000.00	-	-	-	-
TOTAL DISBURSEMENTS	90,100.00	90,100.00	80,100.00	80,100.00	468,360.22	446,049.50	458,693.19	427,991.96
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,900.00	6,945.80	10,250.00	97,118.05	(41,460.18)	1,324.15	(30,943.15)	7,567.86
CASH AND INVESTMENT BALANCES, JANUARY 1	152,553.68	152,553.68	55,435.63	55,435.63	75,292.13	75,292.13	67,724.27	67,724.27
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 154,453.68</u>	<u>\$ 159,499.48</u>	<u>\$ 65,685.63</u>	<u>\$ 152,553.68</u>	<u>\$ 33,831.95</u>	<u>\$ 76,616.28</u>	<u>\$ 36,781.12</u>	<u>\$ 75,292.13</u>

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THE COUNTY OF OREGON
ALTON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH AND INVESTMENT BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	TCM DEVELOPMENTAL BOARD FUND				911 SERVICE FUND	
	2019		2018		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges For Services	-	-	-	-	-	-
Interest	367.15	3,064.53	-	485.20	-	-
Other	410,000.00	394,764.72	90,000.00	417,579.84	-	2,535.32
Transfers In	-	-	-	-	-	-
TOTAL RECEIPTS	410,367.15	397,829.25	90,000.00	418,065.04	-	2,535.32
DISBURSEMENTS						
Salaries	-	-	62,500.00	-	-	-
Bond Insurance	-	-	100.00	-	-	-
Transfer Workshop	-	-	17,500.00	60,000.00	-	-
TCM Expense	475,455.00	309,985.34	-	316,773.08	-	-
TOTAL DISBURSEMENTS	475,455.00	309,985.34	80,100.00	376,773.08	-	-
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	(65,087.85)	87,843.91	9,900.00	41,291.96	-	2,535.32
CASH AND INVESTMENT						
BALANCES, JANUARY 1	244,933.20	244,933.20	203,641.24	203,641.24	-	-
CASH AND INVESTMENT						
BALANCES, DECEMBER 31	<u>\$ 179,845.35</u>	<u>\$ 332,777.11</u>	<u>\$ 213,541.24</u>	<u>\$ 244,933.20</u>	<u>\$ -</u>	<u>\$ 2,535.32</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	<u>Children's Trust Fund</u>	<u>Overplus Land Sales Fund</u>	<u>Permanent School Fund</u>	<u>Collector</u>	<u>Sheriff</u>	<u>Recorder</u>
ASSETS						
Cash and Cash Equivalents	\$ 315.69	\$ 13,499.43	\$ 20,195.62	\$ 3,402,706.98	\$ 5,494.04	\$ 3,948.00
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	315.69	13,499.43	20,195.62	3,402,706.98	5,494.04	3,948.00
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	315.69	13,499.43	20,195.62	3,402,706.98	5,494.04	3,948.00
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 315.69</u>	<u>\$ 13,499.43</u>	<u>\$ 20,195.62</u>	<u>\$ 3,402,706.98</u>	<u>\$ 5,494.04</u>	<u>\$ 3,948.00</u>

	<u>Prosecuting Attorney</u>	<u>Law Enforcement Restitution</u>	<u>Unclaimed Fees</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 125.00	\$ 4,104.25	\$ 34.71	\$ 3,450,423.72
Investments				
Other Investments	-	-	-	-
Total Investments	-	-	-	-
Total Assets	125.00	4,104.25	34.71	3,450,423.72
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	125.00	4,104.25	34.71	3,450,423.72
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 125.00</u>	<u>\$ 4,104.25</u>	<u>\$ 34.71</u>	<u>\$ 3,450,423.72</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	<u>Children's Trust Fund</u>	<u>Overplus Land Sales Fund</u>	<u>Permanent School Fund</u>	<u>Collector</u>	<u>Sheriff</u>
ASSETS					
Cash and Cash Equivalents	\$ 298.75	\$ 11,632.09	\$ 18,176.95	\$ 3,173,985.16	\$ 3,877.53
Investments					
Other Investments	-	-	-	-	-
Total Investments	-	-	-	-	-
Total Assets	298.75	11,632.09	18,176.95	3,173,985.16	3,877.53
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	298.75	11,632.09	18,176.95	3,173,985.16	3,877.53
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 298.75</u>	<u>\$ 11,632.09</u>	<u>\$ 18,176.95</u>	<u>\$ 3,173,985.16</u>	<u>\$ 3,877.53</u>
	<u>Unclaimed Fees</u>	<u>Total Agency Funds</u>			
ASSETS					
Cash and Cash Equivalents	\$ 271.64	\$ 3,208,242.12			
Investments					
Other Investments	-	-			
Total Investments	-	-			
Total Assets	271.64	3,208,242.12			
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	271.64	3,208,242.12			
UNRESERVED FUND BALANCES	-	-			
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 271.64</u>	<u>\$ 3,208,242.12</u>			

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Oregon, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 11 elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, County Surveyor, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of the County of Oregon, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 71,405,643	\$ 70,604,523
Personal Property	26,811,273	26,302,436
Railroad and Utilities	<u>8,388,336</u>	<u>8,542,373</u>
	<u>\$ 106,605,252</u>	<u>\$ 105,449,332</u>

During 2019 and 2018, the County Commission approved a \$0.5094 and \$0.5193 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year, for purposes of County taxation, as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.1062	\$ 0.1171
Special Road and Bridge Fund	0.2637	0.2627
Senior Citizens Service Board Fund	0.0465	0.0465
Senate Bill 40 Board Fund	<u>0.0930</u>	<u>0.0930</u>
	<u>\$ 0.5094</u>	<u>\$ 0.5193</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amount of the County's deposits and investments were \$4,159,489.12 and \$3,576,536.78, and the bank balance was \$7,164,434.32 and \$6,317,151.47, respectively. The total bank balances as of December 31, 2019, and 2018 were not fully insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits and investments shown above are included in the financial statements at December 31, 2019, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u> <u>and Investment Balances – Governmental Funds</u>	
Deposits	\$ 3,356,970.62
Investments	802,518.50
Total Governmental Funds	\$ 4,159,489.12
<u>Statement of Assets and Liabilities Arising from Cash</u> <u>Transactions – Agency Funds:</u>	
Deposits	\$ 3,450,423.72
Investments	-
Total Agency Funds	3,450,423.72
Total Deposits and Investments as of December 31, 2019	\$ 7,609,912.84

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits and investments at December 31, 2018, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u> <u>and Investment Balances – Governmental Funds</u>	
Deposits	\$ 2,876,536.78
Investments	700,000.00
Total Governmental Funds	\$ 3,576,536.78
<u>Statement of Assets and Liabilities Arising from Cash</u> <u>Transactions – Agency Funds:</u>	
Deposits	\$ 3,208,242.12
Investments	-
Total Agency Funds	3,208,242.12
Total Deposits and Investments as of December 31, 2018	\$ 6,784,778.90

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2019, and 2018.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2019, and 2018.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG TERM DEBT

CAPITAL LEASES:

On May 14, 2019, the Sheriff's office entered into a lease agreement with Great America Financial Services Corporation for a Sharp MX-M2630 Copier System. The lease payments are \$183.50 per month for 60 months. The lease expires in May of 2024.

<u>December 31,</u>	<u>Amount</u>
2020	\$ 2,202.00
2021	2,202.00
2022	2,202.00
2023	2,202.00
2024	917.50
	<u>\$ 9,725.50</u>

OPERATING LEASES:

On January 23, 2014, the County Clerk's office entered into an operating lease agreement with Xerox for a 5330 copier. The lease payments are \$96.51 per month for 60 months. The lease expired in January of 2019.

On March 28, 2019, the County Clerk's office entered into an operating lease agreement with Xerox for a B7030S copier. The lease payments are \$150.40 per month for 60 months. The lease expires in March of 2024.

On February 8, 2016, the County Collector's office entered into an operating lease agreement with Xerox for a 5030 copier. The lease payments are \$87.36 per month for 60 months. The lease expires in February of 2021.

On January 11, 2016, the Prosecuting Attorney's office entered into an operating lease agreement with Xerox for a 5325 copier. The lease payments are \$98.33 per month for 60 months. The lease expires in January of 2021.

On May 30, 2014, the Sheriff's office entered into an operating lease agreement with Xerox for a 5325 copier. The lease payments are \$156.03 per month for 60 months. The lease expired in May of 2019.

On April 18, 2014, the Recorder's office entered into an operating lease agreement with Xerox for a 5325 copier. The lease payments are \$99.00 per month for 60 months. The lease expired in April of 2019.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG TERM DEBT (concluded)

Operating Leases (concluded)

On April 5, 2019, the Recorder's office entered into an operating lease agreement with Xerox for a Xerox B7025S copier. The lease payments are \$116.64 per month for 60 months. The lease expires in April of 2024.

2018 Future Minimum Payments for Operating Leases:

<u>December 31,</u>	<u>Amount</u>
2019	\$ 3,500.94
2020	2,228.28
2021	273.05
	<u>\$ 6,002.27</u>

2019 Future Minimum Payments for Operating Leases:

<u>December 31,</u>	<u>Amount</u>
2020	\$ 5,432.76
2021	3,477.53
2022	3,204.48
2023	3,204.48
2024	917.76
	<u>\$ 16,237.01</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019, and 2018 are as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ -	\$ 49,810.28	\$ 10,305.56	\$ 47,931.15
Assessment Fund	49,810.28	-	47,931.15	10,305.56
TOTAL	<u>\$ 49,810.28</u>	<u>\$ 49,810.28</u>	<u>\$ 58,236.71</u>	<u>\$ 58,236.71</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the county) are refunded to the employee.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (Concluded)

B. Contributions (concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2019, and 2018 were \$57,187.65 and \$53,191.20, respectively.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2019, and 2018.

VII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2019, and December 31, 2018.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to 15 days of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation and overtime, if applicable. Sick time is paid for at the rate of 50% for any unused sick pay up to 240 hours. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. SUBSEQUENT EVENTS

There are no subsequent events to report as of the date of the audit report.

XI. PRIOR PERIOD ADJUSTMENT

The audit report beginning balance for the TCM Developmental Board Fund has been restated by increasing this amount by \$203,641.24 for 2018 resulting in a restated beginning balance of \$203,641.24.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF OREGON
ALTON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the actual expenses exceed those budgeted in the Administrative Handling Cost Fund.
- B. For the year ended December 31, 2018, the actual expenses exceed those budgeted in the Deputy Sheriff Salary Supplementation Fund and the TCM Developmental Board Fund.
- C. For the years ended December 31, 2019, and 2018, the Deputy Sheriff Salary Supplementation Fund had deficit balances of (\$1,134.25) and (\$4,096.32), respectively.
- D. For the year ended December 31, 2019, the Deputy Sheriff Salary Supplementation Fund was deficit budgeted in the amount of (\$3,578.49.)

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Oregon, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Oregon ("County"), Missouri as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2019-001, 2019-002, 2019-003]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 9, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To The County Commission
The County of Oregon, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Oregon's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2019, and 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2019, and 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2019-004 and 2019-005. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

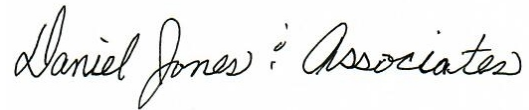
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-004 and 2019-005, that we consider to be significant deficiencies.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 9, 2020

THE COUNTY OF OREGON
ALTON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	12/31/19 PROVIDED TO SUB-RECIPIENTS	12/31/19 FEDERAL EXPENDITURES	12/31/18 PROVIDED TO SUB-RECIPIENTS	12/31/18 FEDERAL EXPENDITURES	TOTAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE							
Office of Administration:							
Schools and Roads - Grants to States	10.665	N/A	\$ 172,601.21	\$ 249,087.23	\$ 193,038.19	\$ 278,580.60	\$ 527,667.83
<i>Total U.S. Department of Agriculture</i>			172,601.21	249,087.23	193,038.19	278,580.60	527,667.83
U.S. DEPARTMENT OF INTERIOR							
DIRECT PROGRAM							
PILT - Payment in Lieu of Taxes	15.226	N/A	-	172,646.00	-	234,532.00	407,178.00
Office of Administration:							
National Forest Acquired Lands	15.438	N/A	112,703.04	150,270.72	120,580.64	160,774.18	311,044.90
<i>Total U.S. Department of Interior</i>			112,703.04	322,916.72	120,580.64	395,306.18	718,222.90
U.S. DEPARTMENT OF JUSTICE							
Missouri Department of Public Safety:							
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-LLEBG-062	-	-	-	5,330.00	5,330.00
DIRECT PROGRAM							
Bulletproof Vest Partnership Program	16.607		-	-	-	2,236.18	2,236.18
<i>Total U.S. Department of Justice</i>			-	-	-	7,566.18	7,566.18
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Missouri Department of Health and Senior Services							
Child Support Enforcement Grant	93.563		-	242.81	-	333.02	575.83
<i>Total U.S. Department of Health and Human Services</i>			-	242.81	-	333.02	575.83
U.S. DEPARTMENT OF HOMELAND SECURITY							
State Emergency Management Agency:							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4317-DR-MO	-	-	-	141,723.17	141,723.17
<i>Total U.S. Department of Homeland Security</i>			-	-	-	141,723.17	141,723.17
<i>Total Expenditures of Federal Awards</i>			\$ 285,304.25	\$ 572,246.76	\$ 313,618.82	\$ 823,509.15	\$ 1,395,755.91

The notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF OREGON
ALTON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Oregon under programs of the federal government for the years ended December 31, 2019 and 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the County of Oregon, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Oregon.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County has elected to not use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Sub-Recipient</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-Recipient</u>
Schools and Roads - Grants to States	Alton R-IV School District	10.665	2019 \$ 156,540.22
			2018 175,075.49
			2019 15,721.03
Schools and Roads - Grants to States	Winona R-III School District	10.665	2018 17,582.49
			2019 339.95
			2018 380.20
Schools and Roads - Grants to States	Couch R-I	10.665	2019 102,215.74
			2018 109,360.30
			2019 10,265.33
National Forest Acquired Land	Winona R-III School District	15.438	2018 10,982.84
			2019 221.99
			2018 237.49
National Forest Acquired Land	Couch R-I	15.438	<u>\$ 598,923.07</u>

THE COUNTY OF OREGON
ALTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
2018 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 ☒ Yes ☐ No
2018 ☒ Yes ☐ No

THE COUNTY OF OREGON
ALTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. FINANCIAL STATEMENT FINDINGS (continued)

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Identification: Repeat finding FS 2017-002.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of fraud risk management for each office. Many of the offices have practices of fraud risk management in place but not written policies; the County Clerk has a written policy. The County Clerk is Tracy Bridges, and her office phone number is (417)778-7475.

2019-003 Criteria: The County's deposits held by financial institutions must be fully collateralized through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our review of the County's bank accounts, it was noted that the County's deposits were under-collateralized for the years ended December 31, 2018 and December 31, 2019.

Context: The County's bank accounts were under-collateralized for the years ended December 31, 2018 and December 31, 2019.

Effect: There is a risk that the County's under-collateralized bank balances may not be returned to the County because the balances were not fully collateralized with coverage under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

THE COUNTY OF OREGON
ALTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. FINANCIAL STATEMENT FINDINGS (concluded)

Recommendation: The County Treasurer should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer will monitor this closer in the future and the bank is also aware of the issue. The Treasurer is Linda Parrot and her office number is 417-778-6303.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-004	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2019, 2018
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* require the auditee to document internal controls over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required internal control documentation over federal awards that meets the requirements set by Uniform Guidance.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required internal control documentation over federal awards.

Effect: No documentation of internal controls over federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Identification: Repeat finding SA 2017-001.

Recommendation: The County should implement procedures to ensure that the documentation of internal controls over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required documentation of internal controls for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (417) 778-7475.

THE COUNTY OF OREGON
ALTON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

2019-005	Federal Grantor:	U.S. Department of Agriculture
	Pass-Through Grantor:	Missouri Office of Administration
	Federal CFDA Number:	10.665
	Program Title:	Schools and Roads – Grants to States
	Award year	2019, 2018
	Type of Finding	Special Tests and Provisions – Significant Deficiency

Information on the federal program: The County must comply with various compliance requirements for each federal program.

Criteria: A participating county can use Title III county funds only after a 45-day public comment period, at the beginning of which the participating county must publish in any publications of local record a proposal that describes the proposed use of the county funds.

Condition: Through auditing procedures, we identified that the County did not publish in any publications of local record a proposal that describes the proposed use of the county Title III funds to meet the requirements set by Uniform Guidance.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County did not publish in any publications of local record a proposal that describes the proposed use of the county Title III funds to meet the requirements set by Uniform Guidance.

Effect: The County was not in compliance with the public notice and comment period requirements of the federal program.

Cause: The County was not aware of the publication requirement.

Recommendation: The County should implement procedures to ensure that the 45-day public comment period compliance requirement for this federal grant is met.

Views of responsible officials and planned corrective actions: The County Clerk is in the process of implementing procedures to ensure that the 45-day publication requirement for the proposed use of Title III funds is in compliance. The County Clerk is Tracy Bridges, and her office phone number is (417)778-7475.

THE COUNTY OF OREGON
ALTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2017-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared to the COSO framework standards for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared to COSO framework standards.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of internal controls for each office. Many of the offices have internal controls documents in place but not to the COSO framework. The County Clerk is Tracy Bridges, and her office phone number is (417)778-7475.

Status: This finding is repeated as 2019-001.

FS 2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF OREGON
ALTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of fraud risk management for each office. Many of the offices have practices of fraud risk management in place but not written policies; the County Clerk has a written policy. The County Clerk is Tracy Bridges, and her office phone number is (417)778-7475.

Status: This finding is repeated as 2019-002.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2017-001	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2017, 2016
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards that meets the requirements set by Uniform Guidance.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

THE COUNTY OF OREGON
ALTON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

Effect: No risk assessment over federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (417) 778-7475.

Status: This finding is repeated as 2019-004.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

July 9, 2020

To the County Commissioners
The County of Oregon, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Oregon (the "County") as of and for the years ended December 31, 2019, and 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in the County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. The responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared to the COSO framework standards for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared to COSO framework standards.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Identification: Repeat finding FS 2017-001.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of internal controls for each office. Many of the offices have internal controls documents in place but not to the COSO framework. The County Clerk is Tracy Bridges, and her office phone number is (417)778-7475.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2019-002 Identification: Repeat finding FS 2017-002.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of fraud risk management for each office. Many of the offices have practices of fraud risk management in place but not written policies; the County Clerk has a written policy. The County Clerk is Tracy Bridges, and her office phone number is (417)778-7475.

2019-003 Criteria: The County's deposits held by financial institutions must be fully collateralized through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our review of the County's bank accounts, it was noted that the County's deposits were under-collateralized for the years ended December 31, 2018 and December 31, 2019.

Context: The County's bank accounts were under-collateralized for the years ended December 31, 2018 and December 31, 2019.

Effect: There is a risk that the County's under-collateralized bank balances may not be returned to the County because the balances were not fully collateralized with coverage under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: The County Treasurer should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer will monitor this closer in the future and the bank is also aware of the issue. The Treasurer is Linda Parrot and her office number is 417-778-6303.

2019-004	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2019, 2018
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to document internal controls over federal awards.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2019-004 Condition: Through auditing procedures, we identified that the County has not prepared the required internal control documentation over federal awards that meets the requirements set by Uniform Guidance.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required internal control documentation over federal awards.

Effect: No documentation of internal controls over federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Identification: Repeat finding SA 2017-001.

Recommendation: The County should implement procedures to ensure that the documentation of internal controls over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Clerk's office is (417) 778-7475.

2019-005	Federal Grantor:	U.S. Department of Agriculture
	Pass-Through Grantor:	Missouri Office of Administration
	Federal CFDA Number:	10.665
	Program Title:	Schools and Roads – Grants to States
	Award year	2019, 2018
	Type of Finding	Special Tests and Provisions – Significant Deficiency

Information on the federal program: The County must comply with various compliance requirements for each federal program.

Criteria: A participating county can use Title III county funds only after a 45-day public comment period, at the beginning of which the participating county must publish in any publications of local record a proposal that describes the proposed use of the county funds.

Condition: Through auditing procedures, we identified that the County did not publish in any publications of local record a proposal that describes the proposed use of the county Title III funds to meet the requirements set by Uniform Guidance.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County did not publish in any publications of local record a proposal that describes the proposed use of the county Title III funds to meet the requirements set by Uniform Guidance.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

Effect: The County was not in compliance with the public notice and comment period requirements of the federal program.

Cause: The County was not aware of the publication requirement.

Recommendation: The County should implement procedures to ensure that the 45-day public comment period compliance requirement for this federal grant is met.

Views of responsible officials and planned corrective actions: The County Clerk is in the process of implementing procedures to ensure that the 45-day publication requirement for the proposed use of Title III funds is in compliance. The County Clerk is Tracy Bridges, and her office phone number is (417)778-7475.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards, Government Auditing Standards, and the Uniform Guidance

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 9, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff, which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

OREGON COUNTY
OREGON COUNTY COURTHOUSE
PO BOX 324
ALTON, MO 65606

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
12/31/2019 AND 12/31/2018

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2019-001	The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office.	12/31/2020	COUNTY COMMISSION
2019-002	The County will address fraud risk assessment and work on preparing in all of the offices.	12/31/2020	COUNTY COMMISSION
2019-003	The bank was made aware that this happened and said they would watch the collateral pledges more closely. Also, the Treasurer will watch them better.	12/31/2020	COUNTY COMMISSION
2019-004	The County is in the process of preparing the required documentation of internal controls over federal awards.	12/31/2020	COUNTY COMMISSION
2019-005	The County will work more closely with the grant administrators to ensure the SEFA is correctly prepared going forward.	12/31/2020	COUNTY COMMISSION



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of McDonald County, Missouri

The Office of the State Auditor contracted for an audit of McDonald County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-067



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of McDonald County

2019-001

Prosecuting Attorney Bank
Reconciliations

We recommend the Prosecuting Attorney's office implement a process to properly reconcile the balance per the bank to a recorded book balance to ensure that all activity in the bank is recorded in the system and vice versa. This balance should also be compared to a total balance of liabilities for amounts owed to individuals or entities on all cases being handled by the office.

Bid Documentation

We recommend that the county ensure that the reasoning for not performing competitive bidding for large purchases are documented in the Commission minutes or in other county files. We also recommend that if bids or quotes are obtained informally, such as over the phone or online, that records be maintained to prove that procedures were performed to ensure that the vendor selected was the most advantageous for the county.

ANNUAL FINANCIAL REPORT

McDONALD COUNTY, MISSOURI

For the Years Ended
December 31, 2019 and 2018

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

McDONALD COUNTY, MISSOURI

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
List of Elected Officials 2018-2019	i
FINANCIAL SECTION	
Independent Auditor's Report	ii
BASIC FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis	12
Notes to the Financial Statements	13
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21
Findings and Recommendations	23
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25

INTRODUCTORY SECTION

McDONALD COUNTY, MISSOURI
List of Elected Officials 2018-2019

County Commission

Presiding Commissioner – Bill Lant

Eastern District Commissioner – John Bunch

Western District Commissioner – David Holloway

Other Elected Officials

Assessor – Laura Pope

Circuit Clerk – Tanya Lewis

Collector – Jennifer Weber

County Clerk – Kimberly Bell

Coroner – B.J. Goodwin III

Prosecuting Attorney – Bill Dobbs

Public Administrator – Tonya Garvin

Recorder – Kenny Underwood

Sheriff – Mike Hall

Treasurer – Sheila Foreman

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of McDonald County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of McDonald County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018 and 2019, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by McDonald County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of McDonald County, Missouri, as of December 31, 2018 and 2019, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of McDonald County, Missouri, as of December 31, 2018 and 2019, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 9, 2020, on our consideration of McDonald County, Missouri’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of McDonald County, Missouri’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County’s internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2020

McDONALD COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund	Cash and Investments January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Investments December 31, 2019
General Revenue	\$ 534,944	\$ 1,924,468	\$ 2,092,318	\$ 367,094	\$ 1,826,726	\$ 1,497,269	\$ 696,551
Special Road & Bridge	635,327	2,590,624	2,891,132	334,819	2,272,771	1,757,661	849,929
Assessment	2,645	306,739	284,877	24,507	266,338	281,720	9,125
Law Enforcement	2,551	1,967,092	1,956,232	13,411	1,947,769	1,957,395	3,785
Health Department	4,285	499,379	502,720	944	521,534	519,854	2,624
Law Enforcement Training	91	4,114	4,133	72	4,217	4,289	-
Prosecuting Attorney Training	1,160	685	820	1,025	1,269	2,199	95
Administrative Handling Service	19,191	10,956	4,632	25,515	14,013	16,900	22,628
Recorder's	45,573	11,713	1,684	55,602	13,780	2,773	66,609
Collector's Tax Maintenance	112,774	38,604	25,642	125,736	34,254	4,426	155,564
Election Service	7,566	1,028	301	8,293	912	-	9,205
Sheriff Civil	5,927	22,413	15,738	12,602	19,693	18,426	13,869
Concealed Weapons	28,366	5,920	24,789	9,497	11,020	15,621	4,896
Inmate Security	7,637	5,201	8,546	4,292	3,706	6,503	1,495
Senate Bill 665	1,516	-	-	1,516	-	921	595
Extradition and Transportation	24,465	36,054	36,602	23,917	48,440	46,114	26,243
Local Emergency Planning	3,199	20,219	39	23,379	-	470	22,909
Courthouse Annex	-	6,250	-	6,250	27,475	-	33,725
Total	<u>\$ 1,437,217</u>	<u>\$ 7,451,459</u>	<u>\$ 7,850,205</u>	<u>\$ 1,038,471</u>	<u>\$ 7,013,917</u>	<u>\$ 6,132,541</u>	<u>\$ 1,919,847</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2018		2019	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,350,000	1,392,759	1,375,000	1,384,860
Intergovernmental	35,815	51,180	107,400	85,981
Charges for services	307,000	468,616	411,850	340,885
Interest	-	1,083	-	2,127
Other	10,000	10,830	12,000	12,873
Transfers in	300,000	-	-	-
Total Receipts	<u>\$ 2,002,815</u>	<u>\$ 1,924,468</u>	<u>\$ 1,906,250</u>	<u>\$ 1,826,726</u>
DISBURSEMENTS				
County Commission	\$ 96,700	\$ 95,525	\$ 97,300	\$ 94,823
County Clerk	133,045	130,521	130,045	118,271
Elections	178,550	129,756	108,250	94,852
Buildings and grounds	857,500	770,274	448,550	352,385
Employee fringe benefits	107,010	93,046	101,910	99,126
Treasurer	48,395	46,500	48,745	47,363
Collector	136,545	135,338	142,595	146,445
Recorder of Deeds	83,245	80,596	84,480	79,298
Public Administrator	84,780	81,373	93,245	88,451
Other County government	215,900	234,403	245,000	196,829
Health and welfare	18,800	9,117	9,700	7,426
Transfers out	343,000	272,000	445,000	172,000
Emergency fund	52,000	13,869	58,000	-
Total Disbursements	<u>\$ 2,355,470</u>	<u>\$ 2,092,318</u>	<u>\$ 2,012,820</u>	<u>\$ 1,497,269</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>\$ (352,655)</u>	<u>\$ (167,850)</u>	<u>\$ (106,570)</u>	<u>\$ 329,457</u>
CASH AND INVESTMENTS, JANUARY 1	<u>534,944</u>	<u>534,944</u>	<u>367,094</u>	<u>367,094</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 182,289</u></u>	<u><u>\$ 367,094</u></u>	<u><u>\$ 260,524</u></u>	<u><u>\$ 696,551</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

SPECIAL ROAD & BRIDGE FUND

Year Ended December 31,

2018

2019

Budget Actual

Budget Actual

ASSESSMENT FUND

Year Ended December 31,

2018

2019

Budget Actual

Budget Actual

RECEIPTS

Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,390,000	1,392,758	1,375,000	1,384,861	-	-	-	-
Intergovernmental	1,125,000	1,170,827	940,000	847,572	45,198	45,198	45,198	46,092
Charges for services	10,000	12,760	13,000	16,120	190,000	214,364	190,000	172,538
Interest	-	673	500	2,700	-	39	39	56
Other	6,000	13,606	-	21,518	5,000	7,138	6,000	5,652
Transfers in	-	-	-	-	40,000	40,000	42,000	42,000
Total Receipts	\$ 2,531,000	\$ 2,590,624	\$ 2,328,500	\$ 2,272,771	\$ 280,198	\$ 306,739	\$ 283,237	\$ 266,338

DISBURSEMENTS

Salaries	\$ 841,000	\$ 792,499	\$ 841,000	\$ 792,666	\$ 188,645	\$ 192,210	\$ 192,245	\$ 190,538
Employee fringe benefits	166,700	128,687	161,200	150,642	32,200	23,142	33,405	26,484
Materials and supplies	640,650	617,023	745,650	526,288	3,000	5,563	4,500	3,980
Services and other	308,950	261,934	376,450	237,019	58,475	63,962	70,675	57,841
Capital outlay	347,000	322,669	130,000	39,846	-	-	4,000	2,877
Construction	778,000	768,320	285,000	11,200	-	-	-	-
Transfers out	75,000	-	75,000	-	-	-	-	-
Total Disbursements	\$ 3,157,300	\$ 2,891,132	\$ 2,614,300	\$ 1,757,661	\$ 282,320	\$ 284,877	\$ 304,825	\$ 281,720

RECEIPTS OVER (UNDER)

DISBURSEMENTS	\$ (626,300)	\$ (300,508)	\$ (285,800)	\$ 515,110	\$ (2,122)	\$ 21,862	\$ (21,588)	\$ (15,382)
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CASH AND INVESTMENTS,
JANUARY 1

	635,327	635,327	334,819	334,819	2,645	2,645	24,507	24,507
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CASH AND INVESTMENTS,
DECEMBER 31

	\$ 9,027	\$ 334,819	\$ 49,019	\$ 849,929	\$ 523	\$ 24,507	\$ 2,919	\$ 9,125
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The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT FUND				HEALTH DEPARTMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,350,000	1,392,757	1,375,000	1,384,860	-	-	-	-
Intergovernmental	277,000	264,742	250,700	315,725	320,149	331,966	464,660	406,994
Charges for services	95,500	86,261	74,850	68,571	109,550	98,559	98,765	85,127
Interest	-	1	-	6	-	-	-	21
Other	15,000	38,331	10,000	63,607	49,661	21,854	21,800	14,392
Transfers in	258,000	185,000	258,000	115,000	47,500	47,000	53,000	15,000
Total Receipts	<u>\$ 1,995,500</u>	<u>\$ 1,967,092</u>	<u>\$ 1,968,550</u>	<u>\$ 1,947,769</u>	<u>\$ 526,860</u>	<u>\$ 499,379</u>	<u>\$ 638,225</u>	<u>\$ 521,534</u>
DISBURSEMENTS								
Salaries	\$ 1,337,321	\$ 1,311,597	\$ 1,285,645	\$ 1,296,125	\$ 300,801	\$ 289,318	\$ 326,913	\$ 285,655
Employee fringe benefits	232,000	205,793	220,000	199,601	55,300	44,387	57,700	44,808
Materials and supplies	17,450	16,615	24,000	26,290	57,600	47,806	42,100	62,306
Services and other	410,883	422,227	451,890	435,379	101,829	121,209	207,376	127,085
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 1,997,654</u>	<u>\$ 1,956,232</u>	<u>\$ 1,981,535</u>	<u>\$ 1,957,395</u>	<u>\$ 515,530</u>	<u>\$ 502,720</u>	<u>\$ 634,089</u>	<u>\$ 519,854</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (2,154)	\$ 10,860	\$ (12,985)	\$ (9,626)	\$ 11,330	\$ (3,341)	\$ 4,136	\$ 1,680
CASH AND INVESTMENTS, JANUARY 1	<u>2,551</u>	<u>2,551</u>	<u>13,411</u>	<u>13,411</u>	<u>4,285</u>	<u>4,285</u>	<u>944</u>	<u>944</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 397</u>	<u>\$ 13,411</u>	<u>\$ 426</u>	<u>\$ 3,785</u>	<u>\$ 15,615</u>	<u>\$ 944</u>	<u>\$ 5,080</u>	<u>\$ 2,624</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,100	4,014	4,100	3,553	700	685	1,200	1,269
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	100	-	664	-	-	-	-
Total Receipts	<u>\$ 4,100</u>	<u>\$ 4,114</u>	<u>\$ 4,100</u>	<u>\$ 4,217</u>	<u>\$ 700</u>	<u>\$ 685</u>	<u>\$ 1,200</u>	<u>\$ 1,269</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	4,100	4,133	4,100	4,289	1,000	820	2,200	2,199
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 4,100</u>	<u>\$ 4,133</u>	<u>\$ 4,100</u>	<u>\$ 4,289</u>	<u>\$ 1,000</u>	<u>\$ 820</u>	<u>\$ 2,200</u>	<u>\$ 2,199</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ (19)	\$ -	\$ (72)	\$ (300)	\$ (135)	\$ (1,000)	\$ (930)
CASH AND INVESTMENTS, JANUARY 1	<u>91</u>	<u>91</u>	<u>72</u>	<u>72</u>	<u>1,160</u>	<u>1,160</u>	<u>1,025</u>	<u>1,025</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 91</u>	<u>\$ 72</u>	<u>\$ 72</u>	<u>\$ -</u>	<u>\$ 860</u>	<u>\$ 1,025</u>	<u>\$ 25</u>	<u>\$ 95</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATIVE HANDLING SERVICE FUND				RECORDER'S FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,783	-	-	-	-
Charges for services	14,000	10,925	16,000	12,115	11,000	11,640	12,000	11,045
Interest	-	31	-	115	-	73	-	280
Other	-	-	-	-	-	-	-	2,455
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 14,000</u>	<u>\$ 10,956</u>	<u>\$ 16,000</u>	<u>\$ 14,013</u>	<u>\$ 11,000</u>	<u>\$ 11,713</u>	<u>\$ 12,000</u>	<u>\$ 13,780</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	1,500	1,145	2,000	2,101	-	-	-	-
Services and other	9,000	3,487	10,000	10,800	20,000	1,684	20,000	2,773
Capital outlay	-	-	4,000	3,999	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,500</u>	<u>\$ 4,632</u>	<u>\$ 16,000</u>	<u>\$ 16,900</u>	<u>\$ 20,000</u>	<u>\$ 1,684</u>	<u>\$ 20,000</u>	<u>\$ 2,773</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 3,500	\$ 6,324	\$ -	\$ (2,887)	\$ (9,000)	\$ 10,029	\$ (8,000)	\$ 11,007
CASH AND INVESTMENTS, JANUARY 1	<u>19,191</u>	<u>19,191</u>	<u>25,515</u>	<u>25,515</u>	<u>45,573</u>	<u>45,573</u>	<u>55,602</u>	<u>55,602</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 22,691</u>	<u>\$ 25,515</u>	<u>\$ 25,515</u>	<u>\$ 22,628</u>	<u>\$ 36,573</u>	<u>\$ 55,602</u>	<u>\$ 47,602</u>	<u>\$ 66,609</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COLLECTOR'S TAX MAINTENANCE FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,028	1,000	912
Charges for services	30,000	38,415	35,000	33,604	-	-	-	-
Interest	100	189	100	650	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 30,100</u>	<u>\$ 38,604</u>	<u>\$ 35,100</u>	<u>\$ 34,254</u>	<u>\$ -</u>	<u>\$ 1,028</u>	<u>\$ 1,000</u>	<u>\$ 912</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	5,000	1,069	5,000	67	-	-	-	-
Services and other	56,500	11,607	90,000	4,359	3,000	301	3,000	-
Capital outlay	30,000	12,966	30,000	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 91,500</u>	<u>\$ 25,642</u>	<u>\$ 125,000</u>	<u>\$ 4,426</u>	<u>\$ 3,000</u>	<u>\$ 301</u>	<u>\$ 3,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (61,400)	\$ 12,962	\$ (89,900)	\$ 29,828	\$ (3,000)	\$ 727	\$ (2,000)	\$ 912
CASH AND INVESTMENTS, JANUARY 1	<u>112,774</u>	<u>112,774</u>	<u>125,736</u>	<u>125,736</u>	<u>7,566</u>	<u>7,566</u>	<u>8,293</u>	<u>8,293</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 51,374</u>	<u>\$ 125,736</u>	<u>\$ 35,836</u>	<u>\$ 155,564</u>	<u>\$ 4,566</u>	<u>\$ 8,293</u>	<u>\$ 6,293</u>	<u>\$ 9,205</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF CIVIL FUND				CONCEALED WEAPONS FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	35,000	22,413	40,000	19,693	7,000	5,920	31,000	11,020
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 35,000</u>	<u>\$ 22,413</u>	<u>\$ 40,000</u>	<u>\$ 19,693</u>	<u>\$ 7,000</u>	<u>\$ 5,920</u>	<u>\$ 31,000</u>	<u>\$ 11,020</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	20,000	-	20,000	24	5,091	-	5,091	6,468
Capital outlay	20,000	15,638	20,000	17,738	25,000	24,789	25,000	9,153
Construction	-	-	-	-	-	-	-	-
Transfers out	-	100	-	664	-	-	-	-
Total Disbursements	<u>\$ 40,000</u>	<u>\$ 15,738</u>	<u>\$ 40,000</u>	<u>\$ 18,426</u>	<u>\$ 30,091</u>	<u>\$ 24,789</u>	<u>\$ 30,091</u>	<u>\$ 15,621</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (5,000)	\$ 6,675	\$ -	\$ 1,267	\$ (23,091)	\$ (18,869)	\$ 909	\$ (4,601)
CASH AND INVESTMENTS, JANUARY 1	<u>5,927</u>	<u>5,927</u>	<u>12,602</u>	<u>12,602</u>	<u>28,366</u>	<u>28,366</u>	<u>9,497</u>	<u>9,497</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 927</u>	<u>\$ 12,602</u>	<u>\$ 12,602</u>	<u>\$ 13,869</u>	<u>\$ 5,275</u>	<u>\$ 9,497</u>	<u>\$ 10,406</u>	<u>\$ 4,896</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE SECURITY FUND				SENATE BILL 665 FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	4,500	5,201	10,000	3,706	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 4,500</u>	<u>\$ 5,201</u>	<u>\$ 10,000</u>	<u>\$ 3,706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	8,500	8,546	10,000	6,503	1,000	-	1,000	921
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 8,500</u>	<u>\$ 8,546</u>	<u>\$ 10,000</u>	<u>\$ 6,503</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,000</u>	<u>\$ 921</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (4,000)	\$ (3,345)	\$ -	\$ (2,797)	\$ (1,000)	\$ -	\$ (1,000)	\$ (921)
CASH AND INVESTMENTS, JANUARY 1	<u>7,637</u>	<u>7,637</u>	<u>4,292</u>	<u>4,292</u>	<u>1,516</u>	<u>1,516</u>	<u>1,516</u>	<u>1,516</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 3,637</u>	<u>\$ 4,292</u>	<u>\$ 4,292</u>	<u>\$ 1,495</u>	<u>\$ 516</u>	<u>\$ 1,516</u>	<u>\$ 516</u>	<u>\$ 595</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	EXTRADITION AND TRANSPORTATION FUND				LOCAL EMERGENCY PLANNING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	23,000	23,719	38,000	31,015	21,400	20,219	3,000	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	12,335	-	17,425	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 23,000</u>	<u>\$ 36,054</u>	<u>\$ 38,000</u>	<u>\$ 48,440</u>	<u>\$ 21,400</u>	<u>\$ 20,219</u>	<u>\$ 3,000</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ 3,500	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	1,000	18	1,500	349
Services and other	10,000	23,320	10,000	891	7,000	21	10,875	121
Capital outlay	26,000	13,282	28,000	45,223	7,400	-	7,500	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 36,000</u>	<u>\$ 36,602</u>	<u>\$ 38,000</u>	<u>\$ 46,114</u>	<u>\$ 21,400</u>	<u>\$ 39</u>	<u>\$ 23,375</u>	<u>\$ 470</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (13,000)	\$ (548)	\$ -	\$ 2,326	\$ -	\$ 20,180	\$ (20,375)	\$ (470)
CASH AND INVESTMENTS, JANUARY 1	<u>24,465</u>	<u>24,465</u>	<u>23,917</u>	<u>23,917</u>	<u>3,199</u>	<u>3,199</u>	<u>23,379</u>	<u>23,379</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 11,465</u>	<u>\$ 23,917</u>	<u>\$ 23,917</u>	<u>\$ 26,243</u>	<u>\$ 3,199</u>	<u>\$ 23,379</u>	<u>\$ 3,004</u>	<u>\$ 22,909</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

COURTHOUSE ANNEX FUND				
Year Ended December 31,				
2018		2019		
Budget	Actual	Budget	Actual	
RECEIPTS				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	-	-	-	-
Other	-	6,250	-	27,475
Transfers in	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ 6,250</u>	<u>\$ -</u>	<u>\$ 27,475</u>
DISBURSEMENTS				
Salaries	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-
Materials and supplies	-	-	-	-
Services and other	-	-	-	-
Capital outlay	-	-	-	-
Construction	-	-	-	-
Transfers out	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ -	\$ 6,250	\$ -	\$ 27,475
CASH AND INVESTMENTS,				
JANUARY 1	<u>-</u>	<u>-</u>	<u>6,250</u>	<u>6,250</u>
CASH AND INVESTMENTS,				
DECEMBER 31	<u>\$ -</u>	<u>\$ 6,250</u>	<u>\$ 6,250</u>	<u>\$ 33,725</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

McDONALD COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund/Account	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents	Receipts	Disbursements	Cash and Cash Equivalents
	January 1, 2018	2018	2018	December 31, 2018	2019	2019	December 31, 2019
Treasurer CERF	\$ -	\$ 208,469	\$ 208,469	\$ -	\$ 220,365	\$ 220,365	\$ -
Treasurer Cities Surtax	-	33,648	33,648	-	33,352	33,352	-
Treasurer County Library	-	333,254	333,254	-	259,580	259,580	-
Treasurer Criminal Costs	-	11,906	11,906	-	37,881	37,881	-
Treasurer Crowder College	-	1,408,017	1,408,017	-	1,082,713	1,082,713	-
Treasurer Financial Institution Tax	15,888	10,296	15,977	10,207	11,840	10,377	11,670
Treasurer Fines	53,604	165,597	152,889	66,312	159,545	184,506	41,351
Treasurer Goodman FPD	-	86,095	86,095	-	83,440	83,440	-
Treasurer Lafayette House	-	3,426	3,426	-	3,621	3,621	-
Treasurer Overplus Tax Sales	49,823	30,277	35,041	45,059	22,496	4,291	63,264
Treasurer Schools	45	11,494,324	11,494,304	65	9,010,477	9,010,175	367
Treasurer Deputy Salary	-	7,315	6,765	550	6,230	6,780	-
Treasurer Wheaton FPD	-	12,416	12,416	-	13,102	13,102	-
Treasurer Washburn FPD	-	13,973	13,973	-	15,719	15,719	-
Treasurer Whiterock FPD	-	-	-	-	20,180	20,180	-
Collector	8,831,134	12,337,569	14,123,578	7,045,125	12,849,435	11,124,371	8,770,189
Recorder	-	136,338	136,138	200	136,300	136,497	3
Sheriff Bond	-	191,319	191,319	-	223,186	223,186	-
Sheriff Bond Forfeiture	-	15,353	-	15,353	-	404	14,949
Sheriff Civil	5,988	53,076	56,793	2,271	70,892	66,927	6,236
Sheriff Inmate	2,916	12,092	11,370	3,638	19,788	19,500	3,926
Prosecuting Attorney	13,948	126,525	132,997	7,476	131,265	139,423	(682)
Public Administrator	587,317	897,901	1,092,055	393,163	949,146	958,669	383,640
Total	<u>\$ 9,560,663</u>	<u>\$ 27,589,186</u>	<u>\$ 29,560,430</u>	<u>\$ 7,589,419</u>	<u>\$ 25,360,553</u>	<u>\$ 23,655,059</u>	<u>\$ 9,294,913</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

McDONALD COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McDonald County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are ten elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder, Sheriff and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of McDonald County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County's legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County, particularly the Collector and Treasurer, as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County's custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law. However, the County did not adopt a formal budget for the Courthouse Annex Fund for 2018 or 2019.

10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	2019	2018
Assessment	N/A	✓
Law Enforcement Training	✓	✓
Administrative Handling Service	✓	N/A
Inmate Security	N/A	✓
Extradition and Transportation	✓	✓

E. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

F. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019 and 2018, the carrying amounts of the County's deposits were \$1,919,847 and \$1,038,471, respectively, and the bank balances were \$2,175,077 and \$1,908,936, respectively. Of the bank balances, \$451,588 and \$351,385 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at

December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2019 and 2018, County officeholders held, in addition to the cash and investments listed above, cash and cash equivalents held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2019 and 2018, the carrying amounts of the County's custodial funds were \$9,294,913 and \$7,589,419, respectively, and the bank balances were \$8,178,152 and \$6,455,183, respectively. Of the bank balances, \$687,937 and \$709,776 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. The County has elected not to make contributions on behalf of employees. During 2019 and 2018, the County collected and remitted to CERF employee withholdings of \$163,022 and \$160,993, respectively, for the years then ended.

B. 401(A) Pension Plan

Participation in the plan is mandatory for all employees who have worked over 1,000 hours in a calendar year. The County does not contribute to the plan. Plan participants contribute .7% of earning to the Plan. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 were \$19,974 and \$19,875, respectively.

C. Deferred 457 Pension Plan

Participation in the plan is voluntary for all full-time employee. Part-time employees are not eligible to participate in the plan. Plan participants can elect to contribute any whole percentage or dollar amount of their earnings to the plan. Fifty cents on the dollar is matched by CERF on the first 6% of an employee's contribution. The County does not contribute to the plan. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 were \$49,655 and \$39,472, respectively.

D. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2019 and 2018.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with up to thirty to sixty days of sick time, depending on length of employment. Sick leave accrues at a rate of .75 days per calendar month to 1.75 days depending on length of employment. Upon termination accumulated sick leave will not be reimbursed. Vacation time is accrued for every full-time employee after completing one year of employment with the County, and accrues at the rate of .75 days per month up to 1.75 days per month depending on length of employment. Employees with less than ten years of employment may carry over ten days and employees with at least ten years of employment may carry over fifteen vacation days from one year to the next. Any days accrued in excess of these are to be forfeited at the end of the year.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

The County entered into a four-year, \$72,000 note to purchase property from the Estate of Gisela M. Lewis for use by the Road & Bridge Department. The note, which does not bear interest, calls for 16 quarterly payments of \$4,500, beginning January 2017 and ending October 2020. Future payments on the note are as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 18,000	\$ -	\$ 18,000

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
\$ 54,000	\$ -	\$ (18,000)	\$ 36,000	\$ -

The following schedule shows changes in long-term debt during the year ended December 31, 2019:

Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
\$ 36,000	\$ -	\$ (18,000)	\$ 18,000	\$ -

8. OPERATING LEASES

In October 2019, the County entered into a lease agreement for a dump truck, under which the County could purchase the truck at the end of the lease for \$330,000. The agreement calls for monthly payments of \$9,380 through September 2021.

The following schedule represents future payments under operating leases:

Fiscal Year Ending December 31,	Amount
2020	\$ 112,565
2021	84,424

9. RELATED PARTY TRANSACTION

In November 2018, the County purchased land in Pineville, Missouri from one of the County Commissioners for \$75,000.

10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 9, 2020, the date the financial statements were available to be issued.

Subsequent to December 31, 2019, the County has been impacted by the coronavirus pandemic in the United States. This event has led to a decrease in business and consumer activity within the County and could have a negative impact on sales and other tax revenues in 2020, as well as potentially affecting the availability of grants and other assistance from the state and federal governments.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of McDonald County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of McDonald County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018 and 2019, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise McDonald County, Missouri's basic financial statements and have issued our report thereon dated August 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered McDonald County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of McDonald County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of McDonald County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and recommendations as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether McDonald County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

McDonald County, Missouri's Response to Finding

McDonald County, Missouri's response to the finding identified in our audit is described in the accompanying schedule of findings and recommendations. McDonald County, Missouri's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 9, 2020

FINDINGS AND RECOMMENDATIONS

McDONALD COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

2019-001: Prosecuting Attorney Bank Reconciliations

Criteria: A proper system of internal controls dictates that bank reconciliations be performed on a timely basis to ensure that cash balances per the accounting records agree to the cash balances held in the bank.

Condition: The Prosecuting Attorney's office is not performing adequate reconciliations of monthly bank statements. Through discussions with staff, it does not appear that a book or ledger balance is maintained to compare to the balance in the bank account. Cash receipts and disbursements are recorded in the Karpel case management system, but there was no evidence of a running cash balance or total case balance within the system to compare to the activity in the bank statements. Our audit compared the receipts and disbursement per Karpel to the activity in the bank statement and noted some discrepancies, including a \$7,065 deposit in December 2017 that was not recorded in Karpel until December 2018.

Cause: Formal bank reconciliations have not been performed for a number of years under previous administrative staff within the office, and this continued during the audit period.

Effect: Without timely reconciliations of bank balances to book balances, the risk of misstatements due to error or misappropriation is heightened.

Recommendation: We recommend the Prosecuting Attorney's office implement a process to properly reconcile the balance per the bank to a recorded book balance to ensure that all activity in the bank is recorded in the system and vice versa. This balance should also be compared to a total balance of liabilities for amounts owed to individuals or entities on all cases being handled by the office.

County's Response: For three years, the clerk in the prosecuting attorney's office did not reconcile the bank statements. Upon discovery, the employee was terminated. The office believes this issue has been resolved going forward. Remedies include a two-signature system on all deposits and disbursements. Occasionally, new transactions from prior periods have been discovered. The current clerk is reviewing the bank accounts since 2015 in order to identify and correct accounting errors.

Auditor's Response: The stated corrective actions are adequate to resolve the concern.

OTHER MATTERS

In planning and performing our audit of the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis, the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis, and the Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds as of and for the years ended December 31, 2018 and 2019, we considered McDonald County’s internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control. We issued our report on our consideration of internal control over financial reporting dated August 9, 2020. However, during our audit we became aware of matters that are opportunities for strengthening internal controls.

Bid Documentation

As part of our testing of disbursements, we determined whether the County performed bidding procedures for certain expenditures as required by state statutes. Section 50.660, RSMo, states that, “All contracts and purchases shall be let to the lowest and best bidder after due opportunity for competition...except that the advertising is not required in case of contracts or purchases involving an expenditures of less than six thousand dollars. It is not necessary to obtain bids on any purchase in the amount of four thousand five hundred dollars or less made from any one person, firm or corporation during any period of ninety day....” Section 50.783.1, RSMo, states that, “The county commission may waive the requirement of competitive bids or proposals for supplies when the commission has determined in writing and entered into the commission minutes that there is only a single feasible source for the supplies.” There were 3 expenditures totaling \$281,903 in 2018 and 4 expenditures totaling \$99,906 in 2019 for which no bid documentation could be provided. Per discussion with the County Clerk and Commissioners, there are instances where there is no time for obtaining bids due to emergency situations, purchases are made from the state approved vendor listing, or bids are requested but none or only one are received.

We recommend that the County ensure that the reasoning for not performing competitive bidding for large purchases are documented in the Commission minutes or in other County files. We also recommend that if bids or quotes are obtained informally, such as over the phone or online, that records be maintained to prove that procedures were performed to ensure that the vendor selected was the most advantageous for the County.

McDONALD COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by McDonald County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2017 and 2016.

There were no financial statement findings identified during the prior audit that required follow-up.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Carroll County, Missouri

The Office of the State Auditor contracted for an audit of Carroll County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-066

ANNUAL FINANCIAL REPORT

CARROLL COUNTY, MISSOURI

For the Years Ended
December 31, 2019 and 2018

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

CARROLL COUNTY, MISSOURI

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
List of Elected Officials 2018-2019	i
FINANCIAL SECTION	
Independent Auditor's Report	ii
MANAGEMENT'S DISCUSSION AND ANALYSIS	1
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements –	
Statements of Net Position – Modified Cash Basis	5
Statement of Activities – Modified Cash Basis – Year Ended December 31, 2019	6
Statement of Activities – Modified Cash Basis – Year Ended December 31, 2018	7
Fund Financial Statements –	
Balance Sheet – Governmental Funds – Modified Cash Basis – December 31, 2019	8
Balance Sheet – Governmental Funds – Modified Cash Basis – December 31, 2018	9
Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis – Year Ended December 31, 2019	10
Statement of Receipts, Disbursements, and Changes in Fund Balances – Governmental Funds – Modified Cash Basis – Year Ended December 31, 2018	11
Statements of Fiduciary Net Position – Modified Cash Basis	12
Statements of Changes in Fiduciary Net Position – Modified Cash Basis	13
Notes to the Financial Statements	14
SUPPLEMENTARY INFORMATION	
Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Modified Cash Basis – Major Funds	26
Statement of Receipts, Disbursements, and Changes in Fund Balances – Non-Major Governmental Funds – Modified Cash Basis	30

Statement of Fiduciary Receipts, Disbursements, and Changes in Cash – Modified Cash Basis	31
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COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32
Findings and Recommendations	34
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	35

INTRODUCTORY SECTION

CARROLL COUNTY, MISSOURI
List of Elected Officials 2018-2019

County Commission

Presiding Commissioner – Stan Falke

Commissioner, District 1 – Bill Boelsen

Commissioner, District 2 – David Martin

Other Elected Officials

Assessor – Devin Rae Frazier

Circuit Clerk and ex-officio Recorder of Deeds – Janet Horine

Collector-Treasurer – Janice Hundley

County Clerk – Norma L. Sparks

Coroner – Steven W. Bittiker

Prosecuting Attorney – Cassandra Brown

Public Administrator – Linda Leabo

Sheriff – William Jewell McCoy

Surveyor – Marcus J. Magee

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Carroll County, Missouri

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Missouri, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Missouri, as of December 31, 2019 and 2018, and the respective changes in modified cash basis financial position for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Carroll County, Missouri's basic financial statements. The Management's Discussion and Analysis, Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Modified Cash Basis, Statement of Receipts, Disbursements and Changes in Fund Balances – Non-Major Governmental Funds – Modified Cash Basis, and Statement of Fiduciary Receipts, Disbursements, and Changes in Cash – Modified Cash Basis, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated August 12, 2020, on our consideration of Carroll County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Carroll County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 12, 2020

CARROLL COUNTY, MISSOURI
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019 AND 2018

The discussion and analysis of Carroll County's financial performance provides an overall review of the County's financial activities for the years ended December 31, 2019 and 2018. The information below, prepared by the County's management, should be read in conjunction with the financial statements that immediately follow.

Overview of the Financial Statements

The contents of this report comply with the presentation requirements of Statement No. 34 of the Governmental Accounting Standards Board, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as applicable to the modified cash basis of accounting. The County's basic financial statements consist of government-wide financial statements, fund financial statements, and notes to the financial statements. The notes are an integral part of the government-wide and fund financial statements and provide more detail about the information presented in the statements. This report also contains other financial information in addition to the basic financial statements.

The County has elected to present its financial statements on the modified cash basis of accounting, a basis of accounting other than accounting principles generally accepted in the United States of America. "Basis of accounting" refers to when financial events are recorded. Under the modified cash basis of accounting, revenues are recorded when received rather than when earned, and expenditures are recorded when paid rather than when the related liabilities are incurred. Therefore, when reviewing the financial information and discussion in this report, the reader should recall the limitations resulting from use of the modified cash basis of accounting. Modification to the cash basis is due to the presentation of investments.

Government-wide Financial Statements

The government-wide Statement of Net Position and the government-wide Statement of Activities report information about the County as a whole. These statements present the County's net position and show how they have changed. Over time, increases or decreases in the County's net position are one indicator of whether its financial health or position is improving or deteriorating. However, to assess the County's overall financial health, the reader needs to consider additional nonfinancial factors. The government-wide financial statements report only governmental activities – activities such as general government operations, public safety, roads and bridges, and health and welfare that are usually financed through taxes and intergovernmental receipts. The County has no business-type activities financed wholly or partially by fees charged to external parties for goods or services.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the County as a whole. Some funds are required to be established by state law or by bond covenants. However, the County Commission establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, or other sources of receipts. The fund financial statements include governmental funds, which focus on the flow of money into and out of those funds and the balances left at year-end that are available for spending, and fiduciary funds, which focus on funds collected on behalf of and remitted to other

entities within and outside of the County. The governmental fund statements provide a detailed view of the County's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether more or fewer financial resources can be spent in the near future to finance the County's programs.

The County as Trustee

The County is the trustee, or fiduciary, for its custodial funds that are used to account for assets held by the County's elected officials in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. The County's fiduciary assets are reported in a separate Statement of Fiduciary Net Position. Fiduciary funds are excluded from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Other Information

The report also includes this Management's Discussion and Analysis. Such information is intended to supplement the government-wide financial statements, fund financial statements, and notes to the financial statements but is not a part of those statements.

In addition, the report includes the following components that are not a required part of the financial statements: the Comparative Statements of Receipts, Disbursements, and Changes in Fund Balances – Budget and Actual – Modified Cash Basis for the County's major governmental funds; the Statement of Receipts, Disbursements, and Changes in Fund Balances – Non-Major Governmental Funds – Modified Cash Basis; and the Statement of Fiduciary Receipts, Disbursements, and Changes in Cash – Modified Cash Basis.

Financial Highlights

The County's net position continues to remain steady in uncertain times, with a slight increase for both years 2019 and 2018. The County is highly blessed with state assessed railroad and utility valuations, two major pipelines, and Ethanol plant. The coming years are inspiring in that four Missouri licenses have been issued for Carroll County for Medical Marijuana growing and manufacturing facilities.

- The County's total revenues exceeded total expenditures by \$114,100 in 2019 and \$325,121 in 2018.
- The County's total governmental funds ended with a combined cash and investments balance of \$5,308,294 in 2019 and \$5,194,194 in 2018.

Financial Analysis of the County as a Whole

The following information was derived from the Statement of Net Position for 2018 and 2019 and unaudited 2017 information from the County's budget documents:

Changes in Net Position			
	Governmental Activities		
	2019	2018	2017
Net Position	\$ 5,308,294	\$ 5,194,194	\$ 4,869,073
Program Receipts	2,166,180	1,984,547	2,522,891
General Receipts	1,832,955	1,637,657	1,600,742
Disbursements	(3,885,035)	(3,297,083)	(3,895,775)
Change in Net Position	<u>\$ 114,100</u>	<u>\$ 325,121</u>	<u>\$ 227,858</u>

The County's Funds

- Elected officials and department heads have been diligent in their efforts to follow state statutes and auditor's instruction.
- Each office pays close attention to the spending for their department and only seems to spend what is actually needed.
- The County continues to pay 100% of the health insurance premium for full-time County employees, despite the continual increase in premium rates and increases in liability and property insurance.
- The County Commission voted in 2019 to pay for the Medicare Supplemental insurance premium for elected officials and employees who are Medicare eligible.
- The County has entered into an agreement with the BNSF railroad to replace a railroad bridge, to be reimbursed at 100% by the railroad company. Engineering began in 2019, but construction will be completed in 2020.
- The smaller court funds have all but dried up for the Prosecuting Attorney and many of the Sheriff's funds have depleted by at least 50%. General Revenue will be picking up the cost of many of these.

Capital Asset and Debt Administration

The County Commission continues to be committed to upgrading the equipment at the Road and Bridge department through lease agreements and state bids. They have purchased a Ford pickup, John Deere dozer, and a new Mack dump truck.

The County Commission continues to upgrade the Sheriff patrol cars to have newer, lower mileage vehicles, resulting in less major repairs. They have purchased three Ford Explorers in 2015, two new Ford Explorers in 2017 and two new ones in 2019. The plan is to put these on a rotation schedule to keep newer patrol cars in place.

Economic Factors and Next Year's Budgets and Rates

The economic condition of Carroll County continues to remain constant, even in the face of adversity, with record flooding in 2019 and the continual rural decline of commercial business and industry. Carroll County has been designated an "Agri-Ready" and "Work Ready" County to encourage agricultural related businesses and producers to locate in Carroll County. The state has awarded four Medical Marijuana licenses for Carroll County. One business, Feelz Good Green Products, is currently under construction and has requested a tax abatement for real estate taxes. This was still under advisement at the beginning of 2020.

Contacting the County's Financial Management

Questions about this report or requests for additional information should be addressed to Norma L. Sparks, Carroll County Clerk, 8 South Main, Suite 6, Carrollton, Missouri 64633, Phone 660-542-0615 or email at countyclerk@carrollcomo.org.

CARROLL COUNTY, MISSOURI
 STATEMENTS OF NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31, 2019 AND 2018

	December 31,	
	2019	2018
	Primary County Government	Primary County Government
ASSETS		
Cash and cash equivalents	\$ 3,612,822	\$ 3,522,721
Investments	1,695,472	1,671,473
Total Assets	<u>\$ 5,308,294</u>	<u>\$ 5,194,194</u>
NET POSITION		
Restricted	\$ 1,804,029	\$ 1,924,579
Unrestricted	3,486,312	3,255,104
Total Net Position	<u>\$ 5,290,341</u>	<u>\$ 5,179,683</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2019

		Program Receipts		Net Receipts/ (Disbursements) and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
General county government	\$ 979,666	\$ 605,630	\$ 34,490	\$ (339,546)
Public safety	847,909	96,110	-	(751,799)
Health and welfare	215,317	-	-	(215,317)
Roads and bridges	1,481,954	32,888	1,127,258	(321,808)
Assessment	292,314	7,082	262,722	(22,510)
Other	67,875	-	-	(67,875)
Total Governmental Activities	<u>\$ 3,885,035</u>	<u>\$ 741,710</u>	<u>\$ 1,424,470</u>	<u>\$ (1,718,855)</u>
GENERAL RECEIPTS				
Taxes				
Property taxes				\$ 1,008,457
Sales taxes				592,548
Interest				33,828
Other				198,122
Total General Receipts				<u>\$ 1,832,955</u>
Changes in Net Position				114,100
NET POSITION, JANUARY 1				<u>5,194,194</u>
NET POSITION, DECEMBER 31				<u>\$ 5,308,294</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2018

		Program Receipts		Net Receipts (Disbursements) and Changes in Net Position
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT:				
Governmental Activities:				
General county government	\$ 967,560	\$ 598,115	\$ 74,558	\$ (294,887)
Public safety	869,449	76,249	-	(793,200)
Health and welfare	230,029	-	-	(230,029)
Roads and bridges	933,225	13,649	952,713	33,137
Assessment	237,904	7,602	261,661	31,359
Courthouse restoration	1	-	-	(1)
Other	58,915	-	-	(58,915)
Total Governmental Activities	<u>\$ 3,297,083</u>	<u>\$ 695,615</u>	<u>\$ 1,288,932</u>	<u>\$ (1,312,536)</u>
GENERAL RECEIPTS				
Taxes				
Property taxes				\$ 1,008,840
Sales taxes				568,368
Interest				27,030
Other				33,419
Total General Receipts				<u>\$ 1,637,657</u>
Changes in Net Position				325,121
NET POSITION, JANUARY 1				<u>4,869,073</u>
NET POSITION, DECEMBER 31				<u>\$ 5,194,194</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
DECEMBER 31, 2019

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
ASSETS						
Cash and cash equivalents	\$ 2,324,104	\$ 731,045	\$ 216,328	\$ 48,768	\$ 292,577	\$ 3,612,822
Investments	1,162,208	104,950	153,686	154,932	119,696	1,695,472
Total Assets	<u>\$ 3,486,312</u>	<u>\$ 835,995</u>	<u>\$ 370,014</u>	<u>\$ 203,700</u>	<u>\$ 412,273</u>	<u>\$ 5,308,294</u>
FUND BALANCES						
Restricted - Special Revenue Funds	\$ -	\$ 835,995	\$ 370,014	\$ 203,700	\$ 412,273	\$ 1,821,982
Unassigned	3,486,312	-	-	-	-	3,486,312
Total Fund Balances	<u>\$ 3,486,312</u>	<u>\$ 835,995</u>	<u>\$ 370,014</u>	<u>\$ 203,700</u>	<u>\$ 412,273</u>	<u>\$ 5,308,294</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
BALANCE SHEET - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
DECEMBER 31, 2018

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
ASSETS						
Cash and cash equivalents	\$ 2,110,497	\$ 806,137	\$ 234,899	\$ 48,658	\$ 322,530	\$ 3,522,721
Investments	1,144,607	103,291	152,307	153,184	118,084	1,671,473
Total Assets	<u>\$ 3,255,104</u>	<u>\$ 909,428</u>	<u>\$ 387,206</u>	<u>\$ 201,842</u>	<u>\$ 440,614</u>	<u>\$ 5,194,194</u>
FUND BALANCES						
Restricted - Special Revenue Funds	\$ -	\$ 909,428	\$ 387,206	\$ 201,842	\$ 440,614	\$ 1,939,090
Unassigned	3,255,104	-	-	-	-	3,255,104
Total Fund Balances	<u>\$ 3,255,104</u>	<u>\$ 909,428</u>	<u>\$ 387,206</u>	<u>\$ 201,842</u>	<u>\$ 440,614</u>	<u>\$ 5,194,194</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2019

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
RECEIPTS						
Property taxes	\$ 628,048	\$ 116,577	\$ -	\$ -	\$ 263,832	\$ 1,008,457
Sales taxes	592,548	-	-	-	-	592,548
Intergovernmental	34,476	1,127,258	262,723	-	13	1,424,470
Charges for services	652,897	32,888	7,082	-	48,843	741,710
Interest	23,634	3,798	2,088	1,858	2,450	33,828
Other	20,698	171,737	5,442	-	245	198,122
Total Receipts	<u>\$ 1,952,301</u>	<u>\$ 1,452,258</u>	<u>\$ 277,335</u>	<u>\$ 1,858</u>	<u>\$ 315,383</u>	<u>\$ 3,999,135</u>
DISBURSEMENTS						
General county government	\$ 949,868	\$ -	\$ -	\$ -	\$ 29,798	\$ 979,666
Public safety	828,867	-	-	-	19,042	847,909
Health and welfare	-	-	-	-	215,317	215,317
Roads and bridges	-	1,481,954	-	-	-	1,481,954
Assessment	-	-	292,314	-	-	292,314
Other	221	-	-	-	67,654	67,875
Total Disbursements	<u>\$ 1,778,956</u>	<u>\$ 1,481,954</u>	<u>\$ 292,314</u>	<u>\$ -</u>	<u>\$ 331,811</u>	<u>\$ 3,885,035</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 173,345	\$ (29,696)	\$ (14,979)	\$ 1,858	\$ (16,428)	\$ 114,100
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 62,392	\$ 16,297	\$ 111	\$ -	\$ 4,418	\$ 83,218
Transfers out	(4,529)	(60,034)	(2,324)	-	(16,331)	(83,218)
Total Other Financing Sources (Uses)	<u>\$ 57,863</u>	<u>\$ (43,737)</u>	<u>\$ (2,213)</u>	<u>\$ -</u>	<u>\$ (11,913)</u>	<u>\$ -</u>
NET CHANGE IN FUND BALANCES	\$ 231,208	\$ (73,433)	\$ (17,192)	\$ 1,858	\$ (28,341)	\$ 114,100
FUND BALANCE, JANUARY 1	<u>3,255,104</u>	<u>909,428</u>	<u>387,206</u>	<u>201,842</u>	<u>440,614</u>	<u>5,194,194</u>
FUND BALANCE, DECEMBER 31	<u><u>\$ 3,486,312</u></u>	<u><u>\$ 835,995</u></u>	<u><u>\$ 370,014</u></u>	<u><u>\$ 203,700</u></u>	<u><u>\$ 412,273</u></u>	<u><u>\$ 5,308,294</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2018

	GENERAL REVENUE	SPECIAL ROAD AND BRIDGE	ASSESSMENT	COURTHOUSE RESTORATION	OTHER GOVERNMENTAL	TOTAL
RECEIPTS						
Property taxes	\$ 635,126	\$ 112,203	\$ -	\$ -	\$ 261,511	\$ 1,008,840
Sales taxes	568,368	-	-	-	-	568,368
Intergovernmental	70,318	952,713	261,661	-	4,240	1,288,932
Charges for services	624,287	13,649	7,602	-	50,077	695,615
Interest	18,518	3,562	1,642	1,309	1,999	27,030
Other	19,066	6,673	6,980	-	700	33,419
Total Receipts	\$ 1,935,683	\$ 1,088,800	\$ 277,885	\$ 1,309	\$ 318,527	\$ 3,622,204
DISBURSEMENTS						
General county government	\$ 950,736	\$ -	\$ -	\$ -	\$ 16,824	\$ 967,560
Public safety	863,406	-	-	-	6,043	869,449
Health and welfare	-	-	-	-	230,029	230,029
Roads and bridges	-	933,225	-	-	-	933,225
Assessment	-	-	237,904	-	-	237,904
Courthouse restoration	-	-	-	1	-	1
Other	-	-	-	-	58,915	58,915
Total Disbursements	\$ 1,814,142	\$ 933,225	\$ 237,904	\$ 1	\$ 311,811	\$ 3,297,083
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 121,541	\$ 155,575	\$ 39,981	\$ 1,308	\$ 6,716	\$ 325,121
OTHER FINANCING SOURCES (USES)						
Transfers in	\$ 63,894	\$ -	\$ -	\$ -	\$ 7,975	\$ 71,869
Transfers out	(7,975)	(60,026)	(2,749)	-	(1,119)	(71,869)
Total Other Financing Sources (Uses)	\$ 55,919	\$ (60,026)	\$ (2,749)	\$ -	\$ 6,856	\$ -
NET CHANGE IN FUND BALANCES	\$ 177,460	\$ 95,549	\$ 37,232	\$ 1,308	\$ 13,572	\$ 325,121
FUND BALANCE, JANUARY 1	3,077,644	813,879	349,974	200,534	427,042	4,869,073
FUND BALANCE, DECEMBER 31	\$ 3,255,104	\$ 909,428	\$ 387,206	\$ 201,842	\$ 440,614	\$ 5,194,194

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
 STATEMENTS OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 DECEMBER 31,

	Custodial Funds	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 6,479,426	\$ 5,316,784
Investments	5,000	5,000
Total Assets	<u>\$ 6,484,426</u>	<u>\$ 5,321,784</u>
NET POSITION		
Restricted for:		
Other Entities	<u>\$ 6,484,426</u>	<u>\$ 5,321,784</u>
Total Net Position	<u>\$ 6,484,426</u>	<u>\$ 5,321,784</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION - MODIFIED CASH BASIS
 YEAR ENDED DECEMBER 31,

	Custodial Funds	
	2019	2018
ADDITIONS		
Collections on behalf of other entities	\$ 17,153,201	\$ 15,874,236
Total Additions	\$ 17,153,201	\$ 15,874,236
DEDUCTIONS		
Payments to other entities	\$ 15,990,559	\$ 15,884,490
Total Deductions	\$ 15,990,559	\$ 15,884,490
NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION	\$ 1,162,642	\$ (10,254)
NET POSITION, JANUARY 1	5,321,784	5,332,038
NET POSITION, DECEMBER 31	\$ 6,484,426	\$ 5,321,784

The accompanying Notes to the Financial Statements are an integral part of these statements.

CARROLL COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 and 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Carroll County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk and ex-officio Recorder of Deeds, Collector-Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Sheriff and Surveyor.

The financial statements of Carroll County, Missouri (the County) have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has adopted the reporting model as required by GASB Statement 34, for the presentation of information in the government-wide financial statements and the major fund statements. The more significant of the County’s accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County’s financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization’s governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit or to impose specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The financial statements referred to above include the primary government of Carroll County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity, including the Senate Bill 40 Board Fund. The 911 Board and Health Center Board are not included as they are considered separate governing entities under state law.

The financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Government-wide Financial Statements:

The statements of net position and the statements of activities display financial information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or identifiable activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or identifiable activity. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or identifiable activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or identifiable activity. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements:

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net position/fund balance, revenues, and expenditure/expenses.

Governmental funds are those through which most governmental functions are typically financed. Reporting for such funds focuses on the sources, uses, and balances of current resources. The County's major governmental funds are as follows:

General Revenue Fund - The General Revenue Fund is used to account for all revenues and expenditures applicable to the general operations of county government that are not properly accounted for in another fund. All general operating revenues that are not restricted or designated as to their use by outside sources are recorded in the General Revenue Fund. Revenues are derived primarily from taxes and intergovernmental revenues.

Special Road and Bridge Fund – A special revenue fund used to account for receipts of State distributions and Federal grants and related expenditures for road maintenance and improvement projects.

Assessment Fund – A special revenue fund used to account for property tax withholdings and state reimbursements that are legally restricted to expenditures for assessment purposes.

Courthouse Restoration Fund – A special revenue fund used to account for delinquent sales taxes and other revenue that are legally restricted to expenditures for courthouse restoration purposes.

Fiduciary funds account for assets held by the County as a trustee or an agent for individuals, private organizations, other governments, or other funds. Fiduciary fund reporting focuses on net position and changes in net position; fiduciary assets are reported in separate Statements of Fiduciary Net Position because the County cannot use those assets to finance its operations. The County's fiduciary funds consist of custodial funds, which report assets held in a purely custodial capacity.

C. Basis of Accounting

The government-wide financial statements and fund financial statements are prepared using the modified cash basis of accounting. This basis of accounting recognizes assets, liabilities, net position/fund balance, revenues, and expenditures when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modification of the cash basis is due to the presentation of investments.

As a result of the use of this modified cash basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, notes payable, revenue bonds, and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the government-wide financial statements would be presented on the accrual basis of accounting.

D. Equity Classifications

Government-wide Financial Statements

Equity is classified as net position and displayed in two components:

Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted”.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the County Commission through approval of resolutions. Committed fund balance can be assigned for other uses only by similar action of the Commission. Assigned fund balances is a limitation imposed by a designee of the Commission. Unassigned fund balance in the General Revenue fund is the net resources in excess of what can be properly classified in one of the above four categories.

E. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the modified cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets. Actual expenditures exceeded budgeted amounts for the following funds:

	<u>2019</u>	<u>2018</u>
Law Enforcement Training - POST	N/A	✓
Deputy Sheriff Salary Supplemental	N/A	✓
Administrative Handling	✓	N/A

- F. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation were:

	2019	2018
Real Estate	\$ 85,489,972	\$ 84,468,628
Personal Property	34,401,960	38,546,580
Railroad and Utilities	116,296,457	110,347,518
Total	<u>\$ 236,188,389</u>	<u>\$ 233,362,726</u>

For calendar years 2019 and 2018, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2019	2018
General Revenue	0.2655	0.2588
Johnson Grass	0.0099	0.0099
Senate Bill 40 Board	0.0954	0.0954

In addition to the levies above, the Drainage District III Fund receives .025% per \$1 of net benefit, and the Special Road and Bridge Fund receives \$.05 per \$100 of assessed valuation of each township Road and Bridge levy for administrative purposes.

G. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the Collector-Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and investment balances are presented in Note 2.

H. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

I. Long-Term Debt

Consistent with the modified cash basis of accounting, long-term debt is not reported in the government-wide or fund financial statements. Proceeds from debt issuances are reported when received, and payments of principle and interest are reported when disbursements are made.

J. New Accounting Pronouncements

The County has implemented GASB Statement No. 84, *Fiduciary Activities*, effective for periods beginning after December 15, 2018, which establishes criteria for identifying and reporting fiduciary activities of state and local governments. As a result of the implementation of this statement, the County's financial statements include Statements of Changes in Fiduciary Net Position which report Additions and Deductions of the County's custodial funds.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Cash includes deposits and short-term investments with maturities that are less than ninety days. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019 and 2018, the carrying amounts of the County's deposits were \$5,308,294 and \$5,194,194, respectively, and the bank balances were \$5,621,754 and \$5,507,620, respectively. Of the bank balances, \$537,196 and \$530,539 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2019 and 2018, County officeholders held, in addition to the cash and investments listed above, cash held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2019 and 2018, the carrying amounts of the County's custodial funds were \$6,484,426 and \$5,321,784, respectively, and the bank balances were \$6,438,345 and \$5,380,592, respectively. Of the bank balances, \$1,279,142 and \$1,069,966 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. INTERFUND TRANSFERS

The County made the following interfund transfers between governmental funds of the primary government:

Year Ended December 31, 2019				
Transfers Out	Transfers In			
	General Revenue	Special Road and Bridge	Assessment	Non-Major Funds
General Revenue	-	-	111	4,418
Special Road and Bridge	60,034	-	-	-
Assessment	2,324	-	-	-
Non-Major Funds	34	16,297	-	-

Year Ended December 31, 2018				
Transfers Out	Transfers In			
	General Revenue	Special Road and Bridge	Assessment	Non-Major Funds
General Revenue	-	-	-	7,975
Special Road and Bridge	60,026	-	-	-
Assessment	2,749	-	-	-
Non-Major Funds	1,119	-	-	-

4. COUNTY EMPLOYEES' RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002. During 2019 and 2018, the County collected and remitted to CERF employee withholdings and fees collected of \$139,388 and \$121,364, respectively, for the years then ended.

B. Defined Contribution and Deferred Compensation Plans

1) Plan Description

The County offers employees the opportunity to participate in the CERF defined benefit plan and Internal Revenue Code (IRC) Section 457 deferred compensation plan. The plans' provisions and contribution requirements were established by and may be amended only by the Missouri General Assembly. Pension plan members are eligible to participate.

2) Contributions

Pension plan members are required to contribute 0.7 % of gross compensation to the defined contribution plan. During the years ended December 31, 2019 and 2018, contributions for the mandatory 401(a) totaled \$8,484 and \$8,359, respectively.

Participation in the deferred compensation plan is voluntary, and the employee elects the contribution level, subject to the limitations of IRC Sections 401(a) and 457. The CERF Board of Directors decides if matching contributions from the pension plan trust funds for the calendar year will be made to the defined contribution accounts of those who participated in the deferred compensation plan. The amount of any matching contribution is determined by the Board and is limited to 50% of a member's voluntary contributions to

the deferred compensation plan, up to 6% of the member's compensation. During the years ended December 31, 2019 and 2018, contributions to the 457 plan totaled \$35,491 and \$36,541, respectively.

3) Administration

Maintenance of individual member accounts and custody of assets have been contracted to a third-party administrator and investment custodian, respectively. The County sends member contributions directly to the third-party administrator. Members may select from several options for investing their contributions and their share of matching contributions.

C. Prosecuting Attorney Retirement Fund

In accordance with state statute Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366 and \$4,862, respectively, for the years ended December 31, 2019 and 2018.

5. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

6. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides regular full-time employees with up to 15 days of sick time to accrue at 1.25 days for each calendar month worked. Upon termination, the employee is not compensated for accrued sick time. Vacation time is accrued for full-time employees at the rate of 10 days per year for employees with 1-5 years of service; 11 days per year with 6 years of service; 12 days per year with 7 years of service; 13 days per year with 8 years of service; 14 days per year with 9 years of service; and 15 days per year with 10 or more years of service, up to a maximum of 30 days. Upon termination, the employee is compensated for accrued vacation time up to a maximum of 30 days.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

C. Intergovernmental Agreement

Effective June 1, 2014, the County entered into an intergovernmental agreement with the Town of Carrollton to have the Deputy Recorder of Deeds serve as the municipal court clerk. The agreement ended December 31, 2014, but has been renewed every year. The agreement is considered a renewable leave agreement. The County pays 75% of the total salary and fringe benefits and related office expenditures with the Town of Carrollton reimbursing the County the remaining 25%.

7. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation Trust. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

8. LONG-TERM DEBT

- A. In June 2015, the County entered into a \$36,952, three-year capital lease for a 2015 John Deere Dozer for the Road and Bridge department. The lease called for annual payments of \$12,959 through March 2018. The last annual payment was made in March 2018. The payments included interest of 3%.
- B. In April 2015, the County entered into a \$62,100, five-year capital lease for three Ford Explorers for the Sheriff's office. The lease calls for annual payments of \$13,680 through February 2020. The payments include interest of 3.5%.

Fiscal Year Ending			
December 31,	Principal	Interest	Total
2020	\$ 13,644	\$ 36	\$ 13,680

- C. In April 2017, the County entered into a \$46,260, five-year capital lease for two Ford Explorers for the Sheriff's office. In August 2018, the lease was amended due to an accident and replacement of one of the vehicles. The amended lease calls for annual payments of \$11,234 through February 2022. The payments include interest of 3.75%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 10,060	\$ 1,174	\$ 11,234
2021	10,437	797	11,234
2022	10,828	406	11,234
Totals	<u>\$ 31,325</u>	<u>\$ 2,377</u>	<u>\$ 33,702</u>

- D. In September 2019, the County entered into a \$67,203, five-year capital lease for two Ford Utility Vehicles for the Sheriff's office. The lease calls for annual payments of \$14,695 through September 2023. The payments include interest of 3.9%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 12,607	\$ 2,088	\$ 14,695
2021	13,111	1,584	14,695
2022	13,630	1,065	14,695
2023	13,313	526	13,839
Totals	<u>\$ 52,661</u>	<u>\$ 5,263</u>	<u>\$ 57,924</u>

- E. In October 2019, the County entered into a \$112,145, three-year capital lease for a Case Trackhoe for the Road and Bridge department. The lease calls for annual payments of \$39,684 through March 2022. The payments include interest of 4.25%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 37,558	\$ 2,126	\$ 39,684
2021	36,521	3,163	39,684
2022	38,066	1,618	39,684
Totals	<u>\$ 112,145</u>	<u>\$ 6,907</u>	<u>\$ 119,052</u>

- F. In December 2019, the County entered into a \$107,615, three-year finance/ownership contract for a Mack Dump Truck for the Road and Bridge department. The contract calls for annual payments of \$37,011 through April 2022. The payments include interest of 3.61%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 37,011	\$ -	\$ 37,011
2021	34,744	2,267	37,011
2022	35,860	1,151	37,011
Totals	<u>\$ 107,615</u>	<u>\$ 3,418</u>	<u>\$ 111,033</u>

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
2015 John Deere Dozer	\$ 12,610	\$ -	\$ (12,610)	\$ -	\$ 373
Three 2015 Ford Explorers	38,612	-	(12,259)	26,353	1,420
Two 2017 Ford Explorers	46,260	29,090	(33,602)	41,748	1,492

The following schedule shows changes in long-term debt during the year ended December 31, 2019:

Description	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
Three 2015 Ford Explorers	\$ 26,353	\$ -	\$ (12,709)	\$ 13,644	\$ 970
Two 2017 Ford Explorers	41,748	-	(10,423)	31,325	811
Two 2019 Ford Utility Vehicles	-	67,203	(14,542)	52,661	153
2019 Case Trackhoe	-	152,145	(40,000)	112,145	-
2019 Mack Dump Truck	-	147,615	(40,000)	107,615	-

9. OPERATING LEASES

In November 2015, the County entered into an operating lease for several copiers. The lease calls for monthly payments of \$948 through January 2021. The future payments for the operating lease is as follows:

Fiscal Year Ending December 31,	Amount
2020	\$ 11,376
2021	948

10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through August 12, 2020, the date the financial statements were available to be issued.

Subsequent to December 31, 2019, the County has been impacted by the coronavirus pandemic in the United States. This event has led to a decrease in business and consumer activity within the County and could have a negative impact on sales and other tax revenues in 2020, as well as potentially affecting the availability of grants and other assistance from the state and federal governments.

SUPPLEMENTARY INFORMATION

CARROLL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

GENERAL REVENUE FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
RECEIPTS						
Property taxes	\$ 598,500	\$ 635,126	\$ 36,626	\$ 644,650	\$ 628,048	\$ (16,602)
Sales taxes	511,000	568,368	57,368	521,000	592,548	71,548
Intergovernmental	39,298	70,318	31,020	28,278	34,476	6,198
Charges for services	632,230	624,287	(7,943)	629,722	652,897	23,175
Interest	10,000	18,518	8,518	15,000	23,634	8,634
Other	12,547	19,066	6,519	12,557	20,698	8,141
Transfers in	65,050	63,894	(1,156)	65,050	62,392	(2,658)
Total Receipts	\$ 1,868,625	\$ 1,999,577	\$ 130,952	\$ 1,916,257	\$ 2,014,693	\$ 98,436
DISBURSEMENTS						
County Commission	\$ 146,980	\$ 123,752	\$ (23,228)	\$ 142,921	\$ 123,720	\$ (19,201)
County Clerk	155,322	148,655	(6,667)	157,349	131,843	(25,506)
Election	162,416	106,970	(55,446)	86,265	46,014	(40,251)
Building & Grounds	183,438	106,388	(77,050)	190,927	136,845	(54,082)
Employee Fringe Benefits	195,215	166,381	(28,834)	208,715	183,512	(25,203)
County Collector/Treasurer	135,732	124,725	(11,007)	148,208	132,847	(15,361)
Recorder	38,566	34,518	(4,048)	40,406	36,270	(4,136)
Circuit Clerk	22,860	8,405	(14,455)	28,460	15,845	(12,615)
Court Administration	4,131	3,657	(474)	2,050	1,340	(710)
Court Reporter	425	-	(425)	720	-	(720)
Other General County Government	90,540	82,637	(7,903)	95,660	91,300	(4,360)
Public Administrator	48,700	44,648	(4,052)	50,552	50,332	(220)
Sheriff	677,435	705,972	28,537	796,721	675,893	(120,828)
Prosecuting Attorney	128,345	104,593	(23,752)	134,330	110,080	(24,250)
Juvenile Officer	24,035	34,081	10,046	27,535	21,082	(6,453)
County Coroner	20,665	18,760	(1,905)	21,472	21,812	340
Other and Flood Control Lease	-	-	-	-	221	221
Transfers out	10,200	7,975	(2,225)	6,700	4,529	(2,171)
Emergency fund	55,900	-	(55,900)	60,000	-	(60,000)
Total Disbursements	\$ 2,100,905	\$ 1,822,117	\$ (278,788)	\$ 2,198,991	\$ 1,783,485	\$ (415,506)
RECEIPTS OVER (UNDER)						
DISBURSEMENTS	\$ (232,280)	\$ 177,460	\$ 409,740	\$ (282,734)	\$ 231,208	\$ 513,942
FUND BALANCE, JANUARY 1	3,077,644	3,077,644	-	3,255,104	3,255,104	-
FUND BALANCE, DECEMBER 31	\$ 2,845,364	\$ 3,255,104	\$ 409,740	\$ 2,972,370	\$ 3,486,312	\$ 513,942

CARROLL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

SPECIAL ROAD AND BRIDGE FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
RECEIPTS						
Property taxes	\$ 112,203	\$ 112,203	\$ -	\$ 115,000	\$ 116,577	\$ 1,577
Sales taxes	-	-	-	-	-	-
Intergovernmental	1,602,270	952,713	(649,557)	1,362,555	1,127,258	(235,297)
Charges for services	15,000	13,649	(1,351)	16,000	32,888	16,888
Interest	2,800	3,562	762	3,700	3,798	98
Other	3,300	6,673	3,373	2,806,000	171,737	(2,634,263)
Transfers in	-	-	-	5,000	16,297	11,297
Total Receipts	<u>\$ 1,735,573</u>	<u>\$ 1,088,800</u>	<u>\$ (646,773)</u>	<u>\$ 4,308,255</u>	<u>\$ 1,468,555</u>	<u>\$ (2,839,700)</u>
DISBURSEMENTS						
Salaries	\$ 232,851	\$ 233,755	\$ 904	\$ 239,096	\$ 241,079	\$ 1,983
Employee fringe benefits	73,630	68,075	(5,555)	77,201	73,908	(3,293)
Materials and supplies	327,475	293,065	(34,410)	297,650	368,142	70,492
Services and other	221,250	115,418	(105,832)	227,000	92,881	(134,119)
Capital outlay	14,000	12,983	(1,017)	-	80,000	80,000
Construction	1,049,500	209,929	(839,571)	3,670,000	625,944	(3,044,056)
Transfers out	60,050	60,026	(24)	60,050	60,034	(16)
Total Disbursements	<u>\$ 1,978,756</u>	<u>\$ 993,251</u>	<u>\$ (985,505)</u>	<u>\$ 4,570,997</u>	<u>\$ 1,541,988</u>	<u>\$ (3,029,009)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (243,183)	\$ 95,549	\$ 338,732	\$ (262,742)	\$ (73,433)	\$ 189,309
FUND BALANCE, JANUARY 1	<u>813,879</u>	<u>813,879</u>	<u>-</u>	<u>909,428</u>	<u>909,428</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 570,696</u>	<u>\$ 909,428</u>	<u>\$ 338,732</u>	<u>\$ 646,686</u>	<u>\$ 835,995</u>	<u>\$ 189,309</u>

CARROLL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

ASSESSMENT FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	255,468	261,661	6,193	255,468	262,723	7,255
Charges for services	3,800	7,602	3,802	4,550	7,082	2,532
Interest	800	1,642	842	1,600	2,088	488
Other	5,000	6,980	1,980	5,000	5,442	442
Transfers in	-	-	-	-	111	111
Total Receipts	<u>\$ 265,068</u>	<u>\$ 277,885</u>	<u>\$ 12,817</u>	<u>\$ 266,618</u>	<u>\$ 277,446</u>	<u>\$ 10,828</u>
DISBURSEMENTS						
Salaries	\$ 156,658	\$ 157,046	\$ 388	\$ 164,624	\$ 161,711	\$ (2,913)
Employee fringe benefits	30,854	31,349	495	38,995	38,350	(645)
Materials and Supplies	53,800	45,492	(8,308)	104,333	87,007	(17,326)
Services and Other	8,500	4,017	(4,483)	9,000	5,246	(3,754)
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	5,000	2,749	(2,251)	5,000	2,324	(2,676)
Total Disbursements	<u>\$ 254,812</u>	<u>\$ 240,653</u>	<u>\$ (14,159)</u>	<u>\$ 321,952</u>	<u>\$ 294,638</u>	<u>\$ (27,314)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 10,256	\$ 37,232	\$ 26,976	\$ (55,334)	\$ (17,192)	\$ 38,142
FUND BALANCE, JANUARY 1	<u>349,974</u>	<u>349,974</u>	<u>-</u>	<u>387,206</u>	<u>387,206</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 360,230</u>	<u>\$ 387,206</u>	<u>\$ 26,976</u>	<u>\$ 331,872</u>	<u>\$ 370,014</u>	<u>\$ 38,142</u>

CARROLL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - MODIFIED CASH BASIS

COURTHOUSE RESTORATION FUND						
Year Ended December 31,						
	2018			2019		
	Original and Final Budget	Actual	Variance with Final Budget	Original and Final Budget	Actual	Variance with Final Budget
RECEIPTS						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	900	1,309	409	1,100	1,858	758
Other	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Total Receipts	<u>\$ 900</u>	<u>\$ 1,309</u>	<u>\$ 409</u>	<u>\$ 1,100</u>	<u>\$ 1,858</u>	<u>\$ 758</u>
DISBURSEMENTS						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-
Services and Other	50,001	1	(50,000)	50,000	-	(50,000)
Capital Outlay	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Disbursements	<u>\$ 50,001</u>	<u>\$ 1</u>	<u>\$ (50,000)</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ (50,000)</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (49,101)	\$ 1,308	\$ 50,409	\$ (48,900)	\$ 1,858	\$ 50,758
FUND BALANCE, JANUARY 1	<u>200,534</u>	<u>200,534</u>	<u>-</u>	<u>201,842</u>	<u>201,842</u>	<u>-</u>
FUND BALANCE, DECEMBER 31	<u>\$ 151,433</u>	<u>\$ 201,842</u>	<u>\$ 50,409</u>	<u>\$ 152,942</u>	<u>\$ 203,700</u>	<u>\$ 50,758</u>

CARROLL COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS - MODIFIED CASH BASIS
 YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund	Cash and Investments January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Investments December 31, 2019
Law Enforcement Training	\$ 817	\$ 1,084	\$ 15	\$ 1,886	\$ 565	\$ 483	\$ 1,968
Prosecuting Attorney Training	271	269	251	289	272	251	310
Drainage District III	109,755	23,941	4	133,692	23,957	18,929	138,720
Special Sheriff	6,487	7,172	1,115	12,544	5,348	14,291	3,601
Johnson Grass	139,602	22,941	39,649	122,894	23,490	48,339	98,045
Recorder's Preservation	23,842	3,027	124	26,745	3,147	1,799	28,093
Prosecuting Attorney Delinquent	846	2	200	648	273	250	671
Election Services	31,556	8,717	5,589	34,684	5,547	7,906	32,325
Law Enforcement Training - POST	-	523	523	-	500	500	-
Tax Maintenance	59,915	15,050	11,012	63,953	16,669	20,068	60,554
Local Emergency Planning Committee	13,506	4,227	99	17,634	-	58	17,576
Sheriff Revolving	259	2,122	827	1,554	2,496	453	3,597
County Law Enforcement Restitution	5,931	13,060	13,897	5,094	13,552	10,472	8,174
Deputy Sheriff Salary Supplementation	816	3,553	3,563	806	2,707	3,317	196
Emergency Management	322	-	-	322	-	-	322
Administrative Handling Cost	5,199	4,192	6,033	3,358	2,519	5,709	168
Senate Bill 40 Board	27,918	216,622	230,029	14,511	218,759	215,317	17,953
Total	<u>\$ 427,042</u>	<u>\$ 326,502</u>	<u>\$ 312,930</u>	<u>\$ 440,614</u>	<u>\$ 319,801</u>	<u>\$ 348,142</u>	<u>\$ 412,273</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CARROLL COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - MODIFIED CASH BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund/Account	Cash and Investments January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Investments December 31, 2019
Treasurer CERF	\$ -	\$ 10,685	\$ 10,685	\$ -	\$ 11,587	\$ 11,587	\$ -
Treasurer EFTPS	-	22,864	22,864	-	24,141	24,141	-
Treasurer Tax Sales Surplus	1,185	1,208	725	1,668	20,633	-	22,301
Treasurer Unclaimed Magistrate Fees	-	-	-	-	202	-	202
Treasurer Distributable Schools	22,022	64,252	67,825	18,449	36,930	45,270	10,109
Treasurer Law Library	11,493	5,396	2,227	14,662	4,960	9,021	10,601
Treasurer Children's Trust	1,471	313	1,002	782	247	502	527
Treasurer Time Payment Fee	3,240	1,055	1,887	2,408	919	4	3,323
Treasurer Garnishment Clerk Fees	5,091	1,274	-	6,365	1,366	-	7,731
Treasurer Financial Institution Tax	-	45,014	45,014	-	12,966	12,966	-
Treasurer RAHN CD	5,000	-	-	5,000	-	-	5,000
County Clerk	312	9,672	9,984	-	8,938	8,938	-
Collector	4,456,261	15,041,030	15,040,159	4,457,132	16,032,103	15,090,175	5,399,060
Collector Bankruptcy	247	722	-	969	834	1,089	714
Collector Tax Escrow	1,753	4,678	5,254	1,177	6,422	6,040	1,559
Sheriff	1,487	30,758	31,222	1,023	33,662	33,004	1,681
Sheriff Auxiliary	1,080	-	-	1,080	-	-	1,080
Recorder	5,092	55,662	60,754	-	59,628	59,628	-
Prosecuting Attorney Trust	250	2,336	2,586	-	556	556	-
Public Administrator	815,540	559,733	564,204	811,069	886,664	677,195	1,020,538
Assessor	514	17,584	18,098	-	10,443	10,443	-
Total	<u>\$ 5,332,038</u>	<u>\$ 15,874,236</u>	<u>\$ 15,884,490</u>	<u>\$ 5,321,784</u>	<u>\$ 17,153,201</u>	<u>\$ 15,990,559</u>	<u>\$ 6,484,426</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Carroll County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Carroll County, Missouri as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Carroll County, Missouri's basic financial statements, and have issued our report thereon dated August 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Carroll County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Carroll County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Carroll County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Carroll County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

(Original Signed by McBride, Lock & Associates, LLC)

McBride, Lock & Associates, LLC
Kansas City, Missouri
August 12, 2020

FINDINGS AND RECOMMENDATIONS

CARROLL COUNTY, MISSOURI
FINDINGS AND RECOMMENDATIONS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

None

ITEMS OF NONCOMPLIANCE

None

CARROLL COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Carroll County, Missouri, on the applicable findings in the prior audit report issued for the years ended December 31, 2017 and 2016. There were no financial statement findings issued as a result of this audit. There was one federal award finding that was not required to be followed-up on as the criteria for a Uniform Guidance audit was not met in the current audit period.



Nicole Galloway, CPA

Missouri State Auditor

Summary of Local Government and Court Audit Findings - Information Security Controls

Report No. 2020-065

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Summary of Local Government and Court Audit Findings - Information Security Controls

User Access Management	Access to certain systems is not adequately restricted. The user access of former employees is not disabled timely.
User Authentication	Passwords are not required to be changed on a periodic basis. User accounts and passwords for accessing computers and various systems are shared by users. A password is not required to logon and authenticate access to a computer. Passwords are not required to contain a minimum number of characters.
Security Controls	Inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity. Security controls have not been implemented to lock access to a computer or system after a specified number of unsuccessful logon attempts.
Backup and Recovery	Data in various systems is not periodically backed up. Data backups are not stored at a secure off-site location. Periodic testing of backup data is not performed.
Data Management and Integrity	Data management and integrity controls to guard against the improper modification or destruction of data and information have not been implemented.

Because of the nature of this report, no rating is provided.

Summary of Local Government and Court Audit Findings

Information Security Controls

Table of Contents

State Auditor's Report	2
------------------------	---

Audit Issues	
1. User Access Management	3
2. User Authentication.....	3
3. Security Controls.....	5
4. Backup and Recovery.....	6
5. Data Management and Integrity	7

Appendix	
Audit Reports	8



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

This report was compiled using local government and court audit reports issued by my office between July 2019 and June 2020 (report numbers 2019-049 through 2019-132 and 2020-001 through 2020-036). The objective of this report was to summarize recent information security control issues and recommendations.

The recommendations address a variety of topics including user access management, user authentication, security controls, backup and recovery, and data management and integrity. The Appendix lists the 10 reports with findings covering these topics.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Audit Staff:	Zachery Harris

Summary of Local Government and Court Audit Findings

Information Security Controls

Audit Issues

1. User Access Management

1.1 Access rights and privileges

Access to certain systems is not adequately restricted. Access rights and privileges are used to determine what a user can do after being allowed into a system, such as read or write to a certain file. Unrestricted system access allows the capability to make unauthorized changes to records or to delete or void transactions after the transactions have been entered in the system. In addition, adequate supervisory reviews of users are not performed. Access should be limited based on user needs and job responsibilities.

Without adequate user access restrictions, there is an increased risk of unauthorized changes to data and records and of the loss, theft, or misuse of funds.

Recommendation

Ensure user access rights are limited to only what is necessary to perform job duties and responsibilities.

Report Source

2019-068 (Camden County)
2019-069 (Camden County Collector and Property Tax System)
2019-110 (Pemiscot County)
2019-113 (45th Judicial Circuit Lincoln County)

1.2 Terminated employees

The user access of former employees is not disabled timely.

Without effective procedures to remove access upon termination, former employees could continue to have access to critical or sensitive data and records, which increases the risk of the unauthorized use, modification, or destruction of data and information.

Recommendation

Ensure user access is promptly deleted following termination of employment to prevent unauthorized access to computer systems and data.

Report Source

2019-101 (Ozark County)
2019-118 (Barry County)

2. User Authentication

2.1 Passwords not changed

Passwords are not required to be changed on a periodic basis. As a result, there is less assurance passwords are effectively limiting access to computer systems and data files to only those individuals who need access to perform their job responsibilities. Passwords should be changed periodically to reduce the risk of unauthorized access to and use of systems and data.



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

Without requiring passwords to be periodically changed, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure passwords are periodically changed to prevent unauthorized access to computers and data.

Report Source

2019-050 (Madison County Collector and Property Tax System)
2019-057 (Dent County)
2019-101 (Ozark County)
2019-118 (Barry County)
2020-020 (7th Judicial Circuit City of Excelsior Springs Municipal Division)
2020-029 (City of Monroe City)

2.2 Sharing passwords

User accounts and passwords for accessing computers and various systems are shared by users. The security of a password system is dependent upon keeping passwords confidential. By allowing users to share accounts and passwords, individual accountability for system activity could be lost and unauthorized system activity could occur.

Without strong user account and password controls, including maintaining the confidentiality of passwords, the likelihood that accounts could be compromised and used by unauthorized individuals to gain access to sensitive information is increased.

Recommendation

Ensure unique user accounts and passwords are required to access computers and data. In addition, ensure users understand the importance of maintaining the confidentiality of passwords.

Report Source

2019-050 (Madison County Collector and Property Tax System)
2019-068 (Camden County)
2019-069 (Camden County Collector and Property Tax System)
2019-110 (Pemiscot County)
2019-118 (Barry County)
2020-020 (7th Judicial Circuit City of Excelsior Springs Municipal Division)
2020-029 (City of Monroe City)

2.3 Password not required

A password is not required to logon and authenticate access to a computer.

Without requiring passwords to access a computer or system, there is no assurance the data or system is protected from unauthorized access and use.

Recommendation

Ensure passwords are required to authenticate access to computer systems and data.

Report Source

2020-020 (7th Judicial Circuit City of Excelsior Springs Municipal Division)



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

2.4 Password complexity

Passwords are not required to contain a minimum number of characters. Strong passwords are often the first line of defense into a computer or system. As a result, an appropriate minimum character length should be established so passwords cannot be easily guessed or identified using password-cracking mechanisms.

Without enforcing password complexity by requiring a minimum number of characters, there is an increased risk that passwords can be more easily guessed, allowing unauthorized access to data and systems.

Recommendation

Ensure passwords contain a minimum number of characters so they cannot be easily guessed.

Report Source

2019-050 (Madison County Collector and Property Tax System)
2019-057 (Dent County)
2019-101 (Ozark County)
2019-110 (Pemiscot County)
2019-118 (Barry County)
2020-029 (City of Monroe City)

3. Security Controls

3.1 Inactivity control

Inactivity controls have not been implemented to lock a computer or system after a certain period of inactivity. To reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files, users should log off computers when unattended and an inactivity control should be implemented to lock a computer or terminate a user session after a certain period of inactivity.

Without an inactivity control, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.

Recommendation

Ensure an inactivity control is implemented to lock a computer or system after a certain period of inactivity.

Report Source

2019-101 (Ozark County)
2019-118 (Barry County)
2020-029 (City of Monroe City)

3.2 Unsuccessful logon attempts

Security controls have not been implemented to lock access to a computer or system after a specified number of unsuccessful logon attempts. Logon attempt controls lock the capability to access a computer or system after a specified number of consecutive unsuccessful logon attempts, and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer or system by guessing passwords.



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

Without effective controls to limit the number of consecutive unsuccessful logon attempts, there is less assurance sensitive data is effectively protected from unauthorized access.

Recommendation

Ensure a security control is implemented to lock access to a computer or system after multiple unsuccessful logon attempts.

Report Source

2019-050 (Madison County Collector and Property Tax System)
2019-057 (Dent County)
2019-101 (Ozark County)
2019-118 (Barry County)
2020-029 (City of Monroe City)

4. Backup and Recovery

4.1 Data backup

Data in various systems is not periodically backed up. Preparation of backup data, preferably on a daily or at least weekly basis, provides reasonable assurance data could be recovered if necessary.

Without regular data backups, there is an increased risk critical data will not be available for recovery should a disruptive incident occur.

Recommendation

Ensure data is regularly backed up.

Report Source

2019-057 (Dent County)

4.2 Off-site storage

Data backups are not stored at a secure off-site location. Data backups are performed; however, the backup files are stored at the same location as the original data leaving the files susceptible to the same damage as that data.

Without storing backup data at a secure off-site location, critical data may not be available for restoring systems following a disaster or other disruptive incident.

Recommendation

Ensure backup data is stored in a secure off-site location.

Report Source

2019-050 (Madison County Collector and Property Tax System)
2019-118 (Barry County)

4.3 Periodic testing

Periodic testing of backup data is not performed. Such testing is necessary to ensure the backup process is functioning properly and to ensure all essential data can be recovered.



Summary of Local Government and Court Audit Findings
Information Security Controls
Audit Issues

Without testing the full backup process, management cannot be assured the entire system can be restored when necessary.

Recommendation

Ensure backup data is tested on a regular, predefined basis.

Report Source

2019-050 (Madison County Collector and Property Tax System)
2019-118 (Barry County)

**5. Data Management
and Integrity**

Data management and integrity controls to guard against the improper modification or destruction of data and information have not been implemented. As a result, critical systems, such as property tax systems, do not prevent users from voiding receipt transactions after they are completed. In addition, systems do not have the audit trail controls or functionality to generate reports of deleted or modified transactions.

Without data management, integrity, and audit trail controls, there is an increased risk of manipulation of data without detection and the loss, theft, or misuse of funds.

Recommendation

Ensure adequate data management, integrity, and audit trail controls are in place to allow for the proper accountability of all transactions.

Report Source

2019-069 (Camden County Collector and Property Tax System)

Summary of Local Government and Court Audit Findings

Information Security Controls

Appendix - Audit Reports

Report Number	Title	Publication Date
2019-050	Madison County Collector and Property Tax System	July 2019
2019-057	Dent County	July 2019
2019-068	Camden County	August 2019
2019-069	Camden County Collector and Property Tax System	August 2019
2019-101	Ozark County	October 2019
2019-110	Pemiscot County	November 2019
2019-113	45th Judicial Circuit Lincoln County	November 2019
2019-118	Barry County	December 2019
2020-020	7th Judicial Circuit City of Excelsior Springs Municipal Division	April 2020
2020-029	City of Monroe City	June 2020



Nicole Galloway, CPA

Missouri State Auditor

DEPARTMENT OF COMMERCE AND INSURANCE

Insurance

Report No. 2020-064

September 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Department of Commerce and Insurance - Insurance

Tax Reconciliations	The Department of Commerce and Insurance (DCI) - Insurance's procedures for reconciling information on tax payments collected by the Department of Revenue (DOR) and uploaded to the DCI-Insurance's tax systems to the tax collections posted in the statewide accounting system need improvement.
License Suspension	The state's process for the suspension of insurance licenses due to the licensee's failure to pay state taxes or failure to file a state tax return is not functioning. As a result, the DCI-Insurance has not received notice of any non-compliant licensees from the DOR since October 2018.
Electronic Communication Policies	The DCI-Insurance's records management and retention policy does not comply with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri State Records Commission.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Commerce and Insurance - Insurance

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Tax Reconciliations.....4 2. License Suspension5 3. Electronic Communication Policies6
---	---

Organization and Statistical Information	8
---	---

Appendixes	
A	Department of Commerce and Insurance - Insurance Response.....13
B	Statement of Receipts, Disbursements, and Changes in Cash and Investments Year Ended June 30, 201914
C	Statement of Receipts Year Ended June 30, 201915
D	Comparative Statement of Appropriations and Expenditures 2 Years Ended June 30, 2019.....16
E	Comparative Statement of Expenditures (From Appropriations) 5 years Ended June 30, 201917



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Mike Parson, Governor
and
Chlora Lindley-Myers, Director
Department of Commerce and Insurance
Jefferson City, Missouri

We have audited certain operations of the Department of Commerce and Insurance - Insurance, in fulfillment of our duties under Chapter 29 and 374, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

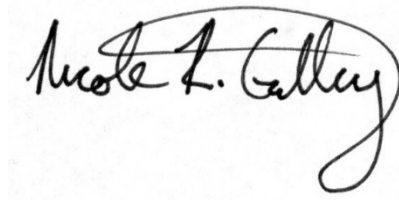
1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) partial noncompliance with a legal provision, and (3) the need for improvement with a management practice and procedure. The accompanying Management Advisory Report presents our findings arising from our audit of the DCI-Insurance.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Emily Barraclough, CPA
Audit Staff:	Shelby Reams
	Sacha Tejan, CFE

Department of Commerce and Insurance - Insurance

Management Advisory Report

State Auditor's Findings

1. Tax Reconciliations

The Department of Commerce and Insurance (DCI) - Insurance's procedures for reconciling information on tax payments collected by the Department of Revenue (DOR) and uploaded to the DCI-Insurance's tax systems to the tax collections posted in the statewide accounting system need improvement. During the fiscal year ended June 30, 2019, the DOR collected approximately \$345 million in insurance taxes on behalf of the department.

Foreign and domestic insurance companies conducting business in the state, including certain stock insurance companies organized in the state, are required to pay premium taxes based on insurance premiums received during the calendar year. Premium taxes are required to be paid in quarterly installments to the DOR. That department is responsible for receiving these premium tax payments and posting them to statewide accounting records. In addition, DOR personnel upload premium tax payment information to the DCI-Insurance's premium tax system. In accordance with various provisions of Chapter 148, RSMo, with the exception of domestic stock insurance company premium taxes, which are deposited and accounted for in the County Stock Insurance Fund within the DOR's Financial Institution Tax Fund, premium tax payments are required to be deposited to the General Revenue Fund.

Premium tax

DCI-Insurance personnel do not reconcile premium tax payments by type to corresponding amounts posted in the statewide accounting system to ensure the collections have been credited to the appropriate fund in compliance with state law. Instead, they reconcile premium tax payments credited to the General Revenue Fund and to the County Stock Insurance Fund in total to payment information uploaded to the DCI-Insurance's premium tax system to evaluate the accuracy. As a result of the lack of reconciliation by type of premium tax collection, insurance company premium tax payments may be posted incorrectly in statewide accounting records.

In February and March 2018, the DOR receipted \$2,192,313 in domestic stock premium taxes. These payments were recorded incorrectly in the statewide accounting records to the General Revenue Fund, instead of the County Stock Insurance Fund. Since DCI-Insurance personnel did not reconcile premium tax collections by type to related entries in statewide accounting records, they did not identify the error. The DOR identified and corrected the error in September 2018. The error and delay in its correction resulted in statewide accounting records being misstated in both fiscal year 2018 and 2019. In fiscal year 2018, premium taxes deposited to the General Revenue Fund were overstated and domestic stock premium taxes deposited to the County Stock Insurance Fund were understated. In addition, premium taxes deposited to the County Stock Insurance Fund in fiscal year 2019 were overstated due to this error.



Department of Commerce and Insurance - Insurance
Management Advisory Report - State Auditor's Findings

According to Section 148.330.4, RSMo, on or before the first day of September of each year, all domestic stock premium taxes in the County Stock Insurance Fund are to be apportioned to the General Revenue Fund of the state, to the county treasurer and to the treasurer of the school district in which the principal office of the company paying the same is located. Apportionments are made in the same ratio as the levy rates for state, county, and school district purposes.

Because the department did not identify and correct this error timely, amounts apportioned from the County Stock Insurance Fund were likely impacted in both fiscal years.

Captive and SPLRC tax

During fiscal year 2019, DCI-Insurance personnel did not perform a periodic reconciliation of captive and special purpose life reinsurance captive (SPLRC) tax collections receipted by the DOR to the amounts recorded in the DCI-Insurance's captive tax system. Because DCI-Insurance personnel did not perform such reconciliations, no one timely identified errors in how DOR calculated and recorded the required transfer of 10 percent of these tax collections from the General Revenue Fund to the Insurance Dedicated Fund in the statewide accounting records. As a result, these errors resulted in captive tax collections being understated by \$81,707 and SPLRC tax collections being overstated by \$81,707 in the fiscal year 2019 General Revenue Fund statewide accounting records.

Performing periodic reconciliations of collections by type helps ensure statewide accounting records balance, transactions are properly recorded, and increases the likelihood errors will be identified and corrected timely.

Recommendation

The DCI-Insurance perform a periodic reconciliation of premium and captive tax collections by type receipted by the DOR to amounts recorded in the DCI-Insurance's tax systems and posted to statewide accounting records to ensure records in the DCI-Insurance tax systems have been updated properly and credited to appropriate fund. In addition, the DCI-Insurance should work with the DOR to ensure captive and SPLRC tax transfers from the General Revenue Fund to the Insurance Dedicated Fund are calculated and recorded accurately in the state's accounting records.

Auditee's Response

The DCI-Insurance's written response is included at Appendix A.

2. License Suspension

The state's process for the suspension of insurance licenses due to the licensee's failure to pay state taxes or failure to file a state tax return is not functioning. As a result, the DCI-Insurance has not received notice of any non-compliant licensees from the DOR since October 2018.

Each month, the DCI-Insurance provides the DOR with the name and social security number of each applicant for licensure and each anticipated licensee



Department of Commerce and Insurance - Insurance
Management Advisory Report - State Auditor's Findings

renewal as required by state law. However, the DOR has not notified the DCI-Insurance of any non-compliant applicants or licensees since October 2018. Therefore, the DCI-Insurance does not have the ability to suspend licenses for noncompliance as required by state law. DCI-Insurance personnel indicated they contacted the DOR in January 2019 when they had not received any reports for several months, and were informed the DOR system used to generate the noncompliance reports was not working properly.

Section 324.010, RSMo, requires the DCI-Insurance to provide the Director of Revenue (DOR) with the name and social security number of each applicant for licensure or licensee of the DCI-Insurance within one month of the date the application is filed or at least one month prior to the anticipated renewal of a licensee's license. If such licensee is delinquent on any state taxes or has failed to file state income tax returns in the last 3 years, the director is required to send notice to the DCI-Insurance and licensee. In the case of such delinquency or failure to file, the licensee's license shall be suspended within 90 days after notice of such delinquency or failure to file, unless the director of revenue verifies that such delinquency or failure has been remedied or arrangements have been made to achieve such remedy.

Because the DOR is not providing this tax compliance information, the DCI-Insurance cannot suspend licenses of individuals who are not tax compliant in accordance with state law.

Recommendation

The DCI-Insurance work with the DOR to receive notification of noncompliant license applicants and licensees to ensure licenses can be suspended for noncompliance as required by law.

Auditee's Response

The DCI-Insurance's written response is included at Appendix A.

3. Electronic Communication Policies

The DCI-Insurance's records management and retention policy does not comply with the Missouri Secretary of State Records Services Division guidance, as approved by the Missouri State Records Commission.¹ This guidance recommends government entities have a policy on electronic messaging, including text messages, email, and other third party platforms.

While the DCI-Insurance's policy No. 2-105, titled Records Management and Retention Policy addresses the retention of emails initiated from DCI-Insurance communication systems, the policy does not address all of the issues set forth in the guidance, including the retention of messages sent from

¹ Missouri Secretary of State Records Services Division, *Electronic Communications Records Guidelines for Missouri Government*, May 14, 2019, is available at <<https://www.sos.mo.gov/CMSImages/RecordsManagement/CommunicationsGuidelines.pdf>>, accessed July 23, 2020.



Department of Commerce and Insurance - Insurance
Management Advisory Report - State Auditor's Findings

text messages and other third party platforms, such as personal email accounts and personal devices, when they represent official business of the state.

Proper retention of electronic communications is necessary to ensure all documentation of official business of the state is retained.

Recommendation

The DCI-Insurance update records management and retention policies to comply with the Missouri Secretary of State Records Services Division Electronic Communications Guidelines.

Auditee's Response

The DCI-Insurance's written response is included at Appendix A.

Department of Commerce and Insurance - Insurance

Organization and Statistical Information

The Missouri Division of Insurance was created by an act of the Missouri legislature in 1869. With the enactment of the state Omnibus Reorganization Act of 1974, the agency was transferred to the Department of Consumer Affairs, Regulation and Licensing. Constitution Amendment No. 6 passed in August 1984, changed the name of the Department of Consumer Affairs, Regulation and Licensing, to the Department of Economic Development, effective September 7, 1984. Constitutional Amendment No. 4, passed in August 1990, created a new Department of Insurance, effective July 1, 1991. Executive Order 06-04 consolidated the former Department of Insurance, the Division of Finance, the State Banking Board, the Division of Credit Unions, and the Division of Professional Registration into one department and changed the name of the department to the Missouri Department of Insurance, Financial Institutions, and Professional Registration (DIFP), effective August 28, 2006. Executive Order 19-02 transferred the Office of Public Counsel and the Public Service Commission to the DIFP and changed the name to the Department of Commerce and Insurance (DCI), effective August 28, 2019.

The DCI-Insurance operates under the authority of Chapter 374, RSMo. The management and control of the DCI is vested in a director who is nominated by the Governor with the advice and consent of the Senate. Chlora Lindley-Myers was appointed Director on March 6, 2017 and continues to serve in that capacity.

As of June 30, 2019, there were 578 domestic, 2,705 foreign, and 478 alien companies licensed and/or regulated by DCI-Insurance in Missouri. Insurers with primary corporate headquarters located in a particular state are called domestic insurers. Foreign and alien insurers are those that are allowed to sell insurance in a state but have a primary legal residence in another state or country.

The DCI-Insurance regulates the insurance industry in the state through enforcement of Chapters 325, 354, and 374 through 385, RSMo. The department regulates and licenses the insurance industry in the state, ensures the insurance industry is financially sound, trustworthy, competent, and responsive to the insurance-buying public; and ensures the insurance industry complies with the laws of the state.

To fulfill these responsibilities, the department maintains a central office in Jefferson City and branch offices in St. Louis and Kansas City. The DCI-Insurance is organized into the following functional units: Insurance Consumer Affairs Division, Insurance Market Regulation Division, Insurance Company Regulation Division, and Administration Division. The DCI-Insurance had 190 employees as of June 30, 2019.



Department of Commerce and Insurance - Insurance
Organization and Statistical Information

The following table provides a breakdown of the type of companies licensed and/or regulated by DCI-Insurance in the state.

Type of Company	Missouri		
	Domicile	Foreign	Alien
Third Party Administrator	41	375	8
Fraternal Benefit	1	27	1
Reinsurer	0	41	311
Property and Casualty	39	896	0
Rating Organization	3	21	0
Advisory Organization	2	8	0
Health Services Corporation	1	0	0
Life Care Facility	9	0	0
Purchasing Group	9	281	0
Reinsurance Intermediary	6	14	4
Title	1	20	0
Statutorily Created Entity	6	0	0
Discount Medical Plan	0	28	0
Health Maintenance Organization	18	14	0
Prepaid Dental	6	10	0
Risk Retention Group	0	87	0
Excess/Surplus Lines	0	157	149
Multiple Employee Self-Insured Health Plan	1	0	0
Captive Insurance	53	0	2
Mutual Property Insurance Company	77	0	0
Professional Malpractice Assessable	4	0	0
Risk Management Association	0	1	0
Life and Health	29	448	3
Self Insured Political Subdivision Assessable	11	0	0
Domestic Surplus Lines Insurer	3	0	0
Motor Vehicle Service Contract Provider	45	114	0
Product Service Contract Provider	3	58	0
Vehicle Protection Product Provider	2	48	0
Worker's Compensation	208	57	0
Total	578	2,705	478

The DCI-Insurance administers transactions in the following funds:

The Insurance Examiner's Fund is authorized by Section 374.160 and 374.162, RSMo, to receive all payments to the state by insurance companies for the costs incurred by the department in conducting examinations, valuations, or proceedings against such companies. Expenditures, authorized by appropriations, are to be used for the purpose of paying the compensation of insurance examiners and expenses directly related to examinations. Any unexpended balances in this fund are perpetually maintained for the purposes of this fund.



Department of Commerce and Insurance - Insurance
Organization and Statistical Information

The Insurance Dedicated Fund is authorized by Section 374.150, RSMo, to receive all fees due to the state under the provisions of the insurance laws. Appropriations from this fund are to be used solely for payment of expenditures incurred by the department in performing the duties required by law that are not paid for by another source of funds. Any unexpended balance in this fund is perpetually maintained for the purposes for this fund unless the unencumbered balance at the close of the biennium year exceeds two times the total amount appropriated, paid, or transferred to the fund during such fiscal year.

The DCI-Insurance administers programs financed partially by federal funding placed in the Federal Missouri Department of Insurance Fund. The department receives appropriations from this fund.

The DIFP - Administrative Fund is used to account for department-wide expenditures for budget, legislative coordination, public information, accounting, human resources, and department management. The fund receives monies through a cost allocation to the divisions within the DCI.

The DCI-Insurance does not receive any appropriations from the General Revenue Fund and does not maintain any proprietary interest in that fund. Receipts collected by the Department of Revenue (DOR) on behalf of the department include the following:

- Premium Taxes: In accordance with various provisions of Chapter 148, RSMo, insurance companies licensed in the state are required to pay a 2 percent tax on direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due together with the amount of quarterly installments to be paid by the insurance companies. The DOR collects the premium taxes and deposits them into the General Revenue Fund. Some premium taxes deposited into the General Revenue Fund are not available for general revenue purposes. The provisions of Chapter 148, RSMo, restrict about 50 percent of such premium taxes for distribution to the various school districts in the state.
- Domestic Stock Company Premium Taxes: In accordance with various provisions of Chapter 148, RSMo, every stock insurance company organized under the provisions of Sections 379.010 to 379.203, RSMo, are required to pay a 2 percent tax on direct premiums received during the year. The department certifies to the DOR the amount of premium taxes due together with the amount of quarterly installments to be paid by the domestic stock insurance companies. The DOR collects the domestic stock company premium taxes and deposits them into the Financial Institutions Tax Fund as county stock insurance taxes. In accordance with Section 148.330.4, RSMo, domestic stock premium taxes credited to the County Stock Insurance Fund are to be apportioned to the General



Department of Commerce and Insurance - Insurance
Organization and Statistical Information

Revenue Fund of the state, to the county treasurer and to the treasurer of the school district in which the principal office of the company paying the same is located. Apportionments are made based on the ratio of taxes levied by each respective entity.

- **Captive Insurance Taxes:** In accordance with Section 379.1326, RSMo, captive insurance companies licensed in the state are required to pay a premium tax at the rate of thirty-eight-hundredths of 1 percent on the first \$20 million and two hundred eighty-five-thousandths of 1 percent on the next \$20 million, and nineteen-hundredths of 1 percent on the next \$20 million dollars, and seventy-two-thousandths of 1 percent on each dollar thereafter on the direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due to be paid annually by the captive insurance companies. The DOR collects the captive insurance premium taxes and deposits them into the General Revenue Fund. Some captive insurance premium taxes initially deposited into the General Revenue Fund are not available for general revenue purposes. The provisions of Chapter 379, RSMo., require 10 percent of these premium tax collections be deposited to the Insurance Dedicated Fund annually.
- **Special Purpose Life Insurance Captive (SPLRC) Taxes:** In accordance with Section 379.1412, RSMo, each SPLRC is required to pay a premium tax at the rate of two hundred fourteen thousandths of 1 percent on the first \$20 million of assumed reinsurance premium, and one hundred forty-three thousandths of 1 percent on the next \$20 million, and forty-eight thousandths of 1 percent on the next \$20 million, and twenty-four thousandths of 1 percent of each dollar thereafter on the direct premiums received during the calendar year. The department certifies to the DOR the amount of premium taxes due to be paid annually by the SPLRC insurance companies. The DOR collects the SPLRC premium taxes and deposits them into the General Revenue Fund. Some SPLRC premium taxes initially deposited into the General Revenue Fund are not available for general revenue purposes. The provisions of Chapter 379, RSMo, require ten percent of these premium tax collections be deposited to the Insurance Dedicated Fund annually.
- **Surplus Lines Taxes:** In accordance with the various provisions of Chapter 384, RSMo, surplus lines insurers are required to pay a 5 percent tax on net premiums for high risk insurance that is underwritten. The DOR collects the surplus lines premium taxes and deposits them into the General Revenue Fund. In addition, the department certifies to the DOR all penalties and interest due as a result of late payments of surplus lines premium taxes. The DOR collects the surplus lines penalties and interest and deposits them into the State School Moneys Fund.



Department of Commerce and Insurance - Insurance
Organization and Statistical Information

Fines and forfeitures imposed and collected by the department under the Missouri Insurance Code are deposited into the State School Moneys Fund.

The DCI-Insurance is authorized to administer Missouri chartered insurance companies requiring rehabilitation or liquidation, commonly referred to as receiverships. Eight insurance companies were in receivership during the year ended June 30, 2019. Companies placed into receivership are under circuit court supervision with the judge appointing the Director as receiver. The Director may appoint a special deputy receiver or agent. Four of the companies did not have a special deputy receiver assigned to them. The department handled the day-to-day operations for one of these companies and contracted with vendors to act as agents for the other three. Four of the companies had a court-assigned special deputy receiver that directly supervised them. The contracted vendors and the special deputy receivers submit disbursements to DCI-Insurance for approval.

According to the National Association of Insurance Commissioners (NAIC), for calendar year 2018 Missouri ranked twelfth nationally in the number of insurance companies incorporated in the state. The department's budget for fiscal year 2019 ranks twenty-fifth nationally.



Appendix A
Department of Commerce and Insurance - Insurance
DCI-Insurance Response

Governor Michael L. Parson
State of Missouri



Missouri Department of
Commerce & Insurance
Chlora Lindley-Myers, Director

August 21, 2020

Honorable Nicole R. Galloway, CPA
State Auditor
Jefferson City, Missouri

Please accept these responses to the audit your office conducted of the Department of Commerce and Insurance – Insurance for the year ended June 30, 2019.

1. Tax Reconciliations - Audit Recommendation:

The DCI-Insurance perform a periodic reconciliation of premium and captive tax collections by type receipted by the DOR to amounts recorded in the DCI-Insurance's tax systems and posted to statewide accounting records to ensure records in the DCI-Insurance tax systems have been updated properly and credited to appropriate fund. In addition, the DCI-Insurance should work with the DOR to ensure captive and SPLRC tax transfers from the General Revenue Fund to the Insurance Dedicated Fund are calculated and recorded accurately in the state's accounting records.

Department's Response:

The department has enhanced its reconciliation process and began reconciling Department of Revenue (DOR) deposits for Captive and SPRLR taxes on a monthly basis by type of premium tax, beginning with collections received by DOR in March of 2020. The department will begin implementing the recommendation to enhance our reconciliation process by type of premium tax for DOR Premium tax deposits per the Auditor's Recommendation.

2. License Suspension - Audit Recommendation:

The DCI-Insurance work with the DOR to receive notification of noncompliant license applicants and licensees to ensure licenses can be suspended for noncompliance as required by law.

Department's Response:

As required, the department has and continues to provide the necessary information to DOR. We will continue working with the DOR and the Office of Administration, Information Technology Services Division (OA-ITSD) to resume receiving notifications of noncompliant license applicants and licensees from the DOR system.

3. Electronic Communication Policies - Audit Recommendation:

The DCI-Insurance update records management and retention policies to comply with the Missouri Secretary of State Records Services Division Electronic Communications Guidelines.

Department's Response:

The department is currently updating department policies to reflect the reorganization of the department to the Department of Commerce and Insurance and will consider this Auditor's Recommendation in that process.

If the department may be of further assistance, please let us know.

Respectfully,

Chlora Lindley-Myers, Director

DCI

301 West High Street, Room 530 • Jefferson City, Missouri 65101 •
Telephone 573/751-4126 • RelayMo TTY Dial 711 or 1-800-735-2966
dci.mo.gov

Appendix B

Department of Commerce and Insurance - Insurance

Statement of Receipts, Disbursements, and Changes in Cash and Investments

Year Ended June 30, 2019

	Federal MDI Fund	Insurance Examiners Fund	Insurance Dedicated Fund	DIFP Administrative Fund	Total (Memorandum Only)
Receipts	\$ 1,246,983	4,971,057	16,533,611	161	22,751,812
Disbursements	1,219,840	3,345,186	10,714,205	229,297	15,508,528
Receipts Over (Under) Disbursements	27,143	1,625,871	5,819,406	(229,136)	7,243,284
Transfers In ¹	0	0	4,555	307,205	311,760
Transfers Out ²	0	(1,454,494)	(4,499,229)	(78,120)	(6,031,843)
Receipts Over (Under) Disbursements and Transfers	27,143	171,377	1,324,732	(51)	1,523,201
Cash and Investments, July 1	0	543,422	2,600,984	70	3,144,476
Cash and Investments, June 30	\$ 27,143	714,799	3,925,716	19	4,667,677

¹ Transfers In to the Insurance Dedicated Fund include net proceeds received from the sale of surplus property. Transfers In to the DIFP Administrative Fund include transfers from divisions within DCI for department administration.

² Transfers Out generally include payments for fringe benefits and the state's cost allocation plan.

Appendix C

Department of Commerce and Insurance - Insurance Statement of Receipts Year Ended June 30, 2019

GENERAL REVENUE FUND

Premium taxes	\$ 291,422,541
Captive insurance taxes ¹	973,599
Special purpose life insurance taxes ¹	817,070
Surplus lines taxes	35,890,349
Total General Revenue Fund	<u>\$ 329,103,559</u>

STATE SCHOOL MONEYS FUND

Surplus lines penalties	\$ 64,242
Fines and forfeitures	2,931,861
Total State School Moneys Fund	<u>\$ 2,996,103</u>

INSURANCE DEDICATED FUND

Captive insurance taxes	\$ 132,063
Special purpose life insurance taxes	81,707
Total Insurance Dedicated Fund	<u>\$ 213,770</u>

FINANCIAL INSTITUTIONS TAX FUND

Domestic stock company premium taxes ²	<u>\$ 15,367,235</u>
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¹ Captive insurance tax receipts recorded in the General Revenue Fund are understated by \$81,707. Special purpose life insurance tax receipts recorded in the General Revenue Fund are overstated. See MAR 1 for additional information.

² In fiscal year 2019, domestic stock company premium taxes are overstated by approximately \$2.2 million due to the DOR posting these tax receipts to the incorrect fund in fiscal year 2018. The DOR corrected this error in fiscal year 2019. See MAR 1 for additional information.

Appendix D

Department of Commerce and Insurance - Insurance
Comparative Statement of Appropriations and Expenditures

	Year Ended June 30,					
	2019			2018		
	Appropriation Authority	Expenditures	Lapsed Balances	Appropriation Authority	Expenditures	Lapsed Balances
FEDERAL - MDI FUND						
Health Insurance Counseling	\$ 1,250,000	1,219,840	30,160	1,250,000	1,161,230	88,770
Total Federal - MDI Fund	1,250,000	1,219,840	30,160	1,250,000	1,161,230	88,770
INSURANCE EXAMINERS FUND						
Personal Service	3,464,306	3,000,426	463,880	3,446,590	3,414,494	32,096
Expense and Equipment	767,448	182,660	584,788	770,967	222,276	548,691
Refunds	60,000	0	60,000	60,000	1,503	58,497
Insurance Leasing	11,179	8,639	2,540	11,991	9,581	2,410
IT Consolidation Expense and Equipment	121,328	59,320	62,008	140,328	135,309	5,019
State Office Building Rent, Maintenance, and Repair	93,827	93,771	56	87,569	87,569	0
Total Insurance Examiners Fund	4,518,088	3,344,816	1,173,272	4,517,445	3,870,732	646,713
INSURANCE DEDICATED FUND						
Personal Service	8,778,578	8,080,145	698,433	8,727,316	7,331,652	1,395,664
Expense and Equipment	1,992,410	1,038,632	953,778	2,038,207	756,740	1,281,467
Board and Commissions Personal Service ¹	0	0	0	1,718	1,718	0
Governor's Office Personal Service ¹	26,242	1,263	24,979	0	0	0
IT Consolidation Personal Service	414,006	216,546	197,460	417,922	256,841	161,081
IT Consolidation Expense and Equipment	401,042	207,515	193,527	401,043	269,928	131,115
Insurance IT Projects	1	0	1	0	0	0
Insurance IT Projects Personal Service	118,128	100,368	17,760	110,000	101,118	8,882
Unemployment Benefits	20,000	0	20,000	15,852	8,232	7,620
Insurance Leasing	7,268	5,426	1,842	5,331	3,797	1,534
Health Insurance Counseling	200,000	200,000	0	200,000	200,000	0
State Office Building Rent, Maintenance, and Repair	353,999	352,387	1,612	345,554	345,554	0
Poison Control Hotline ²	500,000	500,000	0	500,000	500,000	0
Refunds	75,000	12,328	62,672	75,000	12,463	62,537
Total Insurance Dedicated Fund	12,886,674	10,714,610	2,172,064	12,837,943	9,788,043	3,049,900
Total All Funds	\$ 18,654,762	15,279,266	3,375,496	18,605,388	14,820,005	3,785,383

¹ The Governor's office has spending authority for this appropriation.

² The Department of Health and Senior Services has spending authority for this appropriation.

Appendix E

Department of Commerce and Insurance - Insurance Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2019	2018	2017	2016	2015
Salaries and wages	\$ 11,398,749	11,105,824	11,478,487	11,425,848	10,877,897
Travel, in-state	133,135	136,446	185,589	155,181	143,449
Travel, out-of-state	174,221	147,363	243,713	262,838	321,520
Supplies	158,837	162,029	172,941	186,981	198,121
Professional development	114,233	99,787	97,762	134,159	136,673
Communication services and supplies	105,878	95,668	139,443	131,378	144,684
Services:					
Professional	596,351	443,603	838,856	694,177	523,032
Housekeeping and janitorial	200	413	107	108	166
Maintenance and repair	64,271	86,784	132,553	108,601	127,497
Equipment:					
Computer	29,087	170,794	1,916	33,131	172,358
Motorized	0	0	0	13,280	0
Office	53,791	11,647	30,539	40,927	44,877
Other	10,321	13,301	8,292	26,508	16,953
Property and improvements	29,448	0	0	10,881	735
Building lease payments	476,874	457,804	442,960	437,774	434,054
Equipment rental and leases	228	456	2,280	1,824	2,580
Miscellaneous expenses	1,474	4,659	3,156	10,664	39,446
Refunds	12,328	13,965	9,828	20,464	51,080
Program distributions	1,919,840	1,869,462	2,426,400	2,374,866	2,378,642
Total Expenditures	\$ <u>15,279,266</u>	<u>14,820,005</u>	<u>16,214,822</u>	<u>16,069,590</u>	<u>15,613,764</u>



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Ripley County, Missouri

The Office of the State Auditor contracted for an audit of the Ripley County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-063



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Ripley County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-003	The county should implement procedures to ensure that the risk assessment over federal awards are addressed going forward and formally documented. This is a repeat finding.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
---------------------------------	-------------

Independent Auditor's Report.....	1-3
-----------------------------------	-----

FINANCIAL STATEMENTS

Statement of Receipts, Disbursements and Changes in Cash and Investment Balances - All Governmental Funds - Regulatory Basis	
Year Ended December 31, 2019.....	4
Year Ended December 31, 2018.....	5

Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances - Budget and Actual – All Governmental Funds - Regulatory Basis	
Years Ended December 31, 2019 and 2018.....	6-19

Fiduciary Funds:

Statements of Assets and Liabilities Arising From Cash Transactions - Agency Funds - Regulatory Basis	
As of December 31, 2019.....	20
As of December 31, 2018.....	21

Notes to the Financial Statements.....	22-33
--	-------

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

Schedule of State Findings.....	34
---------------------------------	----

FEDERAL COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	35-36
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	37-39
Schedule of Expenditures of Federal Awards.....	40
Notes to the Schedule of Expenditures of Federal Awards.....	41-42
Schedule of Findings and Questioned Costs Years Ended December 31, 2019 and 2018.....	43-46
Summary Schedule of Prior Year Findings and Questioned Costs.....	47-49

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Ripley, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Ripley ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, or changes in net financial position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

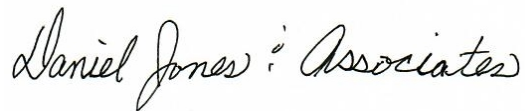
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Ripley’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2020, on our consideration of the County of Ripley's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Ripley's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 18, 2020

FINANCIAL STATEMENTS

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH AND INVESTMENT BALANCES DECEMBER 31, 2019
GENERAL REVENUE FUND	\$ 567,537	\$ 1,176,708	\$ 1,250,189	\$ 494,056
SPECIAL ROAD AND BRIDGE FUND	52,293	1,165,191	1,147,828	69,656
LAW ENFORCEMENT SALES TAX FUND	5,009	1,164,302	1,156,710	12,601
ASSESSMENT FUND	3,154	136,428	134,486	5,096
CHILDREN'S TRUST FUND	298	600	575	323
COLLECTOR'S TAX MAINTENANCE FUND	19,045	19,265	22,391	15,919
COMMUNITY PROJECTS FUND	100	-	-	100
DOMESTIC VIOLENCE FUND	641	1,185	1,245	581
H.A.V.A. EQUIPMENT FUND	1,237	34	1,120	151
ELECTION SERVICES FUND	31,672	5,309	934	36,047
FOREST SERVICE TITLE III FUND	-	44,714	44,714	-
TREATMENT COURT FUND	6,378	6,065	4,083	8,360
LAW ENFORCEMENT RESTITUTION FUND	12,752	51,888	46,232	18,408
LAW ENFORCEMENT TRAINING FUND	371	4,076	2,922	1,525
PRODUCTIVE LIVING BOARD FUND (SB40)	215,363	107,159	126,466	196,056
PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING COST FUND	-	9,747	9,747	-
PROSECUTING ATTORNEY TRAINING FUND	357	486	-	843
RECORDER USER FEE FUND	32,945	8,608	16,588	24,965
SENIOR CITIZENS TAX FUND	38,450	53,262	53,731	37,981
SHERIFF'S CIVIL FEE FUND	3,748	14,290	13,713	4,325
SHERIFF'S FORFEITURE FUND	3,470	54	2,300	1,224
SHERIFF'S REVOLVING FUND	4,216	7,198	3,697	7,717
FEMA FLOOD FUND	6,535	255,612	262,147	-
REAL ESTATE MANAGEMENT FUND	-	27,983	16,429	11,554
TOTAL	<u>\$ 1,005,571</u>	<u>\$ 4,260,164</u>	<u>\$ 4,318,247</u>	<u>\$ 947,488</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT BALANCES DECEMBER 31, 2018
GENERAL REVENUE FUND	\$ 644,554	\$ 1,141,055	\$ 1,218,072	\$ 567,537
SPECIAL ROAD AND BRIDGE FUND	82,243	877,001	906,951	52,293
LAW ENFORCEMENT SALES TAX FUND	5,595	1,257,019	1,257,605	5,009
ASSESSMENT FUND	11,530	107,798	116,174	3,154
CHILDREN'S TRUST FUND	348	506	556	298
COLLECTOR'S TAX MAINTENANCE FUND	19,189	18,818	18,962	19,045
COMMUNITY PROJECTS FUND	100	-	-	100
DOMESTIC VIOLENCE FUND	821	1,446	1,626	641
H.A.V.A. EQUIPMENT FUND	2,540	57	1,360	1,237
ELECTION SERVICES FUND	27,335	6,025	1,688	31,672
FOREST SERVICE TITLE III FUND	-	46,779	46,779	-
TREATMENT COURT FUND	5,256	4,078	2,956	6,378
LAW ENFORCEMENT RESTITUTION FUND	48,723	55,685	91,656	12,752
LAW ENFORCEMENT TRAINING FUND	2,525	2,382	4,536	371
PRODUCTIVE LIVING BOARD FUND (SB40)	235,841	94,907	115,385	215,363
PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING COST FUND	-	5,610	5,610	-
PROSECUTING ATTORNEY TRAINING FUND	218	313	174	357
RECORDER USER FEE FUND	35,273	8,736	11,064	32,945
SENIOR CITIZENS TAX FUND	45,979	47,747	55,276	38,450
SHERIFF'S CIVIL FEE FUND	2,234	15,637	14,123	3,748
SHERIFF'S FORFEITURE FUND	8,027	143	4,700	3,470
SHERIFF'S REVOLVING FUND	3,118	4,614	3,516	4,216
FEMA FLOOD FUND	-	98,372	91,837	6,535
TOTAL	\$ 1,181,449	\$ 3,794,728	\$ 3,970,606	\$ 1,005,571

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

GENERAL REVENUE FUND				
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 13,810	\$ 15,054	\$ 14,000	\$ 14,674
Sales Taxes	475,000	479,339	475,000	472,246
Intergovernmental	306,552	226,337	336,350	391,990
Charges for Services	189,500	238,035	194,834	187,846
Interest	15,000	15,431	14,500	15,930
Other	-	5,512	-	10,257
Transfers In	175,000	197,000	50,000	48,112
TOTAL RECEIPTS	1,174,862	1,176,708	1,084,684	1,141,055
DISBURSEMENTS				
County Commission	93,464	92,712	88,708	87,954
County Clerk	102,300	94,238	86,230	77,131
Elections	-	-	40,000	20,561
Buildings and Grounds	74,200	54,395	82,172	95,808
Employee Fringe Benefits	42,000	39,594	39,000	37,764
County Treasurer	47,100	45,573	44,400	43,202
Collector	92,633	92,160	89,290	91,902
Recorder of Deeds	70,327	70,230	67,995	70,460
Circuit Clerk	22,500	13,144	18,000	13,839
Public Administrator	57,550	56,523	54,850	53,863
Child Support Enforcement Unit	19,552	17,494	21,041	20,548
Emergency Management	11,860	10,370	14,660	10,735
Other County Government	76,917	102,956	178,926	150,955
Emergency Fund	40,000	-	35,000	-
Transfer to Agency Funds	3,300	3,300	3,350	3,350
Transfers Out	632,500	557,500	450,000	440,000
TOTAL DISBURSEMENTS	1,386,203	1,250,189	1,313,622	1,218,072
RECEIPTS OVER (UNDER) DISBURSEMENTS	(211,341)	(73,481)	(228,938)	(77,017)
CASH AND INVESTMENT BALANCES, JANUARY 1	567,537	567,537	644,554	644,554
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 356,196	\$ 494,056	\$ 415,616	\$ 567,537

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	557,000	599,711	510,000	559,120
Charges for Services	27,000	28,088	26,000	42,904
Interest	2,000	4,970	2,000	3,209
Other	-	-	1,000	75,000
Transfers In	625,000	532,422	637,633	196,768
TOTAL RECEIPTS	1,211,000	1,165,191	1,176,633	877,001
DISBURSEMENTS				
Salaries	175,000	181,708	200,000	154,652
Employee Fringe Benefits	25,000	22,067	28,000	22,157
Supplies	115,000	114,593	115,000	118,093
Insurance	15,000	15,036	15,000	13,589
Road and Bridge Materials	33,000	47,292	59,200	59,326
Equipment Repairs	20,000	40,214	30,000	15,856
Rentals	-	-	-	-
Equipment Purchases	161,500	211,957	47,500	151,364
Road and Bridge Construction	420,000	262,590	460,000	265,966
Office	11,500	11,733	10,600	11,610
CART Allocation	40,000	29,563	35,000	37,038
Mowing Allocation	14,000	14,000	14,000	14,000
Other	300	75	5,375	300
Transfers Out	175,000	197,000	50,000	43,000
TOTAL DISBURSEMENTS	1,205,300	1,147,828	1,069,675	906,951
RECEIPTS OVER (UNDER) DISBURSEMENTS	5,700	17,363	106,958	(29,950)
CASH AND INVESTMENT BALANCES, JANUARY 1	52,293	52,293	82,243	82,243
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 57,993	\$ 69,656	\$ 189,201	\$ 52,293

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT SALES TAX FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	475,000	479,341	475,000	472,249
Intergovernmental	307,706	298,248	336,840	301,247
Charges for Services	1,400	2,497	2,400	1,646
Interest	800	1,255	750	845
Other	-	9,875	-	5,064
Transfers In	610,120	373,086	584,060	475,968
TOTAL RECEIPTS	1,395,026	1,164,302	1,399,050	1,257,019
DISBURSEMENTS				
Sheriff	503,304	495,386	503,056	518,322
Jail	473,500	298,353	478,500	400,912
Prosecuting Attorney	214,895	183,010	236,119	150,733
Juvenile Officer	80,000	77,943	70,000	78,808
Coroner	34,100	22,171	35,000	26,416
Employee Fringe Benefits	60,000	55,108	55,000	57,257
Building and Grounds	10,000	8,281	10,000	9,078
Insurance	17,000	16,114	11,000	16,048
Services and Other	5,000	344	-	31
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,397,799	1,156,710	1,398,675	1,257,605
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,773)	7,592	375	(586)
CASH AND INVESTMENT BALANCES, JANUARY 1	5,009	5,009	5,595	5,595
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 2,236	\$ 12,601	\$ 5,970	\$ 5,009

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ASSESSMENT FUND				CHILDREN'S TRUST FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	112,750	119,186	112,750	100,835	595	595	695	500
Charges for Services	6,500	6,099	6,000	6,324	-	-	-	-
Interest	500	643	825	639	5	5	5	6
Other	6,000	-	-	-	-	-	-	-
Transfers In	10,500	10,500	-	-	-	-	-	-
TOTAL RECEIPTS	136,250	136,428	119,575	107,798	600	600	700	506
DISBURSEMENTS								
Salaries	89,707	87,549	83,150	79,648	-	-	-	-
Employee Fringe Benefits	10,000	8,572	10,000	8,378	-	-	-	-
Office Expenses	7,000	7,565	6,300	6,436	-	-	-	-
Equipment	12,000	10,550	12,000	10,171	-	-	-	-
Mileage and Training	6,500	4,246	6,000	2,568	-	-	-	-
Mail Service and Misc.	8,000	7,404	7,500	8,973	-	-	-	-
Web Service	6,000	8,600	-	-	-	-	-	-
Haven House	-	-	-	-	700	575	1,000	556
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	139,207	134,486	124,950	116,174	700	575	1,000	556
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,957)	1,942	(5,375)	(8,376)	(100)	25	(300)	(50)
CASH AND INVESTMENT BALANCES, JANUARY 1	3,154	3,154	11,530	11,530	298	298	348	348
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 197	\$ 5,096	\$ 6,155	\$ 3,154	\$ 198	\$ 323	\$ 48	\$ 298

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	COLLECTOR'S TAX MAINTENANCE FUND				COMMUNITY PROJECTS FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,325,000	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	18,000	18,727	16,000	18,249	-	-	-	-
Interest	500	538	300	569	-	-	-	-
Other	-	-	-	-	150,000	-	-	-
Transfers In	-	-	-	-	150,000	-	-	-
TOTAL RECEIPTS	18,500	19,265	16,300	18,818	1,625,000	-	-	-
DISBURSEMENTS								
Services and Other	22,960	22,391	19,391	16,350	-	-	-	-
Jail Construction	-	-	-	-	1,625,000	-	-	-
Transfers Out	-	-	-	2,612	-	-	-	-
TOTAL DISBURSEMENTS	22,960	22,391	19,391	18,962	1,625,000	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,460)	(3,126)	(3,091)	(144)	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	19,045	19,045	19,189	19,189	100	100	100	100
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 14,585	\$ 15,919	\$ 16,098	\$ 19,045	\$ 100	\$ 100	\$ 100	\$ 100

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	DOMESTIC VIOLENCE FUND				H.A.V.A. EQUIPMENT FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	1,800	1,174	2,000	1,432	-	-	-	-
Interest	15	11	10	14	60	34	50	57
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,815	1,185	2,010	1,446	60	34	50	57
DISBURSEMENTS								
Ozark Foothills Child Advocacy	2,000	1,245	2,500	1,626	-	-	-	-
Equipment Programming	-	-	-	-	1,250	1,120	2,500	1,360
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,000	1,245	2,500	1,626	1,250	1,120	2,500	1,360
RECEIPTS OVER (UNDER) DISBURSEMENTS	(185)	(60)	(490)	(180)	(1,190)	(1,086)	(2,450)	(1,303)
CASH AND INVESTMENT BALANCES, JANUARY 1	641	641	821	821	1,237	1,237	2,540	2,540
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 456	\$ 581	\$ 331	\$ 641	\$ 47	\$ 151	\$ 90	\$ 1,237

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ELECTION SERVICES FUND				FOREST SERVICE TITLE III FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	49,500	44,014	46,026	46,026
Charges for Services	4,000	4,264	3,500	5,163	-	-	-	-
Interest	800	1,045	750	862	500	700	753	753
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,800	5,309	4,250	6,025	50,000	44,714	46,779	46,779
DISBURSEMENTS								
Equipment	10,000	884	10,000	1,336	-	-	-	-
Mileage and Training	2,500	-	2,500	319	-	-	-	-
Services and Other	10,000	50	10,000	33	-	-	-	-
Transfers Out	-	-	-	-	50,000	44,714	46,779	46,779
TOTAL DISBURSEMENTS	22,500	934	22,500	1,688	50,000	44,714	46,779	46,779
RECEIPTS OVER (UNDER) DISBURSEMENTS	(17,700)	4,375	(18,250)	4,337	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	31,672	31,672	27,335	27,335	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 13,972</u>	<u>\$ 36,047</u>	<u>\$ 9,085</u>	<u>\$ 31,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	TREATMENT COURT FUND				LAW ENFORCEMENT RESTITUTION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	4,500	6,030	3,000	4,043	-	-	-	-
Charges for Services	-	35	-	35	60,000	51,647	70,000	55,104
Interest	-	-	-	-	-	241	-	581
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,500	6,065	3,000	4,078	60,000	51,888	70,000	55,685
DISBURSEMENTS								
Supplies	-	-	1,500	410	-	-	-	-
Training	1,500	1,058	1,500	1,146	-	-	-	-
Coroner	-	-	-	-	-	-	2,000	-
Tracking Services	1,500	1,763	-	-	-	-	-	-
Services and Other	1,500	1,262	1,500	1,400	-	1,232	1,500	2,656
Transfers Out	-	-	-	-	60,000	45,000	100,000	89,000
TOTAL DISBURSEMENTS	4,500	4,083	4,500	2,956	60,000	46,232	103,500	91,656
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,982	(1,500)	1,122	-	5,656	(33,500)	(35,971)
CASH AND INVESTMENT BALANCES, JANUARY 1	6,378	6,378	5,256	5,256	12,752	12,752	48,723	48,723
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 6,378	\$ 8,360	\$ 3,756	\$ 6,378	\$ 12,752	\$ 18,408	\$ 15,223	\$ 12,752

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT TRAINING FUND				PRODUCTIVE LIVING BOARD FUND (SB40)			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 99,000	\$ 103,581	\$ 99,000	\$ 92,757
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	2,625	2,028	1,400	2,349	-	-	-	-
Interest	25	48	75	33	2,150	3,578	1,000	2,150
Other	-	-	1,000	-	-	-	-	-
Transfers In	2,000	2,000	-	-	-	-	-	-
TOTAL RECEIPTS	4,650	4,076	2,475	2,382	101,150	107,159	100,000	94,907
DISBURSEMENTS								
Training	5,000	2,922	4,000	4,536	-	-	-	-
POST Commission Pass-Through	-	-	-	-	-	-	-	-
Current River Sheltered Workshop	-	-	-	-	64,000	64,000	64,000	64,000
Security Bond	-	-	-	-	400	293	400	293
Administrative Fees	-	-	-	-	1,000	29	1,000	39
CRSW-Special Allocation	-	-	-	-	68,000	61,450	68,000	50,400
Liability Insurance	-	-	-	-	700	694	700	653
Transfers Out	-	-	1,000	-	-	-	-	-
TOTAL DISBURSEMENTS	5,000	2,922	5,000	4,536	134,100	126,466	134,100	115,385
RECEIPTS OVER (UNDER) DISBURSEMENTS	(350)	1,154	(2,525)	(2,154)	(32,950)	(19,307)	(34,100)	(20,478)
CASH AND INVESTMENT BALANCES, JANUARY 1	371	371	2,525	2,525	215,363	215,363	235,841	235,841
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 21	\$ 1,525	\$ -	\$ 371	\$ 182,413	\$ 196,056	\$ 201,741	\$ 215,363

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY ADMINISTRATIVE HANDLING COST FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	5,608	9,737	8,500	5,608
Interest	2	10	-	2
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	5,610	9,747	8,500	5,610
DISBURSEMENTS				
MOPS Fee	490	1,100	1,000	490
Transmittal to State	-	-	-	-
Transfers Out	5,120	8,647	7,500	5,120
TOTAL DISBURSEMENTS	5,610	9,747	8,500	5,610
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY TRAINING FUND				RECORDER USER FEE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	250	470	350	304	9,000	7,712	7,850	7,773
Interest	-	16	5	9	950	896	750	963
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	250	486	355	313	9,950	8,608	8,600	8,736
DISBURSEMENTS								
Training	500	-	550	174	-	-	-	-
Office Expenses	-	-	-	-	6,500	3,085	4,000	2,490
Equipment	-	-	-	-	-	-	5,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Filming and Back Indexing	-	-	-	-	10,000	13,503	10,000	6,074
Transfers Out	-	-	-	-	5,000	-	3,000	2,500
TOTAL DISBURSEMENTS	500	-	550	174	21,500	16,588	22,000	11,064
RECEIPTS OVER (UNDER) DISBURSEMENTS	(250)	486	(195)	139	(11,550)	(7,980)	(13,400)	(2,328)
CASH AND INVESTMENT BALANCES, JANUARY 1	357	357	218	218	32,945	32,945	35,273	35,273
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 107	\$ 843	\$ 23	\$ 357	\$ 21,395	\$ 24,965	\$ 21,873	\$ 32,945

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SENIOR CITIZENS TAX FUND				SHERIFF'S CIVIL FEE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 54,500	\$ 53,262	\$ 56,103	\$ 47,747	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	13,500	14,187	13,500	15,559
Interest	-	-	-	-	100	103	100	78
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	54,500	53,262	56,103	47,747	13,600	14,290	13,600	15,637
DISBURSEMENTS								
Naylor Senior Citizens	17,500	17,500	17,000	17,000	-	-	-	-
Ripley County Nutrition Center	17,500	17,500	20,603	20,603	-	-	-	-
Ripley County Transit	18,000	18,000	17,000	17,000	-	-	-	-
Ripley County Senior Citizens	1,500	731	1,500	673	-	-	-	-
Office Supplies	-	-	-	-	4,000	4,482	4,000	3,410
Cell Phone and Accessories	-	-	-	-	2,000	4,607	2,000	4,527
Computer Software (ITI)	-	-	-	-	1,000	-	-	230
Salaries	-	-	-	-	4,500	4,084	4,500	4,919
Building Security	-	-	-	-	-	-	-	-
Law Enforcement Equipment	-	-	-	-	2,600	348	2,600	525
Services and Other	-	-	-	-	734	192	1,734	512
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	54,500	53,731	56,103	55,276	14,834	13,713	14,834	14,123
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	(469)	-	(7,529)	(1,234)	577	(1,234)	1,514
CASH AND INVESTMENT BALANCES, JANUARY 1	38,450	38,450	45,979	45,979	3,748	3,748	2,234	2,234
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 38,450	\$ 37,981	\$ 45,979	\$ 38,450	\$ 2,514	\$ 4,325	\$ 1,000	\$ 3,748

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF'S FORFEITURE FUND				SHERIFF'S REVOLVING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	7,500	7,020	7,500	4,540
Interest	200	54	200	143	75	178	75	74
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	200	54	200	143	7,575	7,198	7,575	4,614
DISBURSEMENTS								
Postage	-	-	-	-	300	165	300	145
Equipment	8,227	2,300	8,227	4,700	1,400	1,600	1,400	1,312
IT Services	-	-	-	-	1,500	400	1,500	537
Supplies	-	-	-	-	1,600	-	1,600	-
Uniforms	-	-	-	-	300	-	300	173
Background Checks	-	-	-	-	1,700	1,127	1,500	1,004
Services and Other	-	-	-	-	1,893	405	2,093	345
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	8,227	2,300	8,227	4,700	8,693	3,697	8,693	3,516
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,027)	(2,246)	(8,027)	(4,557)	(1,118)	3,501	(1,118)	1,098
CASH AND INVESTMENT BALANCES, JANUARY 1	3,470	3,470	8,027	8,027	4,216	4,216	3,118	3,118
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ (4,557)	\$ 1,224	\$ -	\$ 3,470	\$ 3,098	\$ 7,717	\$ 2,000	\$ 4,216

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	FEMA FLOOD FUND				REAL ESTATE MANAGEMENT FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	650,000	255,567	662,193	96,325	-	-	-	-
Charges for Services	-	-	-	-	25,000	27,781	-	-
Interest	200	45	1,000	2,047	-	202	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	650,200	255,612	663,193	98,372	25,000	27,983	-	-
DISBURSEMENTS								
Insurance	-	-	-	-	15,000	7,279	-	-
Loan Payment	-	-	-	-	10,000	2,450	-	-
Repairs	-	-	-	-	-	6,700	-	-
Services and Other	6,735	-	1,000	-	-	-	-	-
Transfers Out	650,000	262,147	662,193	91,837	-	-	-	-
TOTAL DISBURSEMENTS	656,735	262,147	663,193	91,837	25,000	16,429	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,535)	(6,535)	-	6,535	-	11,554	-	-
CASH AND INVESTMENT BALANCES, JANUARY 1	6,535	6,535	-	-	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ 6,535	\$ -	\$ 11,554	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	Collector Fund	Recorder Fund	Prosecuting Attorney Fund	Overplus Land Fund	Road & Bridge Fund	Prosecuting Attorney Retirement Fund
ASSETS						
Cash and Cash Equivalents	\$ 2,833,102	\$ 8,403	\$ 393	\$ 72,241	\$ 751,115	\$ 42
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	2,833,102	8,403	393	72,241	751,115	42
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	2,833,102	8,403	393	72,241	751,115	42
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,833,102</u>	<u>\$ 8,403</u>	<u>\$ 393</u>	<u>\$ 72,241</u>	<u>\$ 751,115</u>	<u>\$ 42</u>
	Sheriff's Funds	School Capital Fund	Unclaimed Fees Fund	Temp In-Out Fund	Total Agency Funds	
ASSETS						
Cash and Cash Equivalents	\$ 17,875	\$ 22,955	\$ -	\$ -	\$ 3,706,126	
Investments						
Other Investments	-	-	-	-	-	
Total Investments	-	-	-	-	-	
Total Assets	17,875	22,955	-	-	3,706,126	
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	17,875	22,955	-	-	3,706,126	
UNRESERVED FUND BALANCES	-	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,875</u>	<u>\$ 22,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,706,126</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	Collector Fund	Recorder Fund	Prosecuting Attorney Fund	Overplus Land Fund	Road & Bridge Fund	Prosecuting Attorney Retirement Fund
ASSETS						
Cash and Cash Equivalents	\$ 3,011,698	\$ 9,438	\$ 8,481	\$ 54,513	\$ 786,941	\$ 61
Investments						
Other Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	3,011,698	9,438	8,481	54,513	786,941	61
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	3,011,698	9,438	8,481	54,513	786,941	61
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,011,698</u>	<u>\$ 9,438</u>	<u>\$ 8,481</u>	<u>\$ 54,513</u>	<u>\$ 786,941</u>	<u>\$ 61</u>
	Sheriff's Funds	School Capital Fund	Unclaimed Fees Fund	Temp In-Out Fund	Total Agency Funds	
ASSETS						
Cash and Cash Equivalents	\$ 2,559	\$ 30,173	\$ 23,437	\$ 3,883	\$ 3,931,184	
Investments						
Other Investments	-	-	-	-	-	
Total Investments	-	-	-	-	-	
Total Assets	2,559	30,173	23,437	3,883	3,931,184	
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	2,559	30,173	23,437	3,883	3,931,184	
UNRESERVED FUND BALANCES	-	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,559</u>	<u>\$ 30,173</u>	<u>\$ 23,437</u>	<u>\$ 3,883</u>	<u>\$ 3,931,184</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Ripley, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1833 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 11 elected Constitutional Officers: Assessor, Circuit Clerk, Collector, Coroner, County Clerk, County Surveyor, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the County of Ripley County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 79,316,190	\$ 76,751,460
Personal Property	22,426,354	21,031,289
Railroad and Utilities	<u>1,821,128</u>	<u>2,700,751</u>
	<u>\$ 103,563,672</u>	<u>\$ 100,483,500</u>

During 2019 and 2018, the County Commission approved a \$0.1433 and \$0.1433 tax levy per \$100 of assessed valuation of tangible taxable property for the calendar year, for purposes of County taxation, as follows:

	<u>2019</u>	<u>2018</u>
Productive Living Board Fund (SB40)	\$.0955	\$.0955
Senior Citizens Tax Fund	<u>.0478</u>	<u>.0478</u>
	<u>\$.1433</u>	<u>\$.1433</u>

F. Cash and Investments

Cash and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investment" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amount of the County's deposits and investments were \$947,488 and \$1,005,571, respectively, and the bank balance was \$4,376,977 and \$4,624,329, respectively. The total bank balances as of December 31, 2019, and 2018 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u>	
<u>and Investment Balances – Governmental Funds:</u>	
Deposits	\$ 783,029
Investments	164,459
Total Governmental Funds	<u>947,488</u>
<u>Statement of Assets and Liabilities Arising from Cash</u>	
<u>Transactions – Agency Funds:</u>	
Deposits	<u>3,706,126</u>
Total Agency Funds	<u>3,706,126</u>
Total Deposits and Investments as of December 31, 2019	<u>\$ 4,653,614</u>

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits at December 31, 2018, are as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u> <u>and Investment Balances – Governmental Funds:</u>	
Deposits	\$ 843,468
Investments	162,103
Total Governmental Funds	<u>1,005,571</u>
<u>Statement of Assets and Liabilities Arising from Cash</u> <u>Transactions – Agency Funds:</u>	
Deposits	<u>3,931,184</u>
Total Agency Funds	<u>3,931,184</u>
Total Deposits and Investments as of December 31, 2018	\$ <u>4,936,755</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2019, and 2018.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2019, and 2018.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

In 2013, the County entered into a lease agreement for \$569,257 with Caterpillar Financial Services for the purchase of three 12M2 Motor Graders. The County is required to make five annual payments of \$45,480.81 and one balloon payment of \$405,000. The lease agreement carries an interest rate of 2.50%. Caterpillar Financial Services is the holder of this lease. The lease was paid off during the 2018 fiscal year.

In 2018, the County entered into a lease agreement for \$712,866.66 with Caterpillar Financial Services for the purchase of three 12M3 Caterpillar Motor Graders. The County is required to make five annual payments of \$100,429.98 and one balloon payment of \$330,000. The lease agreement carries an interest rate of 4.21%. Caterpillar Financial Services is the holder of this lease.

As of December 31, 2019, the unpaid principal balances of the lease purchase agreements were \$642,850.71.

Description	Balance Prior Year 12/31/2018	Current Year Additions	Current Year Deletions & Payments	Balance 12/31/2019	Interest Paid Current Year
John Deere Motor Graders	\$ 712,866.66	\$ -	\$ 70,015.95	\$ 642,850.71	\$ 30,414.03
	<u>\$ 712,866.66</u>	<u>\$ -</u>	<u>\$ 70,015.95</u>	<u>\$ 642,850.71</u>	<u>\$ 30,414.03</u>

The future payments for the lease purchase agreements of the County are as follows:

December 31,	Interest	Principal	Total
2020	\$ 27,036.42	\$ 73,393.56	\$ 100,429.98
2021	23,943.12	76,486.86	100,429.98
2022	20,719.53	79,710.45	100,429.98
2023	17,170.14	413,259.84	430,429.98
	<u>\$ 88,869.21</u>	<u>\$ 642,850.71</u>	<u>\$ 731,719.92</u>

As of December 31, 2018, the unpaid principal balances of the lease purchase agreements were \$712,866.66.

Description	Balance Prior Year 12/31/2017	Current Year Additions	Current Year Deletions & Payments	Balance 12/31/2018	Interest Paid Current Year
John Deere Motor Graders	\$ 439,493.46	\$ 712,866.66	\$ 439,493.46	\$ 712,866.66	\$ 10,987.35
	<u>\$ 439,493.46</u>	<u>\$ 712,866.66</u>	<u>\$ 439,493.46</u>	<u>\$ 712,866.66</u>	<u>\$ 10,987.35</u>

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT (concluded)

The future payments for the lease purchase agreements of the County are as follows:

<u>December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 30,414.03	\$ 70,015.95	\$ 100,429.98
2020	27,036.42	73,393.56	100,429.98
2021	23,943.12	76,486.86	100,429.98
2022	20,719.53	79,710.45	100,429.98
2023	17,170.14	413,259.84	430,429.98
	<u>\$ 119,283.24</u>	<u>\$ 712,866.66</u>	<u>\$ 832,149.90</u>

In February of 2017, the Sheriff's Office entered into a capital lease agreement with Nova Copy for a copier. Total lease payments are \$152.72 a month, \$43.32 for the copier and \$109.40 for the maintenance, for 48 months. The implied interest rate on the lease is 5.11%. The lease expires in February of 2021.

<u>Description</u>	<u>Balance Prior Year 12/31/2018</u>	<u>Current Year Additions</u>	<u>Current Year Deletions & Payments</u>	<u>Balance 12/31/2019</u>	<u>Interest Paid Current Year</u>
Nova Copier	\$ 1,064.05	\$ -	\$ 476.51	\$ 587.54	\$ 43.33
	<u>\$ 1,064.05</u>	<u>\$ -</u>	<u>\$ 476.51</u>	<u>\$ 587.54</u>	<u>\$ 43.33</u>

The future payments for the capital lease of the County are as follows:

<u>December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2020	\$ 18.39	\$ 501.45	\$ 519.84
2021	0.55	86.09	86.64
	<u>\$ 18.94</u>	<u>\$ 587.54</u>	<u>\$ 606.48</u>

<u>Description</u>	<u>Balance Prior Year 12/31/2017</u>	<u>Current Year Additions</u>	<u>Current Year Deletions & Payments</u>	<u>Balance 12/31/2018</u>	<u>Interest Paid Current Year</u>
Nova Copier	\$ 1,516.86	\$ -	\$ 452.81	\$ 1,064.05	\$ 67.03
	<u>\$ 1,516.86</u>	<u>\$ -</u>	<u>\$ 452.81</u>	<u>\$ 1,064.05</u>	<u>\$ 67.03</u>

The future payments for the capital lease of the County are as follows:

<u>December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 43.33	\$ 476.51	\$ 519.84
2020	18.39	501.45	519.84
2021	0.55	86.09	86.64
	<u>\$ 62.27</u>	<u>\$ 1,064.05</u>	<u>\$ 1,126.32</u>

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019, and 2018 are as follows:

	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 197,000	\$ 560,800	\$ 48,112	\$ 443,350
Special Road and Bridge Fund	532,422	197,000	196,768	43,000
Law Enforcement Sales Tax Fund	373,086	-	475,968	-
Assessment Fund	10,500	-	-	-
Collector's Tax Maintenance Fund	-	-	-	2,612
Forest Service Title III Fund	-	44,714	-	46,779
Law Enforcement Restitution Fund	-	45,000	-	89,000
Law Enforcement Training Fund	2,000	-	-	-
Prosecuting Attorney Administrative Handling Cost Fund	-	8,647	-	5,120
Recorder User Fee Fund	-	-	-	2,500
FEMA Flood Fund	-	262,147	-	91,837
Agency Funds	3,300	-	3,350	-
TOTAL	\$ <u>1,118,308</u>	\$ <u>1,118,308</u>	\$ <u>724,198</u>	\$ <u>724,198</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement.

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the County) are refunded to the employee.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (Concluded)

B. Contributions (concluded)

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2019, and 2018 were \$64,127 and \$60,274, respectively.

VI. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2019, and 2018.

VII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2019, and December 31, 2018.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

B. Compensated Absences

The County provides each full-time or seasonal/temporary employee with sick leave equal to one-half of regular work day each pay period, with the leave to be added at the end of each pay period. Sick leave may accrue and roll over to the subsequent calendar year in an amount not to exceed four regular work days. Upon termination, an employee will not be reimbursed for any unused sick days.

Vacation is accrued based on years of service with a maximum of 17 days of vacation awarded each year after 25 or more years of service. For those employees with service greater than one year, vacation leave shall accrue proportionately each pay period following the anniversary of the employee's hire date. Vacation leave does not accrue and is forfeited if not used within one year of the anniversary of an employee's hire date. Upon termination, an employee will be paid for any remaining vacation leave accrued. Vacation and sick leave have not been subjected to auditing procedures.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES (Concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. SUBSEQUENT EVENTS

There are no subsequent events to report up to the date of the audit report.

XI. PRIOR PERIOD ADJUSTMENT

The prior audit cash balances at December 31, 2017, has been adjusted to \$1,181,449 for a net adjustment of (32.66). The adjustment was made to reclassify the Prosecuting Attorney Retirement Fund as an Agency Fund.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2019, expenditures exceeded those budgeted for the Prosecuting Attorney Administrative Handling Cost Fund.
- II. For the year ended December 31, 2019, the Sheriff's Forfeiture Fund was deficit budgeted.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Ripley, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Ripley ("County") as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 18, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2019-001, 2019-002]

Compliance and Other Matters

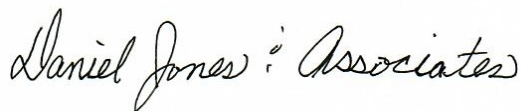
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 18, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To The County Commission
The County of Ripley, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Ripley's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2019, and 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2019, and 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-003. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

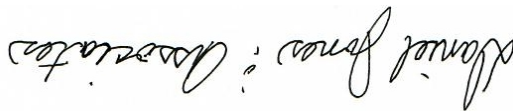
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-003, that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 18, 2020

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	December 31, 2019		December 31, 2018	
			Provided to Sub-Recipients	Total Federal Expenditures	Provided to Sub-Recipients	Total Federal Expenditures
<u>U.S. Department of Homeland Security</u>						
Passed Through State Department of Public Safety:						
Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	97.036	N/A	\$ -	\$ 162,606.12	\$ -	\$ 257,888.89
Emergency Management Performance Grants	97.042	N/A	-	3,095.15	-	5,362.18
Total U.S. Department of Homeland Security			-	165,701.27	-	263,251.07
<u>U.S. Department of the Interior</u>						
Direct Program:						
PILT - Payments in Lieu of Taxes	15.226	N/A	-	149,266.00	-	223,008.00
Passed Through Missouri Office of Administration:						
National Forest Acquired Lands	15.438	N/A	138,638.96	138,638.96	148,329.56	148,329.56
Total U.S. Department of the Interior			138,638.96	287,904.96	148,329.56	371,337.56
<u>U.S. Department of Justice</u>						
Passed Through the Missouri Department of Public Safety:						
Crime Victim Assistance	16.575		-	38,192.31	-	36,008.14
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-LLEBG-074	-	9,998.90	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-LLEBG-076	-	-	-	8,508.80
Subtotal CFDA# 16.738			-	9,998.90	-	8,508.80
Total U.S. Department of Justice			-	48,191.21	-	44,516.94
<u>U.S. Department of Transportation</u>						
Passed Through the Highway and Transportation Commission:						
Highway Planning and Construction	20.205	BRO-B091(13)	-	27,588.71	-	-
Highway Planning and Construction	20.205	BRO-B091(15)	-	20,929.03	-	-
Total Highway Planning and Construction			-	48,517.74	-	-
Passed Through University of Central Missouri:						
Alcohol Open Container Requirements	20.607	18-154-AL-154	-	-	-	1,168.02
Alcohol Open Container Requirements	20.607	19-154-AL-019	-	659.74	-	194.67
Alcohol Open Container Requirements	20.607	20-154-AL-017	-	389.36	-	-
Subtotal CFDA# 20.607			-	1,049.10	-	1,362.69
Total U.S. Department of Transportation			-	49,566.84	-	1,362.69
<u>U.S. Department of Health and Human Services</u>						
Passed Through Missouri Department of Social Services:						
Child Support Enforcement	93.563	N/A	-	16,064.98	-	17,410.17
Total U.S. Department of Health and Human Services			-	16,064.98	-	17,410.17
<u>U.S. Department of Housing and Urban Development</u>						
Passed Through Missouri Department of Economic Development:						
Community Development Block Grant	14.228	N/A	-	475.00	-	-
Emergency Shelter Grants Program	14.231	N/A	-	-	-	51,935.05
Total U.S. Department of Housing and Urban Development			-	475.00	-	51,935.05
<u>U.S. Department of Agriculture</u>						
Passed Through Missouri Office of Administration:						
Schools and Roads - Grants to States	10.665	N/A	176,055.33	220,069.15	184,102.83	230,128.54
Total U.S. Department of Agriculture			176,055.33	220,069.15	184,102.83	230,128.54
Total Expenditures of Federal Awards			\$ 314,694.29	\$ 787,973.41	\$ 332,432.39	\$ 979,942.02

The accompanying notes are an integral part of this schedule.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Ripley under programs of the federal government for the years ended December 31, 2019 and 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Ripley, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Ripley.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 4 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to sub-recipients as follows:

<u>Program Title</u>	<u>Sub-Recipient</u>	<u>Year</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Sub-Recipient</u>
Schools and Roads - Grants to States	Doniphan Road District	2019	10.665	\$ 1,207.75
Schools and Roads - Grants to States	Doniphan Road District	2018	10.665	1,262.96
Schools and Roads - Grants to States	Bennett Road District	2019	10.665	6,740.45
Schools and Roads - Grants to States	Bennett Road District	2018	10.665	7,048.56
Schools and Roads - Grants to States	Jordan Road District	2019	10.665	7,635.69
Schools and Roads - Grants to States	Jordan Road District	2018	10.665	7,984.72
Schools and Roads - Grants to States	Mabrey Bay Road District	2019	10.665	2,105.65
Schools and Roads - Grants to States	Mabrey Bay Road District	2018	10.665	2,201.90
Schools and Roads - Grants to States	Pine-Bardley Road District	2019	10.665	10,737.68
Schools and Roads - Grants to States	Pine-Bardley Road District	2018	10.665	11,228.50
Schools and Roads - Grants to States	Ponder-Gatewood Road District	2019	10.665	2,356.37
Schools and Roads - Grants to States	Ponder-Gatewood Road District	2018	10.665	2,464.08
Schools and Roads - Grants to States	Running Water Road District	2019	10.665	9,446.18
Schools and Roads - Grants to States	Running Water Road District	2018	10.665	9,877.97
Schools and Roads - Grants to States	Tucker Bay Road District	2019	10.665	3,784.06
Schools and Roads - Grants to States	Tucker Bay Road District	2018	10.665	3,957.03
Schools and Roads - Grants to States	Couch R-I School District	2019	10.665	24,786.76
Schools and Roads - Grants to States	Couch R-I School District	2018	10.665	25,919.76
Schools and Roads - Grants to States	Winona R-III School District	2019	10.665	9,574.08
Schools and Roads - Grants to States	Winona R-III School District	2018	10.665	10,011.72
Schools and Roads - Grants to States	Alton R-IV School District	2019	10.665	97,680.65
Schools and Roads - Grants to States	Alton R-IV School District	2018	10.665	102,145.64
National Forest Acquired Lands	Doniphan Road District	2019	15.438	951.07
National Forest Acquired Lands	Doniphan Road District	2018	15.438	1,017.55
National Forest Acquired Lands	Bennett Road District	2019	15.438	5,307.93
National Forest Acquired Lands	Bennett Road District	2018	15.438	5,678.94
National Forest Acquired Lands	Jordan Road District	2019	15.438	6,012.90
National Forest Acquired Lands	Jordan Road District	2018	15.438	6,433.20
National Forest Acquired Lands	Mabrey Bay Road District	2019	15.438	1,658.15
National Forest Acquired Lands	Mabrey Bay Road District	2018	15.438	1,774.05
National Forest Acquired Lands	Pine-Bardley Road District	2019	15.438	8,455.65
National Forest Acquired Lands	Pine-Bardley Road District	2018	15.438	9,046.68
National Forest Acquired Lands	Ponder-Gatewood Road District	2019	15.438	1,855.58
National Forest Acquired Lands	Ponder-Gatewood Road District	2018	15.438	1,985.28
National Forest Acquired Lands	Running Water Road District	2019	15.438	7,438.62
National Forest Acquired Lands	Running Water Road District	2018	15.438	7,958.57
National Forest Acquired Lands	Tucker Bay Road District	2019	15.438	2,979.85
National Forest Acquired Lands	Tucker Bay Road District	2018	15.438	3,188.13
National Forest Acquired Lands	Couch R-I School District	2019	15.438	19,518.92
National Forest Acquired Lands	Couch R-I School District	2018	15.438	20,883.26
National Forest Acquired Lands	Winona R-III School District	2019	15.438	7,539.34
National Forest Acquired Lands	Winona R-III School District	2018	15.438	8,066.33
National Forest Acquired Lands	Alton R-IV School District	2019	15.438	76,920.95
National Forest Acquired Lands	Alton R-IV School District	2018	15.438	82,297.57
Total Provided to Sub-Recipients				<u>\$ 647,126.68</u>

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
2018 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 ☒ Yes ☐ No
2018 ☒ Yes ☐ No

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls. This is a repeat finding of FS 2017-002.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of fraud risk management for each office. Many of the offices have practices of fraud risk management in place but not written policies; the County Clerk has a written policy. The County Clerk is Becky York, and her office phone number is (573)996-3215.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-003	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All
	Program Title:	All
	Pass-Through Entity	
	Identification Number:	All
	Award year	2019, 2018
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over Federal awards, regulation and the terms and conditions of the Federal awards.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

2019-003 Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County has not prepared the required risk assessment over federal awards. This is a repeat finding of SA 2017-001.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward and formally documented. This is a repeat finding.

Views of responsible officials and planned corrective actions: The County practices a number of checks and balances but has not formally documented a written policy. The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Commission is (573) 966-3215.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

FS 2017-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of internal controls for each office. Many of the offices have practices of internal controls in place but not written policies; the County Clerk has a written policy. The County Clerk is Becky York, and her office phone number is (573)996-3215.

Status: The finding is repeated in the current audit period as 2019-001.

FS 2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

FS 2017-002 Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of fraud risk management for each office. Many of the offices have practices of fraud risk management in place but not written policies; the County Clerk has a written policy. The County Clerk is Becky York, and her office phone number is (573)996-3215.

Status: The finding is repeated in the current audit period as 2019-002.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA 2017-001	Federal Grantor:	All Federal Grantors listed on SEFA Schedule
	Pass-Through Grantor:	All Federal Pass-Through Entities listed on SEFA Schedule
	Federal CFDA Number:	All Federal CFDA Numbers listed on SEFA Schedule
	Program Title:	All Federal Programs listed on SEFA Schedule
	Award year	2017, 2016
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

THE COUNTY OF RIPLEY
DONIPHAN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (concluded)

SA 2017-001 Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of the required risk assessment over federal awards.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the Clerk's office is (573) 966-3215.

Status: This finding is repeated as 2019-003.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 18, 2020

To the County Commission
The County of Ripley, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Ripley (the "County") as of and for the years ended December 31, 2019 and December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared for the County.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation. This is a repeat finding of FS 2017-001.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of internal controls for each office. Many of the offices have practices of internal controls in place but not written policies; the County Clerk has a written policy. The County Clerk is Becky York, and her office phone number is (573)996-3215.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls. This is a repeat finding of FS 2017-002.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2019-002 Views of responsible officials and planned corrective actions: The County Commission will work with each of the various officeholders on developing the required documentation of fraud risk management for each office. Many of the offices have practices of fraud risk management in place but not written policies; the County Clerk has a written policy. The County Clerk is Becky York, and her office phone number is (573)996-3215.

2019-003 Federal Grantor: All
Pass-Through Grantor: All
Federal CFDA Number: All
Program Title: All
Pass-Through Entity
Identification Number: All
Award year 2019, 2018
Type of Finding Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) require the auditee to document risk assessment over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County has not prepared the required risk assessment over federal awards. This is a repeat finding of SA 2017-001.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward and formally documented. This is a repeat finding.

Views of responsible officials and planned corrective actions: The County practices a number of checks and balances but has not formally documented a written policy. The County is in the process of preparing the required risk assessment for federal programs and hopes to have the documentation completed for the next audit period. The phone number for the County Commission is (573) 966-3215.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 18, 2020.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity. Although we were able to track receipts and transfers to the law enforcement sales tax fund for Title III funds, we were not able to determine what law enforcement used the funds for. We recommend keeping these grant funds in a separate account to properly track the expenses. Title III funds should only be used to (1) carry out activities under the Firewise Communities program to provide to homeowners in fire-sensitive ecosystems education on, and assistance with implementing, techniques in home siting, home construction, and home landscaping that can increase the protection of people and property from wildfires; (2) reimburse participating county for search and rescue and other emergency services, including firefighting, that are (a) performed on federal land and (b) paid for by the participating county; and (3) develop community wildfire protection plans in coordination with the appropriate Secretary concerned. We will review this during the next audit and if corrective action has not been implemented, a finding will be issued.

County of Ripley, Missouri

Ripley County Courthouse
100 Courthouse Sq.
Doniphan, Missouri 63935

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) 12/31/2019 AND 12/31/2018

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2019-001	The County will work to develop an internal control document to ensure that controls are in place, communicated and operating effectively.	12/31/2020	BECKY YORK, COUNTY CLERK
2019-002	The County will work to implement a formal fraud risk assessment. Then follow with assessments to identify, analyze and manage risks.	12/31/2020	BECKY YORK, COUNTY CLERK
2019-003	The County Clerk is in the process of preparing the needed documentation to document their internal control structure in conformity with the <i>Uniform Guidance</i> .	12/31/2020	BECKY YORK, COUNTY CLERK



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Montgomery County, Missouri

The Office of the State Auditor contracted for an audit of the Montgomery County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-062



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Montgomery County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-2
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2019.....	3
Year Ended December 31, 2018.....	4
Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2019 and 2018.....	5-18
 <i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2019.....	19-20
As of December 31, 2018.....	21-22
Notes to the Financial Statements.....	23-37
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings.....	38
 <u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	39-40
Schedule of Findings and Responses	
Years Ended December 31, 2019 and 2018.....	41-42
Summary Schedule of Prior Year Findings and Responses.....	43

FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Montgomery, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Montgomery ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2020, on our consideration of the County of Montgomery’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Montgomery’s internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 19, 2020

FINANCIAL STATEMENTS

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH AND INVESTMENT BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 67,617.03	\$ 4,116,596.75	\$ 4,014,611.98	\$ 169,601.80
Special Road and Bridge Fund	361,100.18	2,019,673.15	1,553,454.39	827,318.94
Assessment Fund	353,786.49	307,865.90	291,923.99	369,728.40
DARE/PRIDE Fund	784.20	114.34	425.40	473.14
Emergency Management Fund	29,073.81	71,305.89	56,545.48	43,834.22
Emergency 911 Fund	3,165.18	186,507.77	181,806.67	7,866.28
Prosecuting Attorney Bad Check Fund	22,201.86	4,575.52	2,649.01	24,128.37
Capital Improvement Fund	1,691,932.68	558,375.99	1,274,667.71	975,640.96
Law Enforcement Training Fund	8,535.01	2,010.28	3,070.27	7,475.02
Prosecuting Attorney Training Fund	1,484.39	1,422.49	1,695.54	1,211.34
Johnson Grass Fund	5,768.53	53.61	37.63	5,784.51
Recorder User Fee Fund	14,796.58	4,765.01	34.40	19,527.19
County Law Enforcement Restitution Fund	41,809.54	16,397.35	-	58,206.89
Local Emergency Planning Committee Fund	21,424.90	10,586.73	11,326.79	20,684.84
Prosecuting Attorney Delinquent Tax Fund	10,847.13	302.82	507.22	10,642.73
General Revenue Reserve Fund	835.02	13.84	45.15	803.71
Sheriff Revolving Fund	78,432.27	7,337.63	37,988.26	47,781.64
POST Commission Fund	1,054.37	847.48	861.64	1,040.21
Special Election Fund	16,579.26	18,439.86	19,714.22	15,304.90
Law Enforcement Sales Tax Fund	788.54	526,407.05	525,046.48	2,149.11
Sheriff Operations Fund	105,544.42	52,931.60	52,704.95	105,771.07
Election Services Fund	1,093.07	1,391.74	2,477.04	7.77
Recorder Technology Fund	18,605.80	3,132.52	9,046.99	12,691.33
Collector Tax Maintenance Fund	57,047.85	26,034.45	83,082.30	-
Children's Trust Fund	14,448.75	2,577.33	25.80	17,000.28
Inmate Security Fund	103,696.69	69,079.16	31,742.76	141,033.09
TOTAL	\$ 3,032,453.55	\$ 8,008,746.26	\$ 8,155,492.07	\$ 2,885,707.74

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENT BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 51,818.64	\$ 4,008,416.07	\$ 3,992,617.68	\$ 67,617.03
Special Road and Bridge Fund	607,580.72	1,669,260.30	1,915,740.84	361,100.18
Assessment Fund	343,701.42	301,440.68	291,355.61	353,786.49
DARE/PRIDE Fund	1,371.79	16.18	603.77	784.20
Emergency Management Fund	35,007.39	69,547.70	75,481.28	29,073.81
Emergency 911 Fund	6,792.84	157,671.76	161,299.42	3,165.18
Prosecuting Attorney Bad Check Fund	20,832.82	3,749.76	2,380.72	22,201.86
Capital Improvement Fund	1,452,880.89	569,573.40	330,521.61	1,691,932.68
Law Enforcement Training Fund	9,972.18	2,514.75	3,951.92	8,535.01
Prosecuting Attorney Training Fund	2,403.73	632.62	1,551.96	1,484.39
Johnson Grass Fund	5,740.75	39.78	12.00	5,768.53
Recorder User Fee Fund	10,473.13	4,335.45	12.00	14,796.58
County Law Enforcement Restitution Fund	64,511.98	12,312.78	35,015.22	41,809.54
Local Emergency Planning Committee Fund	23,204.31	3,844.57	5,623.98	21,424.90
Prosecuting Attorney Delinquent Tax Fund	10,302.84	766.29	222.00	10,847.13
General Revenue Reserve Fund	417,748.22	4,402.80	421,316.00	835.02
Sheriff Revolving Fund	78,492.24	3,265.51	3,325.48	78,432.27
POST Commission Fund	1,048.95	1,379.28	1,373.86	1,054.37
Special Election Fund	3,938.86	65,930.23	53,289.83	16,579.26
Law Enforcement Sales Tax Fund	491.26	534,987.23	534,689.95	788.54
Sheriff Operations Fund	83,063.75	68,001.18	45,520.51	105,544.42
Election Services Fund	7,637.26	685.24	7,229.43	1,093.07
Recorder Technology Fund	22,270.40	2,962.85	6,627.45	18,605.80
Collector Tax Maintenance Fund	50,830.63	24,683.68	18,466.46	57,047.85
Children's Trust Fund	16,488.23	2,976.52	5,016.00	14,448.75
Inmate Security Fund	50,725.92	57,304.33	4,333.56	103,696.69
TOTAL	\$ 3,379,331.15	\$ 7,570,700.94	\$ 7,917,578.54	\$ 3,032,453.55

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 648,000.00	\$ 573,627.06	\$ 608,000.00	\$ 528,823.69
Sales Taxes	1,350,000.00	1,313,112.58	1,375,000.00	1,332,809.48
Intergovernmental	988,285.00	822,719.48	873,800.00	614,070.77
Charges for Services	389,100.00	380,207.87	384,600.00	372,377.45
Interest	4,000.00	10,147.62	4,000.00	5,885.64
Other	125,000.00	431,569.94	68,000.00	129,767.70
Transfers In	623,000.00	585,212.20	1,034,000.00	1,024,681.34
TOTAL RECEIPTS	4,127,385.00	4,116,596.75	4,347,400.00	4,008,416.07
DISBURSEMENTS				
County Commission	118,948.00	114,587.87	132,470.00	130,365.85
County Clerk	88,800.00	93,111.52	131,870.00	132,472.82
Elections	-	-	55,000.00	52,291.02
Buildings and Grounds	132,160.00	142,921.99	168,780.00	172,985.10
County Treasurer	60,565.00	59,197.92	58,280.00	57,158.00
Collector	97,322.00	91,338.82	95,580.00	92,327.92
Recorder of Deeds	92,715.00	92,414.41	95,470.00	93,599.87
Circuit Clerk	31,500.00	28,813.80	36,000.00	22,335.44
Court Administration	48,250.00	48,097.25	46,820.00	48,181.01
Public Administrator	54,850.00	55,024.74	54,700.00	54,666.59
Sheriff	816,800.00	724,193.73	838,840.00	819,350.73
Jail	1,314,230.00	1,232,721.68	1,385,030.00	1,263,342.17
Prosecuting Attorney	362,785.00	353,508.42	289,705.00	219,033.96
Juvenile Officer	48,730.00	47,210.50	59,750.00	59,989.43
Coroner	28,630.00	23,583.83	28,630.00	30,216.21
Dispatch/Communications	369,810.00	291,549.18	375,010.00	342,223.61
Other County Government	369,380.00	397,794.30	293,700.00	356,080.66
Planning and Zoning	16,510.00	13,811.49	21,060.00	15,033.53
Surveyor	2,110.00	963.76	2,110.00	963.76
Debt Service	150,000.00	152,766.77	-	-
Transfers Out	20,100.00	51,000.00	52,000.00	30,000.00
Emergency Fund	121,000.00	-	126,620.00	-
TOTAL DISBURSEMENTS	4,345,195.00	4,014,611.98	4,347,425.00	3,992,617.68
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(217,810.00)	101,984.77	(25.00)	15,798.39
CASH AND INVESTMENTS, JANUARY 1	67,617.03	67,617.03	51,818.64	51,818.64
CASH AND INVESTMENTS, DECEMBER 31	\$ (150,192.97)	\$ 169,601.80	\$ 51,793.64	\$ 67,617.03

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 1,120,000.00	\$ 1,120,060.27	\$ 1,160,000.00	\$ 1,130,432.04
Sales Taxes	-	-	-	-
Intergovernmental	562,000.00	857,288.81	563,000.00	521,005.75
Charges for Services	500.00	42.70	500.00	139.00
Interest	10,000.00	16,346.30	8,500.00	15,277.43
Other	20,800.00	25,935.07	20,800.00	2,406.08
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,713,300.00	2,019,673.15	1,752,800.00	1,669,260.30
DISBURSEMENTS				
Salaries	500,580.00	511,952.90	530,580.00	526,771.53
Employee Fringe Benefits	122,450.00	90,309.08	132,880.00	132,393.27
Supplies	249,000.00	233,218.76	204,000.00	236,619.44
Insurance	20,000.00	11,857.78	30,000.00	24,676.19
Materials	506,000.00	556,669.76	546,000.00	495,644.41
Equipment Repairs	70,000.00	80,817.05	75,000.00	60,884.23
Rentals	1,000.00	-	5,000.00	-
Equipment Purchases	100,000.00	21,744.41	350,000.00	381,458.00
Road and Bridge Construction	61,800.00	943.03	137,200.00	1,818.60
Transfers Out	65,000.00	45,941.62	65,000.00	55,475.17
TOTAL DISBURSEMENTS	1,695,830.00	1,553,454.39	2,075,660.00	1,915,740.84
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	17,470.00	466,218.76	(322,860.00)	(246,480.54)
CASH AND INVESTMENTS, JANUARY 1	361,100.18	361,100.18	607,580.72	607,580.72
CASH AND INVESTMENTS, DECEMBER 31	\$ 378,570.18	\$ 827,318.94	\$ 284,720.72	\$ 361,100.18

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ASSESSMENT FUND				DARE/PRIDE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 279,996.00	\$ 279,744.36	\$ 277,080.00	\$ 281,896.14	\$ -	\$ -	\$ -	\$ -
Charges for Services	12,000.00	19,676.55	11,000.00	12,915.80	-	-	-	-
Interest	6,000.00	8,444.99	3,200.00	6,628.74	12.00	14.34	5.00	16.18
Other	-	-	-	-	200.00	100.00	250.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	297,996.00	307,865.90	291,280.00	301,440.68	212.00	114.34	255.00	16.18
DISBURSEMENTS								
Salaries and Benefits	239,430.00	210,947.73	210,180.00	205,153.06	-	-	-	-
Office Expenses	19,760.00	17,204.46	19,200.00	13,691.20	805.00	425.40	820.00	603.77
Equipment	27,000.00	17,003.93	27,000.00	11,931.03	-	-	-	-
Employee Fringe Benefits	43,430.00	34,626.04	35,410.00	38,486.26	-	-	-	-
Professional Services	18,500.00	2,421.11	18,500.00	11,700.38	-	-	-	-
Mileage and Training	10,000.00	9,720.72	10,000.00	10,393.68	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	358,120.00	291,923.99	320,290.00	291,355.61	805.00	425.40	820.00	603.77
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(60,124.00)	15,941.91	(29,010.00)	10,085.07	(593.00)	(311.06)	(565.00)	(587.59)
CASH AND INVESTMENTS, JANUARY 1	353,786.49	353,786.49	343,701.42	343,701.42	784.20	784.20	1,371.79	1,371.79
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 293,662.49</u>	<u>\$ 369,728.40</u>	<u>\$ 314,691.42</u>	<u>\$ 353,786.49</u>	<u>\$ 191.20</u>	<u>\$ 473.14</u>	<u>\$ 806.79</u>	<u>\$ 784.20</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	EMERGENCY MANAGEMENT FUND				EMERGENCY 911 FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 21,000.00	\$ 17,647.55	\$ 21,500.00	\$ 17,204.66	\$ 100.00	\$ 40.00	\$ 200.00	\$ 40.00
Charges for Services	-	-	-	-	130,000.00	135,361.90	130,500.00	127,461.38
Interest	350.00	1,159.34	350.00	774.03	100.00	105.87	100.00	170.38
Other	52,500.00	52,499.00	52,500.00	51,569.01	-	-	-	-
Transfers In	-	-	-	-	51,000.00	51,000.00	51,000.00	30,000.00
TOTAL RECEIPTS	73,850.00	71,305.89	74,350.00	69,547.70	181,200.00	186,507.77	181,800.00	157,671.76
DISBURSEMENTS								
Salaries and Benefits	32,760.00	40,964.19	50,270.00	44,419.63	73,810.00	70,237.06	89,420.00	71,751.31
Office	23,175.00	13,081.29	22,650.00	26,061.65	90,490.00	111,569.61	88,430.00	89,548.11
Transfers Out	5,000.00	2,500.00	5,000.00	5,000.00	-	-	-	-
TOTAL DISBURSEMENTS	60,935.00	56,545.48	77,920.00	75,481.28	164,300.00	181,806.67	177,850.00	161,299.42
RECEIPTS OVER (UNDER) DISBURSEMENTS	12,915.00	14,760.41	(3,570.00)	(5,933.58)	16,900.00	4,701.10	3,950.00	(3,627.66)
CASH AND INVESTMENTS, JANUARY 1	29,073.81	29,073.81	35,007.39	35,007.39	3,165.18	3,165.18	6,792.84	6,792.84
CASH AND INVESTMENTS, DECEMBER 31	\$ 41,988.81	\$ 43,834.22	\$ 31,437.39	\$ 29,073.81	\$ 20,065.18	\$ 7,866.28	\$ 10,742.84	\$ 3,165.18

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY BAD CHECK FUND				CAPITAL IMPROVEMENT FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 540,000.00	\$ 525,302.28	\$ 550,000.00	\$ 533,051.19
Charges for Services	3,000.00	4,154.86	4,000.00	3,401.21	-	-	-	-
Interest	150.00	420.66	150.00	348.55	10,000.00	33,073.71	5,000.00	25,288.61
Other	-	-	-	-	10,000.00	-	10,000.00	11,233.60
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,150.00	4,575.52	4,150.00	3,749.76	560,000.00	558,375.99	565,000.00	569,573.40
DISBURSEMENTS								
Salaries and Benefits	-	-	-	-	83,890.00	73,633.83	61,800.00	55,155.87
Office	2,920.00	1,121.10	2,920.00	41.00	-	-	-	-
Building Improvement Projects	-	-	-	-	1,085,100.00	1,201,033.88	554,250.00	275,365.74
Transfers Out	2,760.00	1,527.91	3,360.00	2,339.72	-	-	-	-
TOTAL DISBURSEMENTS	5,680.00	2,649.01	6,280.00	2,380.72	1,168,990.00	1,274,667.71	616,050.00	330,521.61
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(2,530.00)	1,926.51	(2,130.00)	1,369.04	(608,990.00)	(716,291.72)	(51,050.00)	239,051.79
CASH AND INVESTMENTS, JANUARY 1	22,201.86	22,201.86	20,832.82	20,832.82	1,691,932.68	1,691,932.68	1,452,880.89	1,452,880.89
CASH AND INVESTMENTS, DECEMBER 31	\$ 19,671.86	\$ 24,128.37	\$ 18,702.82	\$ 22,201.86	\$ 1,082,942.68	\$ 975,640.96	\$ 1,401,830.89	\$ 1,691,932.68

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,500.00	1,846.00	3,000.00	2,352.00	700.00	1,108.68	700.00	605.53
Interest	130.00	164.28	70.00	162.75	100.00	313.81	100.00	27.09
Other	-	-	-	-	1,000.00	-	1,000.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,630.00	2,010.28	3,070.00	2,514.75	1,800.00	1,422.49	1,800.00	632.62
DISBURSEMENTS								
Mileage and Training	3,050.00	1,739.40	3,520.00	1,885.69	4,520.00	1,695.54	4,520.00	1,551.96
Supplies	2,000.00	1,330.87	2,000.00	2,066.23	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,050.00	3,070.27	5,520.00	3,951.92	4,520.00	1,695.54	4,520.00	1,551.96
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,420.00)	(1,059.99)	(2,450.00)	(1,437.17)	(2,720.00)	(273.05)	(2,720.00)	(919.34)
CASH AND INVESTMENTS, JANUARY 1	8,535.01	8,535.01	9,972.18	9,972.18	1,484.39	1,484.39	2,403.73	2,403.73
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 6,115.01</u>	<u>\$ 7,475.02</u>	<u>\$ 7,522.18</u>	<u>\$ 8,535.01</u>	<u>\$ (1,235.61)</u>	<u>\$ 1,211.34</u>	<u>\$ (316.27)</u>	<u>\$ 1,484.39</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	JOHNSON GRASS FUND				RECORDER USER FEE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	4,100.00	4,450.00	4,300.00	4,138.00
Interest	-	53.61	-	39.78	170.00	315.01	40.00	197.45
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	53.61	-	39.78	4,270.00	4,765.01	4,340.00	4,335.45
DISBURSEMENTS								
Payroll	-	-	-	-	-	-	-	-
Office	1,020.00	37.63	1,020.00	12.00	7,020.00	34.40	7,020.00	12.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	1,020.00	37.63	1,020.00	12.00	7,020.00	34.40	7,020.00	12.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,020.00)	15.98	(1,020.00)	27.78	(2,750.00)	4,730.61	(2,680.00)	4,323.45
CASH AND INVESTMENTS, JANUARY 1	5,768.53	5,768.53	5,740.75	5,740.75	14,796.58	14,796.58	10,473.13	10,473.13
CASH AND INVESTMENTS, DECEMBER 31	\$ 4,748.53	\$ 5,784.51	\$ 4,720.75	\$ 5,768.53	\$ 12,046.58	\$ 19,527.19	\$ 7,793.13	\$ 14,796.58

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 10,500.00	\$ 15,471.16	\$ 15,000.00	\$ 11,466.62	\$ -	\$ -	\$ -	\$ -
Interest	800.00	926.19	400.00	846.16	200.00	373.88	200.00	329.74
Other	-	-	-	-	8,000.00	10,212.85	7,800.00	3,514.83
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11,300.00	16,397.35	15,400.00	12,312.78	8,200.00	10,586.73	8,000.00	3,844.57
DISBURSEMENTS								
Office	-	-	-	992.23	4,020.00	3,051.60	20.00	16.00
Supplies and Equipment	21,020.00	-	23,020.00	34,022.99	20,000.00	6,600.00	24,000.00	4,000.00
Mileage and Training	-	-	-	-	3,700.00	1,675.19	3,700.00	1,607.98
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	21,020.00	-	23,020.00	35,015.22	27,720.00	11,326.79	27,720.00	5,623.98
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,720.00)	16,397.35	(7,620.00)	(22,702.44)	(19,520.00)	(740.06)	(19,720.00)	(1,779.41)
CASH AND INVESTMENTS, JANUARY 1	41,809.54	41,809.54	64,511.98	64,511.98	21,424.90	21,424.90	23,204.31	23,204.31
CASH AND INVESTMENTS, DECEMBER 31	\$ 32,089.54	\$ 58,206.89	\$ 56,891.98	\$ 41,809.54	\$ 1,904.90	\$ 20,684.84	\$ 3,484.31	\$ 21,424.90

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY DELINQUENT TAX FUND				GENERAL REVENUE RESERVE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Services	\$ 500.00	\$ 100.00	\$ 500.00	\$ 600.48	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-	-
Interest	100.00	202.82	100.00	165.81	100.00	13.84	3,700.00	4,402.80
Transfers In	-	-	-	-	-	-	1,000.00	-
TOTAL RECEIPTS	600.00	302.82	600.00	766.29	100.00	13.84	4,700.00	4,402.80
DISBURSEMENTS								
Office	3,600.00	507.22	3,600.00	222.00	50.00	45.15	20.00	16.00
Transfers Out	-	-	-	-	-	-	410,000.00	421,300.00
TOTAL DISBURSEMENTS	3,600.00	507.22	3,600.00	222.00	50.00	45.15	410,020.00	421,316.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,000.00)	(204.40)	(3,000.00)	544.29	50.00	(31.31)	(405,320.00)	(416,913.20)
CASH AND INVESTMENTS, JANUARY 1	10,847.13	10,847.13	10,302.84	10,302.84	835.02	835.02	417,748.22	417,748.22
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 7,847.13</u>	<u>\$ 10,642.73</u>	<u>\$ 7,302.84</u>	<u>\$ 10,847.13</u>	<u>\$ 885.02</u>	<u>\$ 803.71</u>	<u>\$ 12,428.22</u>	<u>\$ 835.02</u>

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF REVOLVING FUND				POST COMMISSION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 1,500.00	\$ 6,046.00	\$ 1,500.00	\$ 2,056.00	\$ -	\$ -	\$ -	\$ -
Interest	1,000.00	1,291.63	500.00	1,209.51	-	-	-	-
Other	-	-	-	-	1,400.00	847.48	1,600.00	1,379.28
TOTAL RECEIPTS	2,500.00	7,337.63	2,000.00	3,265.51	1,400.00	847.48	1,600.00	1,379.28
DISBURSEMENTS								
Equipment and Supplies	50,030.00	37,988.26	38,020.00	3,325.48	-	-	-	-
Office	-	-	-	-	1,415.00	861.64	1,510.00	1,373.86
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	50,030.00	37,988.26	38,020.00	3,325.48	1,415.00	861.64	1,510.00	1,373.86
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(47,530.00)	(30,650.63)	(36,020.00)	(59.97)	(15.00)	(14.16)	90.00	5.42
CASH AND INVESTMENTS, JANUARY 1	78,432.27	78,432.27	78,492.24	78,492.24	1,054.37	1,054.37	1,048.95	1,048.95
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 30,902.27</u>	<u>\$ 47,781.64</u>	<u>\$ 42,472.24</u>	<u>\$ 78,432.27</u>	<u>\$ 1,039.37</u>	<u>\$ 1,040.21</u>	<u>\$ 1,138.95</u>	<u>\$ 1,054.37</u>

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ELECTION FUND				LAW ENFORCEMENT SALES TAX FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 550,000.00	\$ 525,300.56	\$ 550,000.00	\$ 534,765.38
Charges For Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	1,106.49	-	221.85
Other	20,050.00	18,439.86	75,000.00	65,930.23	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,050.00	18,439.86	75,000.00	65,930.23	550,000.00	526,407.05	550,000.00	534,987.23
DISBURSEMENTS								
Elections	20,050.00	19,714.22	75,000.00	53,289.83	-	-	-	-
Office	-	-	-	-	20.00	77.40	20.00	12.00
Transfers Out	-	-	-	-	549,980.00	524,969.08	549,980.00	534,677.95
TOTAL DISBURSEMENTS	20,050.00	19,714.22	75,000.00	53,289.83	550,000.00	525,046.48	550,000.00	534,689.95
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(1,274.36)	-	12,640.40	-	1,360.57	-	297.28
CASH AND INVESTMENTS, JANUARY 1	16,579.26	16,579.26	3,938.86	3,938.86	788.54	788.54	491.26	491.26
CASH AND INVESTMENTS, DECEMBER 31	\$ 16,579.26	\$ 15,304.90	\$ 3,938.86	\$ 16,579.26	\$ 788.54	\$ 2,149.11	\$ 491.26	\$ 788.54

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THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF OPERATIONS FUND				ELECTION SERVICES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 9,912.00	\$ 4,055.04	\$ 10,000.00	\$ 10,813.44	\$ -	\$ -	\$ -	\$ -
Charges for Services	40,000.00	35,655.49	35,000.00	44,692.80	2,440.00	1,244.20	3,750.00	568.30
Interest	1,100.00	2,108.50	500.00	1,409.12	100.00	17.54	100.00	116.94
Other	9,980.00	11,112.57	-	11,085.82	1,200.00	130.00	1,200.00	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	60,992.00	52,931.60	45,500.00	68,001.18	3,740.00	1,391.74	5,050.00	685.24
DISBURSEMENTS								
Office	42,100.00	22,924.68	37,040.00	24,162.90	-	-	-	-
Equipment and Supplies	39,980.00	25,918.48	17,000.00	20,895.56	4,720.00	2,477.04	11,020.00	7,229.43
Training	6,000.00	3,861.79	6,000.00	462.05	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	88,080.00	52,704.95	60,040.00	45,520.51	4,720.00	2,477.04	11,020.00	7,229.43
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(27,088.00)	226.65	(14,540.00)	22,480.67	(980.00)	(1,085.30)	(5,970.00)	(6,544.19)
CASH AND INVESTMENTS, JANUARY 1	105,544.42	105,544.42	83,063.75	83,063.75	1,093.07	1,093.07	7,637.26	7,637.26
CASH AND INVESTMENTS, DECEMBER 31	\$ 78,456.42	\$ 105,771.07	\$ 68,523.75	\$ 105,544.42	\$ 113.07	\$ 7.77	\$ 1,667.26	\$ 1,093.07

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	RECORDER TECHNOLOGY FUND				COLLECTOR TAX MAINTENANCE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Services	\$ 2,400.00	\$ 2,815.00	\$ 2,500.00	\$ 2,611.25	\$ 22,000.00	\$ 24,735.20	\$ 20,000.00	\$ 23,720.84
Interest	200.00	317.52	130.00	351.60	800.00	1,299.25	250.00	962.84
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	2,600.00	3,132.52	2,630.00	2,962.85	22,800.00	26,034.45	20,250.00	24,683.68
DISBURSEMENTS								
Equipment	18,020.00	9,046.99	20,020.00	6,627.45	4,000.00	4,539.00	8,480.00	7,202.44
Office	-	-	-	-	45,040.00	12,408.00	46,340.00	3,665.19
Mileage and Training	-	-	-	-	2,000.00	1,318.51	1,880.00	1,710.33
Transfer to Agency Funds	-	-	-	-	-	54,543.20	-	-
Transfers Out	-	-	-	-	-	10,273.59	-	5,888.50
TOTAL DISBURSEMENTS	18,020.00	9,046.99	20,020.00	6,627.45	51,040.00	83,082.30	56,700.00	18,466.46
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(15,420.00)	(5,914.47)	(17,390.00)	(3,664.60)	(28,240.00)	(57,047.85)	(36,450.00)	6,217.22
CASH AND INVESTMENTS, JANUARY 1	18,605.80	18,605.80	22,270.40	22,270.40	57,047.85	57,047.85	50,830.63	50,830.63
CASH AND INVESTMENTS, DECEMBER 31	\$ 3,185.80	\$ 12,691.33	\$ 4,880.40	\$ 18,605.80	\$ 28,807.85	\$ -	\$ 14,380.63	\$ 57,047.85

The accompanying financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND
INVESTMENT BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	CHILDREN'S TRUST FUND				INMATE SECURITY FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges For Services	\$ 3,480.00	\$ 2,283.00	\$ 3,480.00	\$ 2,763.00	\$ 2,500.00	\$ 1,588.00	\$ 3,000.00	\$ 2,638.00
Intergovernmental	-	-	-	-	-	-	-	-
Interest	150.00	294.33	150.00	213.52	1,000.00	2,338.99	300.00	1,230.30
Other	-	-	-	-	48,000.00	65,152.17	23,000.00	53,436.03
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	3,630.00	2,577.33	3,630.00	2,976.52	51,500.00	69,079.16	26,300.00	57,304.33
DISBURSEMENTS								
Office	5,020.00	25.80	5,020.00	5,016.00	10,060.00	4,190.03	6,020.00	305.31
Supplies	-	-	-	-	10,000.00	-	2,500.00	-
Equipment	-	-	-	-	50,000.00	27,552.73	25,000.00	4,028.25
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,020.00	25.80	5,020.00	5,016.00	70,060.00	31,742.76	33,520.00	4,333.56
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(1,390.00)	2,551.53	(1,390.00)	(2,039.48)	(18,560.00)	37,336.40	(7,220.00)	52,970.77
CASH AND INVESTMENTS, JANUARY 1	14,448.75	14,448.75	16,488.23	16,488.23	103,696.69	103,696.69	50,725.92	50,725.92
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 13,058.75</u>	<u>\$ 17,000.28</u>	<u>\$ 15,098.23</u>	<u>\$ 14,448.75</u>	<u>\$ 85,136.69</u>	<u>\$ 141,033.09</u>	<u>\$ 43,505.92</u>	<u>\$ 103,696.69</u>

The accompanying financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2019

	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>County Fines Funds</u>	<u>School Building Revolving</u>	<u>Surplus Land Sales</u>
ASSETS						
Cash and Investments	\$ 8,824,758.99	\$ 2.20	\$ 12,209.20	\$ 56,491.47	\$ 6,036.29	\$ 6,999.68
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	8,824,758.99	2.20	12,209.20	56,491.47	6,036.29	6,999.68
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	8,824,758.99	2.20	12,209.20	56,491.47	6,036.29	6,999.68
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,824,758.99</u>	<u>\$ 2.20</u>	<u>\$ 12,209.20</u>	<u>\$ 56,491.47</u>	<u>\$ 6,036.29</u>	<u>\$ 6,999.68</u>

	<u>Wellsville Special Road</u>	<u>Rhineland Road District</u>	<u>State Criminal</u>	<u>Hinton Interest</u>	<u>Unclaimed Fees</u>	<u>Bedford Cemetery</u>
ASSETS						
Cash and Investments	\$ 5,505.76	\$ 1,901.41	\$ 8.00	\$ -	\$ 397.86	\$ 384.69
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	5,505.76	1,901.41	8.00	-	397.86	384.69
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	5,505.76	1,901.41	8.00	-	397.86	384.69
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,505.76</u>	<u>\$ 1,901.41</u>	<u>\$ 8.00</u>	<u>\$ -</u>	<u>\$ 397.86</u>	<u>\$ 384.69</u>

	<u>Berger Cemetery</u>	<u>New Providence Cemetery</u>	<u>Price's Branch Cemetery</u>	<u>White Cemetery</u>	<u>Cora Wilson Cemetery</u>	<u>Hopewell Cemetery</u>
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 16.60	\$ 4,164.13	\$ 1,386.02	\$ 15.09	\$ -
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	16.60	4,164.13	1,386.02	15.09	-
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	16.60	4,164.13	1,386.02	15.09	-
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 16.60</u>	<u>\$ 4,164.13</u>	<u>\$ 1,386.02</u>	<u>\$ 15.09</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2019

	<u>ICE Prisoner Unclaimed Cash</u>	<u>Montgomery Co Ambulance</u>	<u>Montgomery Co Health Department</u>	<u>Wellsville/ Middleton R-1</u>	<u>Middletown Fire</u>	<u>Sur-Tax Temp</u>
ASSETS						
Cash and Cash Equivalents	\$ 10,689.89	\$ 0.63	\$ 0.30	\$ 3.07	\$ 0.15	\$ 12,197.34
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	10,689.89	0.63	0.30	3.07	0.15	12,197.34
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	10,689.89	0.63	0.30	3.07	0.15	12,197.34
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,689.89</u>	<u>\$ 0.63</u>	<u>\$ 0.30</u>	<u>\$ 3.07</u>	<u>\$ 0.15</u>	<u>\$ 12,197.34</u>

	<u>Montgomery Co R-3</u>	<u>City of Montgomery</u>	<u>City of Middletown</u>	<u>Montgomery Volunteer Fire</u>	<u>Wellsville Fire District</u>	<u>Total Fiduciary Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ 2.23	\$ 0.47	\$ 0.39	\$ 0.15	\$ 0.05	\$ 8,943,172.06
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	2.23	0.47	0.39	0.15	0.05	8,943,172.06
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	2.23	0.47	0.39	0.15	0.05	8,943,172.06
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2.23</u>	<u>\$ 0.47</u>	<u>\$ 0.39</u>	<u>\$ 0.15</u>	<u>\$ 0.05</u>	<u>\$ 8,943,172.06</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2018

	<u>Collector Accounts</u>	<u>Recorder</u>	<u>Sheriff</u>	<u>County Fines Funds</u>	<u>School Building Revolving</u>	<u>Surplus Land Sales</u>
ASSETS						
Cash and Investments	\$ 8,309,397.47	\$ 0.70	\$ 16,861.76	\$ 56,038.02	\$ 5,036.08	\$ 5,161.82
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	8,309,397.47	0.70	16,861.76	56,038.02	5,036.08	5,161.82
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	8,309,397.47	0.70	16,861.76	56,038.02	5,036.08	5,161.82
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,309,397.47</u>	<u>\$ 0.70</u>	<u>\$ 16,861.76</u>	<u>\$ 56,038.02</u>	<u>\$ 5,036.08</u>	<u>\$ 5,161.82</u>

	<u>Wellsville Special Road</u>	<u>Rhineland Road District</u>	<u>State Criminal</u>	<u>Hinton Interest</u>	<u>Unclaimed Fees</u>	<u>Bedford Cemetery</u>
ASSETS						
Cash and Investments	\$ 5,335.92	\$ 1,841.04	\$ 8.00	\$ 4.51	\$ 782.89	\$ 362.05
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	5,335.92	1,841.04	8.00	4.51	782.89	362.05
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	5,335.92	1,841.04	8.00	4.51	782.89	362.05
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,335.92</u>	<u>\$ 1,841.04</u>	<u>\$ 8.00</u>	<u>\$ 4.51</u>	<u>\$ 782.89</u>	<u>\$ 362.05</u>

	<u>Berger Cemetery</u>	<u>New Providence Cemetery</u>	<u>Price's Branch Cemetery</u>	<u>White Cemetery</u>	<u>Cora Wilson Cemetery</u>	<u>Hopewell Cemetery</u>
ASSETS						
Cash and Cash Equivalents	\$ 14.98	\$ 91.34	\$ 4,096.47	\$ 1,886.02	\$ -	\$ 10.87
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	14.98	91.34	4,096.47	1,886.02	-	10.87
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	14.98	91.34	4,096.47	1,886.02	-	10.87
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 14.98</u>	<u>\$ 91.34</u>	<u>\$ 4,096.47</u>	<u>\$ 1,886.02</u>	<u>\$ -</u>	<u>\$ 10.87</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
DECEMBER 31, 2018

	<u>ICE Prisoner Unclaimed Cash</u>	<u>Montgomery Co Ambulance</u>	<u>Montgomery Co Health Department</u>	<u>Wellsville/ Middleton R-1</u>	<u>Middletown Fire</u>	<u>Sur-Tax Temp</u>
ASSETS						
Cash and Cash Equivalents	\$ 10,689.89	\$ 4.40	\$ 2.11	\$ 39.32	\$ 2.61	\$ 17,815.32
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	10,689.89	4.40	2.11	39.32	2.61	17,815.32
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	10,689.89	4.40	2.11	39.32	2.61	17,815.32
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,689.89</u>	<u>\$ 4.40</u>	<u>\$ 2.11</u>	<u>\$ 39.32</u>	<u>\$ 2.61</u>	<u>\$ 17,815.32</u>
	<u>Montgomery Co R-3</u>	<u>City of Montgomery</u>	<u>City of Middletown</u>	<u>Montgomery Volunteer Fire</u>	<u>Wellsville Fire District</u>	<u>Total Fiduciary Funds</u>
ASSETS						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,435,483.59
Investments	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-
Total Assets	-	-	-	-	-	8,435,483.59
LIABILITIES AND FUND BALANCES						
TOTAL LIABILITIES	-	-	-	-	-	8,435,483.59
UNRESERVED FUND BALANCES	-	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,435,483.59</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Montgomery, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1818 by an Act of the Missouri Territory. In addition to the three Commissioners, there are eleven elected Constitutional Officers: Assessor, Circuit Clerk, Collector of Revenue, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder of Deeds, Sheriff, Surveyor, and Treasurer.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of Montgomery County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity. The financial statements do not include financial data for the County’s legally separate component unit, which accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting require to be reported with the financial data of the County. In accordance with accounting principles generally accepted in the United States of America, as applicable to the regulatory basis of accounting, the Senate Bill 40 (DDAB) Board Fund is also not included in this report but has been audited separately by an independent certified public accountant.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similarly to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar years 2019 and 2018, for purposes of taxation, was:

	2019	2018
Real Estate	\$ 138,661,020	\$ 137,165,380
Personal Property	44,800,145	40,436,290
Railroad and Utilities	49,247,561	46,320,686
	<u>\$ 232,708,726</u>	<u>\$ 223,922,356</u>

During 2019 and 2018, the County Commission approved a \$0.8458 and \$0.8389 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2019	2018
General Revenue Fund	\$ 0.2651	\$ 0.2582
Special Road and Bridge Fund	0.3075	0.3075
Road and Bridge	0.2732	0.2732
	<u>\$ 0.8458</u>	<u>\$ 0.8389</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable,

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions (concluded)

are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash and Investments" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash and investments are separately held by several of the County's funds. Investments of the County consist of certificates of deposit with local banking institutions.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amount of the County's deposits was \$2,885,707.74 and \$3,032,453.55, respectively, and the bank balance was \$12,029,077.82 and \$11,626,903.91, respectively. The total bank balances as of December 31, 2019, and 2018 were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u> <u>and Investment Balances – Governmental Funds</u>	
Deposits and cash equivalents	\$ 2,880,678.66
Investments	<u>5,029.08</u>
Total Governmental Funds	2,885,707.74
<u>Statement of Assets and Liabilities Arising from Cash</u> <u>Transactions – Agency Funds:</u>	
Deposits	<u>8,943,172.06</u>
Total Agency Funds	<u>8,943,172.06</u>
Total Deposits as of December 31, 2019	<u>\$ 11,828,879.80</u>

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

<u>Statements of Receipts, Disbursements and Changes in Cash</u> <u>and Investment Balances – Governmental Funds:</u>	
Deposits and cash equivalents	\$ 3,027,478.08
Investments	4,975.47
Total Governmental Funds	<u>3,032,453.55</u>
<u>Statement of Assets and Liabilities Arising from Cash</u> <u>Transactions – Agency Funds:</u>	
Deposits	8,435,483.59
Total Agency Funds	<u>8,435,483.59</u>
Total Deposits as of December 31, 2018	<u>\$ 11,467,937.14</u>

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2019, and 2018.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. The County's investments were not exposed to custodial credit risk for the years ended December 31, 2019, and 2018.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2019, and 2018.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

Tax Anticipation Loan

On December 3, 2018, the County received a tax anticipation loan in the amount of \$100,000 from People's Saving Bank. The County received an additional \$50,000 advance on this loan on January 3, 2019. The loan matured on January 31, 2019, with an interest rate of 3.90%.

On June 5, 2019, the County received a tax anticipation loan in the amount of \$50,000 from People's Saving Bank. The County received an additional \$50,000 advance on this loan on November 6, 2019, plus an additional \$100,000, on December 4, 2019. The loan matures on March 4, 2020 and with an interest rate of 4.50%.

As of December 31, 2019, the unpaid principal balances of the tax anticipation loan agreements were \$200,000.00.

Description	Balance Prior Year 12/31/2018	Current Year Additions	Current Year Deletions & Payments	Balance 12/31/2019	Interest Paid Current Year
Tax Anticipation Loan	\$ 100,000.00	\$ 250,000.00	\$ 150,000.00	\$ 200,000.00	\$ 2,766.77
	<u>\$ 100,000.00</u>	<u>\$ 250,000.00</u>	<u>\$ 150,000.00</u>	<u>\$ 200,000.00</u>	<u>\$ 2,766.77</u>

The future payments for the tax anticipation loan agreements of the County are as follows:

December 31,	Interest	Principal	Total
2020	\$ 2,250.00	\$ 200,000.00	\$ 202,250.00
	<u>\$ 2,250.00</u>	<u>\$ 200,000.00</u>	<u>\$ 202,250.00</u>

As of December 31, 2018, the unpaid principal balances of the tax anticipation loan agreements were \$100,000.00.

Description	Balance Prior Year 12/31/2017	Current Year Additions	Current Year Deletions & Payments	Balance 12/31/2018	Interest Paid Current Year
Tax Anticipation Loan	\$ -	\$ 100,000.00	\$ -	\$ 100,000.00	\$ -
	<u>\$ -</u>	<u>\$ 100,000.00</u>	<u>\$ -</u>	<u>\$ 100,000.00</u>	<u>\$ -</u>

The future payments for the tax anticipation loan agreements of the County are as follows:

December 31,	Interest	Principal	Total
2019	\$ 650.00	\$ 100,000.00	\$ 100,650.00
	<u>\$ 650.00</u>	<u>\$ 100,000.00</u>	<u>\$ 100,650.00</u>

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019, and 2018, are as follows:

	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 585,212.20	\$ 51,000.00	\$ 1,024,681.34	\$ 30,000.00
Special Road and Bridge Fund	-	45,941.62	-	55,475.17
Emergency Management Fund	-	2,500.00	-	5,000.00
Emergency 911 Fund	51,000.00	-	30,000.00	-
Prosecuting Attorney Bad Check Fund	-	1,527.91	-	2,339.72
General Revenue Reserve Fund	-	-	-	421,300.00
Law Enforcement Sales Tax Fund	-	524,969.08	-	534,677.95
Collector Tax Maintenance Fund	-	64,816.79	-	5,888.50
Agency Funds	54,543.20	-	-	-
TOTAL	\$ 690,755.40	\$ 690,755.40	\$ 1,054,681.34	\$ 1,054,681.34

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement.

Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the County) are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2019, and 2018, were \$85,722.83 and \$83,844.55, respectively.

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Montgomery County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Montgomery County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

accordance with Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance.

	<u>2019 Valuation</u>
Benefit Multiplier:	1.50%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	47	8
Inactive employees entitled to but not yet receiving benefits	20	13
Active employees	59	21
	<u>126</u>	<u>42</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 0.7% (General) and 2.0% (Police) of annual covered payroll.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including inflation
Investment rate of return	7.25%, net of investment expenses

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were the RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.51%

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

Changes in the Net Pension Liability

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 173,959	\$ 90,952
2 Interest on Total Pension Liability	438,021	161,752
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	71,714	69,468
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(327,857)	(65,660)
7 Net change in total pension liability	355,837	256,512
8 Total pension liability - beginning	6,117,271	2,218,636
9 Total pension liability - ending	<u>\$ 6,473,108</u>	<u>\$ 2,475,148</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 6,194	\$ 10,235
2 Contributions - employee	82,582	33,920
3 Net investment income	525,084	192,486
4 Benefit payments, including refunds of employee contributions	(327,857)	(65,660)
5 Pension plan administrative expense	(13,158)	(3,383)
6 Other (net transfer)	(46,591)	(235)
7 Net change in plan fiduciary net position	226,254	167,363
8 Plan fiduciary net position - beginning	8,000,570	2,981,133
9 Plan fiduciary net position - ending	<u>\$ 8,226,824</u>	<u>\$ 3,148,496</u>
C. Net Pension Liability / (Asset)	<u>\$ (1,753,716)</u>	<u>\$ (673,348)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.09%	127.20%
E. Covered-Employee Payroll	\$ 2,068,110	\$ 870,803
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-84.80%	-77.32%

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 7,383,962	\$ 6,473,108	\$ 5,726,560
Plan Fiduciary Net Position	8,226,824	8,226,824	8,226,824
Net Pension Liability / (Asset) (NPL)	\$ (842,862)	\$ (1,753,716)	\$ (2,500,264)
Police Division:			
Total Pension Liability (TPL)	\$ 2,901,879	\$ 2,475,148	\$ 2,129,915
Plan Fiduciary Net Position	3,148,496	3,148,496	3,148,496
Net Pension Liability / (Asset) (NPL)	\$ (246,617)	\$ (673,348)	\$ (1,018,581)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the employer recognized pension expense of \$84,308 for the general and \$30,536 for police. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 72,645	\$ (62,393)	\$ 67,635	\$ (33,298)
Changes in assumptions	41,988	-	35,734	-
Net difference between projected and actual earnings on pension plan investments	-	(204,683)	-	(86,638)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	\$ 114,633	\$ (267,076)	\$ 103,369	\$ (119,936)

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2019.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2020	\$ 663	\$ (569)
2021	(129,613)	(35,557)
2022	(45,173)	(6,058)
2023	19,980	14,151
2024	-	9,294
Thereafter	-	2,172
Total	<u>\$ (154,143)</u>	<u>\$ (16,567)</u>

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$14,422 and \$3,366, respectively, for the years ended December 31, 2019, and 2018.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2019, or at December 31, 2018.

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IX. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo.). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

XI. SUBSEQUENT EVENTS

There are no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDINGS

- I. For the year ended December 31, 2019, actual expenses exceeded budgeted expenses for the Emergency 911 Fund, Capital Improvement Fund and the Collector Tax Maintenance Fund.
- II. For the year ended December 31, 2018, actual expenses exceeded budgeted expenses for the County Law Enforcement Restitution Fund and General Revenue Reserve Fund.
- III. For the year ended December 31, 2019, the General Revenue Fund was deficit budgeted in the amount of (\$150,192.97) and the Prosecuting Attorney Training Fund in the amount of (\$1,235.61).
- IV. For the year ended December 31, 2018, the Prosecuting Attorney Training Fund was deficit budgeted in the amount of (\$316.27).

INTERNAL CONTROL AND COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Montgomery, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Montgomery ("County"), as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2019-001, 2019-002)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 19, 2020

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Commission is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is for the next audit period. The phone number for the County Commission is 573-564-3357.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is the next audit period. The phone number for the County Commission is 573-564-3357.

THE COUNTY OF MONTGOMERY
MONTGOMERY CITY, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There was no prior audit for the years ended December 31, 2017, and 2016.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 19, 2020

To the County Commission
The County of Montgomery, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Montgomery (the "County") as of and for the years ended December 31, 2019 and December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Commission is in the process of preparing the needed documentation to document their internal control structure in conformity with the COSO framework. The expected completion date is for the next audit period. The phone number for the County Commission is 573-564-3357.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2019-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Commission is in the process of preparing the needed documentation to implement a formal fraud risk assessment. The expected completion date is the next audit period. The phone number for the County Commission is 573-564-3357.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 19, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Carter County, Missouri

The Office of the State Auditor contracted for an audit of the Carter County's financial statements for the year ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-061

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019

**THE COUNTY OF CARTER
VAN BUREN, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-3
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds- Regulatory Basis Year Ended December 31, 2019.....	4
Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis Year Ended December 31, 2019.....	5-19
<i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis As of December 31, 2019.....	20
Notes to the Financial Statements.....	21-32
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings.....	33
 <u>FEDERAL COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	34-35
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	36-37
Schedule of Expenditures of Federal Awards.....	38
Notes to the Schedule of Expenditures of Federal Awards.....	39
Schedule of Findings and Questioned Costs Year Ended December 31, 2019.....	40-41
Summary Schedule of Prior Year Findings and Questioned Costs.....	42

FINANCIAL SECTION



Daniel Jones & Associates

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Carter, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Carter ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, or changes in net position or cash flows thereof for the year then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and their respective cash receipts and disbursements, and budgetary results for the year then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

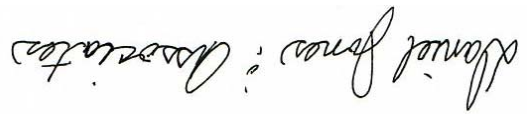
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Carter’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2020, on our consideration of the County of Carter's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Carter's internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 9, 2020

FINANCIAL STATEMENTS

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 349,816.57	\$ 1,307,503.39	\$ 1,282,666.55	\$ 374,653.41
Special Road and Bridge Fund	524,976.76	1,211,983.82	1,280,891.62	456,068.96
Assessment Fund	33,669.65	121,021.43	113,343.59	41,347.49
Law Enforcement Sales Tax Fund	182,542.70	283,729.38	304,668.63	161,603.45
Law Enforcement Restitution Fund	39,738.26	13,740.10	9,028.04	44,450.32
Law Enforcement Training Fund	1,070.82	2,527.86	2,687.55	911.13
Sheriff Fee Fund	17,899.39	7,257.23	3,934.17	21,222.45
Sheriff Federal Fund	6,000.57	13,924.79	13,000.00	6,925.36
Sheriff Revolving Fund	7,738.23	2,297.13	1,406.75	8,628.61
Sheriff Security Inmate Fund	21,507.75	4,487.61	3,668.91	22,326.45
Forest Reserve (15%) Fund	-	28,660.67	28,660.67	-
Recorder of Deeds User Fund	5,157.53	2,699.36	3,500.00	4,356.89
Recorders Technical Fund	5,508.98	1,688.85	313.25	6,884.58
Recorders NSD Fund	1,937.25	167.64	-	2,104.89
Collector Tax Maintenance Fund	29,816.93	13,279.79	4,049.75	39,046.97
PA Training Fund	399.50	848.25	-	1,247.75
PA Bad Check Fund	5,931.31	1,607.71	220.00	7,319.02
Prosecuting Attorney Tax Fund	0.08	-	-	0.08
Election Services Fund	7,688.15	3,058.93	1,526.22	9,220.86
H.A.V.A. Administration Fund	2,446.63	51.31	-	2,497.94
Senior Citizen Tax Fund	8,567.03	19,536.84	20,000.00	8,103.87
Domestic Violence Fund	-	204.41	204.41	-
South Van Buren Sewer Fund	28,991.26	41,068.79	19,561.88	50,498.17
PA Admin. Handling Cost Fund	231.86	4.86	-	236.72
911 Fund	-	580.52	-	580.52
Grant Account Fund	-	1,041,415.49	1,027,486.80	13,928.69
Developmentally Disabled Board Fund	20,383.71	60,389.21	58,193.48	22,579.44
TOTAL	\$ 1,302,020.92	\$ 4,183,735.37	\$ 4,179,012.27	\$ 1,306,744.02

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	GENERAL REVENUE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 68,000.00	\$ 83,215.96
Sales Taxes	500,000.00	549,323.73
Intergovernmental	8,576,180.90	429,282.50
Charges for Services	102,500.00	124,199.98
Interest	2,000.00	8,874.33
Other	86,630.00	97,606.89
Transfers In	-	15,000.00
TOTAL RECEIPTS	9,335,310.90	1,307,503.39
DISBURSEMENTS		
County Commission	78,630.00	72,188.00
County Clerk	67,022.56	64,796.51
Elections	15,400.00	13,150.63
Buildings and Grounds	109,750.00	83,288.22
Employee Fringe Benefits	96,300.00	75,099.65
County Treasurer	36,066.00	35,681.77
Collector	43,635.00	46,440.59
Recorder of Deeds	48,983.08	49,284.88
Circuit Clerk	25,700.00	18,317.71
Court Administration	1,330.00	7,706.50
Public Administrator	25,657.00	24,728.03
Sheriff	179,000.00	193,184.78
Jail	39,910.00	71,411.91
Prosecuting Attorney	117,755.00	119,043.28
Juvenile Officer	42,193.41	36,765.89
County Coroner	15,500.00	10,842.62
Court Reporter	722.00	527.02
General County Government	117,136.86	69,415.56
Dispatch	75,750.00	71,673.90
Emergency Management	8,442,648.10	190,756.91
Transfers Out	28,362.19	28,362.19
Emergency Fund	61,600.00	-
TOTAL DISBURSEMENTS	9,669,051.20	1,282,666.55
RECEIPTS OVER (UNDER) DISBURSEMENTS	(333,740.30)	24,836.84
CASH BALANCES, JANUARY 1	349,816.57	349,816.57
CASH BALANCES, DECEMBER 31	\$ 16,076.27	\$ 374,653.41

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SPECIAL ROAD AND BRIDGE FUND	
	2019	
	BUDGET	ACTUAL
RECEIPTS		
Property Taxes	\$ 130,000.00	\$ 155,891.21
Intergovernmental	1,445,988.00	1,033,080.46
Charges for Services	50.00	11,180.00
Interest	5,000.00	11,832.15
Other	-	-
Transfers In	-	-
TOTAL RECEIPTS	1,581,038.00	1,211,983.82
DISBURSEMENTS		
Salaries	262,600.00	284,244.00
Employee Fringe Benefits	44,500.00	28,004.96
Supplies	105,765.00	137,196.07
Insurance	47,500.00	59,184.00
Road and Bridge Materials	351,000.00	313,608.59
Equipment Repairs	15,000.00	42,213.98
Rentals	1,100.00	607.97
Equipment Purchases	26,000.00	17,751.04
Road and Bridge Construction	15,000.00	178,085.62
Other Expenditures/FEMA	1,166,654.68	204,995.39
Transfers Out	15,000.00	15,000.00
TOTAL DISBURSEMENTS	2,050,119.68	1,280,891.62
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	(469,081.68)	(68,907.80)
CASH BALANCES, JANUARY 1	524,976.76	524,976.76
CASH BALANCES, DECEMBER 31	\$ 55,895.08	\$ 456,068.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ASSESSMENT FUND		LAW ENFORCEMENT SALES TAX FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ 250,000.00	\$ 274,479.99
Intergovernmental	79,408.00	84,622.98	4,000.00	4,506.58
Charges for Services	-	-	-	-
Interest	700.00	1,183.11	1,500.00	3,941.81
Other	1,000.00	3,853.15	-	801.00
Transfers In	31,362.19	31,362.19	-	-
TOTAL RECEIPTS	112,470.19	121,021.43	255,500.00	283,729.38
DISBURSEMENTS				
Salaries	69,000.00	68,122.25	179,000.00	150,616.13
Employee Fringe Benefits	12,500.00	11,795.08	21,500.00	18,436.57
Office	7,950.22	7,700.57	169,542.70	85,648.20
Mileage and Training	8,000.00	4,588.59	-	-
Appraisal Contract	13,000.00	6,890.48	-	-
Equipment and Maintenance	10,250.00	4,504.40	30,000.00	26,386.26
Software Support	9,600.00	9,512.37	-	-
Buildings and Grounds	-	-	5,000.00	3,678.90
Services and Other	750.00	229.85	33,000.00	19,902.57
TOTAL DISBURSEMENTS	131,050.22	113,343.59	438,042.70	304,668.63
RECEIPTS OVER (UNDER) DISBURSEMENTS	(18,580.03)	7,677.84	(182,542.70)	(20,939.25)
CASH BALANCES, JANUARY 1	33,669.65	33,669.65	182,542.70	182,542.70
CASH BALANCES, DECEMBER 31	\$ 15,089.62	\$ 41,347.49	\$ -	\$ 161,603.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	LAW ENFORCEMENT RESTITUTION FUND		LAW ENFORCEMENT TRAINING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	12,000.00	12,903.08	2,300.00	2,258.74
Interest	300.00	837.02	-	13.12
Other	-	-	1,500.00	256.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	12,300.00	13,740.10	3,800.00	2,527.86
DISBURSEMENTS				
Sheriff	27,038.26	6,017.90	4,870.82	2,687.55
Prosecuting Attorney	25,000.00	3,010.14	-	-
Services and Other	-	-	-	-
TOTAL DISBURSEMENTS	52,038.26	9,028.04	4,870.82	2,687.55
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(39,738.26)	4,712.06	(1,070.82)	(159.69)
CASH BALANCES, JANUARY 1	39,738.26	39,738.26	1,070.82	1,070.82
CASH BALANCES, DECEMBER 31	\$ -	\$ 44,450.32	\$ -	\$ 911.13

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SHERIFF FEE FUND		SHERIFF FEDERAL FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	10,100.00	6,838.87	10,000.00	-
Interest	100.00	418.36	30.00	264.12
Other	-	-	-	-
Transfers In	-	-	-	13,660.67
TOTAL RECEIPTS	10,200.00	7,257.23	10,030.00	13,924.79
DISBURSEMENTS				
Supplies	5,000.00	-	-	-
Equipment	2,000.00	-	3,000.00	-
Vehicle	1,000.00	-	13,000.00	13,000.00
Services and Other	20,099.39	3,934.17	30.57	-
TOTAL DISBURSEMENTS	28,099.39	3,934.17	16,030.57	13,000.00
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(17,899.39)	3,323.06	(6,000.57)	924.79
CASH BALANCES, JANUARY 1	17,899.39	17,899.39	6,000.57	6,000.57
CASH BALANCES, DECEMBER 31	\$ -	\$ 21,222.45	\$ -	\$ 6,925.36

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SHERIFF REVOLVING FUND		SHERIFF SECURITY INMATE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,000.00	60.00	1,200.00	3,295.22
Interest	50.00	167.13	-	438.39
Other	-	2,070.00	-	754.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,050.00	2,297.13	1,200.00	4,487.61
DISBURSEMENTS				
Equipment	3,000.00	-	-	147.79
Inmate Expense	-	-	-	-
Services and Other	5,788.23	1,406.75	22,707.75	3,521.12
TOTAL DISBURSEMENTS	8,788.23	1,406.75	22,707.75	3,668.91
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,738.23)	890.38	(21,507.75)	818.70
CASH BALANCES, JANUARY 1	7,738.23	7,738.23	21,507.75	21,507.75
CASH BALANCES, DECEMBER 31	\$ -	\$ 8,628.61	\$ -	\$ 22,326.45

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	FOREST RESERVE (15%) FUND		RECORDER OF DEEDS USER FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	35,000.00	28,633.50	-	-
Charges for Services	-	-	2,500.00	2,568.00
Interest	-	27.17	100.00	131.36
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	35,000.00	28,660.67	2,600.00	2,699.36
DISBURSEMENTS				
Fire and Rescue	20,000.00	15,000.00	-	-
Maintenance	-	-	3,500.00	3,500.00
Equipment	-	-	2,500.00	-
Transfers Out	15,000.00	13,660.67	-	-
TOTAL DISBURSEMENTS	35,000.00	28,660.67	6,000.00	3,500.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	(3,400.00)	(800.64)
CASH BALANCES, JANUARY 1	-	-	5,157.53	5,157.53
CASH BALANCES, DECEMBER 31	\$ -	\$ -	\$ 1,757.53	\$ 4,356.89

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	RECORDERS TECHNICAL FUND		RECORDERS NSD FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,600.00	1,555.00	100.00	125.00
Interest	55.00	133.85	25.00	42.64
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,655.00	1,688.85	125.00	167.64
DISBURSEMENTS				
Services and Other	3,500.00	313.25	1,500.00	-
TOTAL DISBURSEMENTS	3,500.00	313.25	1,500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,845.00)	1,375.60	(1,375.00)	167.64
CASH BALANCES, JANUARY 1	5,508.98	5,508.98	1,937.25	1,937.25
CASH BALANCES, DECEMBER 31	<u>\$ 3,663.98</u>	<u>\$ 6,884.58</u>	<u>\$ 562.25</u>	<u>\$ 2,104.89</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	COLLECTOR TAX MAINTENANCE FUND		PA TRAINING FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	11,000.00	12,521.75	-	768.85
Interest	300.00	758.04	-	15.40
Other	-	-	-	64.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	11,300.00	13,279.79	-	848.25
DISBURSEMENTS				
Office	975.00	27.00	-	-
Equipment and Maintenance	700.00	-	-	-
Mileage and Training	1,000.00	847.75	-	-
Dues	-	175.00	-	-
Transfers Out	3,000.00	3,000.00	-	-
TOTAL DISBURSEMENTS	5,675.00	4,049.75	-	-
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	5,625.00	9,230.04	-	848.25
CASH BALANCES, JANUARY 1	29,816.93	29,816.93	399.50	399.50
CASH BALANCES, DECEMBER 31	\$ 35,441.93	\$ 39,046.97	\$ 399.50	\$ 1,247.75

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	PA BAD CHECK FUND		PROSECUTING ATTORNEY TAX FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	500.00	1,245.00	-	-
Interest	-	142.71	-	-
Other	-	220.00	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	500.00	1,607.71	-	-
DISBURSEMENTS				
Dues	1,350.00	-	-	-
Services and Other	5,081.31	220.00	-	-
TOTAL DISBURSEMENTS	6,431.31	220.00	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,931.31)	1,387.71	-	-
CASH BALANCES, JANUARY 1	5,931.31	5,931.31	0.08	0.08
CASH BALANCES, DECEMBER 31	\$ -	\$ 7,319.02	\$ 0.08	\$ 0.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	ELECTION SERVICES FUND		H.A.V.A. ADMINISTRATION FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	50.00	948.60	-	-
Charges for Services	1,580.00	1,922.79	-	-
Interest	-	187.54	25.00	51.31
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,630.00	3,058.93	25.00	51.31
DISBURSEMENTS				
Office	5,000.00	951.78	-	-
Mileage and Training	650.00	185.45	-	-
Equipment	1,000.00	311.00	-	-
Election	2,500.00	77.99	-	-
TOTAL DISBURSEMENTS	9,150.00	1,526.22	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,520.00)	1,532.71	25.00	51.31
CASH BALANCES, JANUARY 1	7,688.15	7,688.15	2,446.63	2,446.63
CASH BALANCES, DECEMBER 31	\$ 168.15	\$ 9,220.86	\$ 2,471.63	\$ 2,497.94

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SENIOR CITIZEN TAX FUND		DOMESTIC VIOLENCE FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 18,500.00	\$ 19,307.10	\$ -	\$ -
Intergovernmental	-	-	300.00	202.00
Interest	200.00	229.74	5.00	2.41
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	18,700.00	19,536.84	305.00	204.41
DISBURSEMENTS				
Van Buren Senior Center	27,267.03	20,000.00	-	-
Domestic Shelters	-	-	305.00	204.41
TOTAL DISBURSEMENTS	27,267.03	20,000.00	305.00	204.41
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,567.03)	(463.16)	-	-
CASH BALANCES, JANUARY 1	8,567.03	8,567.03	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ 8,103.87	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	SOUTH VAN BUREN SEWER FUND		PA ADMIN. HANDLING COST FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	26,000.00	40,113.88	-	-
Interest	-	-	-	4.86
Other	320.00	954.91	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	26,320.00	41,068.79	-	4.86
DISBURSEMENTS				
Bond Payment	14,928.00	14,928.00	-	-
Equipment	3,500.00	-	-	-
Insurance	6,000.00	4,520.00	-	-
Repairs and Upkeep	1,560.00	-	-	-
Services and Other	-	113.88	-	-
TOTAL DISBURSEMENTS	25,988.00	19,561.88	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	332.00	21,506.91	-	4.86
CASH BALANCES, JANUARY 1	28,991.26	28,991.26	231.86	231.86
CASH BALANCES, DECEMBER 31	\$ 29,323.26	\$ 50,498.17	\$ 231.86	\$ 236.72

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	911 FUND		GRANT ACCOUNT FUND	
	2019		2019	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Intergovernmental	\$ -	\$ -	\$ 9,220,096.10	\$ 1,041,415.49
Charges for Services	-	576.65	-	-
Interest	-	3.87	-	-
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	-	580.52	9,220,096.10	1,041,415.49
DISBURSEMENTS				
Bond Payment	-	-	-	-
Equipment	-	-	-	-
Insurance	-	-	-	-
Repairs and Upkeep	-	-	-	-
Services and Other	-	-	8,540,108.10	1,027,486.80
TOTAL DISBURSEMENTS	-	-	8,540,108.10	1,027,486.80
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	580.52	679,988.00	13,928.69
CASH BALANCES, JANUARY 1	-	-	-	-
CASH BALANCES, DECEMBER 31	\$ -	\$ 580.52	\$ 679,988.00	\$ 13,928.69

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES
IN CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

	<u>DEVELOPMENTALLY DISABLED BOARD FUND</u>	
	2019	
	<u>BUDGET</u>	<u>ACTUAL</u>
RECEIPTS		
Property Taxes	\$ 55,000.00	\$ 60,215.51
Charges for Services	-	-
Interest	60.00	173.70
Other	-	-
Transfers In	-	-
TOTAL RECEIPTS	<u>55,060.00</u>	<u>60,389.21</u>
DISBURSEMENTS		
Bond	147.50	147.50
Equipment	4,716.50	6,614.50
Insurance	9,576.00	9,549.50
Repairs and Upkeep	-	-
Services and Other	<u>40,620.00</u>	<u>41,881.98</u>
TOTAL DISBURSEMENTS	<u>55,060.00</u>	<u>58,193.48</u>
RECEIPTS OVER (UNDER)		
DISBURSEMENTS	-	2,195.73
CASH BALANCES, JANUARY 1	<u>20,383.71</u>	<u>20,383.71</u>
CASH BALANCES, DECEMBER 31	<u>\$ 20,383.71</u>	<u>\$ 22,579.44</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	<u>Tax Sale Surplus</u>	<u>Ambulance</u>	<u>Schools Fund</u>	<u>School Building Revolving</u>	<u>Collector</u>
ASSETS					
Cash and Cash Equivalents	<u>\$ 18,643.75</u>	<u>\$ 56,031.35</u>	<u>\$ 48,973.85</u>	<u>\$ 227.66</u>	<u>\$ 2,405,914.33</u>
Total Assets	18,643.75	56,031.35	48,973.85	227.66	2,405,914.33
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>18,643.75</u>	<u>56,031.35</u>	<u>48,973.85</u>	<u>227.66</u>	<u>2,405,914.33</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,643.75</u>	<u>\$ 56,031.35</u>	<u>\$ 48,973.85</u>	<u>\$ 227.66</u>	<u>\$ 2,405,914.33</u>
			Grand Total		
	<u>Recorder of Deeds</u>	<u>Sheriff</u>	Agency Funds		
ASSETS					
Cash and Cash Equivalents	<u>\$ 336.00</u>	<u>\$ 5,712.69</u>	<u>\$ 2,535,839.63</u>		
Total Assets	336.00	5,712.69	2,535,839.63		
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	<u>336.00</u>	<u>5,712.69</u>	<u>2,535,839.63</u>		
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>		
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 336.00</u>	<u>\$ 5,712.69</u>	<u>\$ 2,535,839.63</u>		

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Carter, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1859 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: Assessor, County Clerk, Collector, Coroner, Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Prosecuting Attorney and Public Administrator. The Emergency Management Director is appointed.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the County of Carter County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances– Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019, for purposes of taxation, was:

	<u>2019</u>
Real Estate	\$ 56,170,779
Personal Property	18,033,799
Railroad and Utilities	<u>883,583</u>
	<u>\$ 75,088,161</u>

During 2019, the County Commission approved a \$0.4165 tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	<u>2019</u>
General Revenue Fund	\$ 0.0979
Special Road and Bridge Fund	0.2153
Senior Citizen Tax Fund	0.0268
Developmentally Disabled Board Fund	<u>0.0765</u>
	<u>\$ 0.4165</u>

F. Cash Deposits and Investments

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, the carrying amount of the County's deposits was \$1,306,744.02, and the bank balances were \$3,408,167.77. The total bank balances as of December 31, 2019, were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statements of Receipts, Disbursements and Changes
in Cash Balances – Governmental Funds:

Deposits and cash equivalents	\$ 1,306,744.02
Total Deposits as of December 31, 2019	1,306,744.02

Statements of Assets and Liabilities Arising from Cash
Transactions – Agency Funds:

Deposits and cash equivalents	2,535,839.63
Total Agency Funds	2,535,839.63
Total Deposits and cash equivalents as of December 31, 2019	\$ <u>3,842,583.65</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

II. CASH AND INVESTMENTS (concluded)

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ended December 31, 2019.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the year ended December 31, 2019.

III. LONG-TERM DEBT

Revenue Bonds

On November 22, 2000, the County issued Sewer Revenue Bonds in the amount of \$250,000 through the U.S. Department of Agriculture used to construct the South Van Buren Sewer District. The agreement calls for monthly payments of \$1,244 for twenty-five years and carries a 4.5% interest rate. The revenue bonds mature April 30, 2033.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (continued)

As of December 31, 2019, the unpaid principal balance of the sewer revenue bonds was as follows:

	Balance 12/31/2018	Current year Additions	Current year Refunding & Payments	Balance 12/31/2019	Interest Paid 2019
Revenue Bonds	\$ 157,805.29	\$ -	\$ 7,990.24	\$ 149,815.05	\$ 6,937.76
Total	<u>\$ 157,805.29</u>	<u>\$ -</u>	<u>\$ 7,990.24</u>	<u>\$ 149,815.05</u>	<u>\$ 6,937.76</u>

The future payments for the sewer revenue bonds as of December 31, 2019, are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 8,357.29	\$ 6,570.71	\$ 14,928.00
2021	8,741.22	6,186.78	14,928.00
2022	9,142.79	5,785.21	14,928.00
2023	9,562.81	5,365.19	14,928.00
2024	10,002.12	4,925.88	14,928.00
2025-2029	57,340.05	17,299.95	74,640.00
2030-2034	46,668.77	3,719.73	50,388.50
	<u>\$ 149,815.05</u>	<u>\$ 49,853.45</u>	<u>\$ 199,668.50</u>

Promissory Notes

On December 14, 2009, the County entered into a promissory note with the U.S. Department of Agriculture to purchase and remodel a building for a County Justice Center in the amount of \$160,000. The grant agreement calls for monthly payments of \$880.00 for twenty-five years. The rate of interest is 4.25%. The grant agreement matures on August 31, 2033.

As of December 31, 2019, the principal unpaid balances for the promissory notes of the County are as follows:

	Balance at December 31, 2018	Amount Borrowed	Amount Repaid	Balance at December 31, 2019	Interest Paid 2019
Justice Center Promissory Note	\$ 115,561.45	\$ -	\$ 115,561.45	\$ -	\$ -
Totals	<u>\$ 115,561.45</u>	<u>\$ -</u>	<u>\$ 115,561.45</u>	<u>\$ -</u>	<u>\$ -</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

III. LONG-TERM DEBT (concluded)

Lease Purchases

On November 14, 2017, the County entered into a lease purchase agreement with the Missouri Development Finance Board in the amount of \$150,000.00 to finance the costs of repairs caused by the 2017 flood. The lease purchase agreement calls for twenty annual payments of \$9,891.62 and carries a 3.00% interest rate. The County's payments for the lease were deferred for 2018.

As of December 31, 2019, the unpaid principal balance for the lease purchases of the County are as follows:

	Balance at December 31, 2018	Amount Borrowed	Amount Repaid	Balance at December 31, 2019	Interest Paid During Year
Missouri Development	\$ 150,000.00	\$ -	\$ 9,891.62	\$ 140,108.38	\$ -
Totals	<u>\$ 150,000.00</u>	<u>\$ -</u>	<u>\$ 9,891.62</u>	<u>\$ 140,108.38</u>	<u>\$ -</u>

The future payments for the lease purchases as of December 31, 2019, are as follows:

Year Ended December 31,	Principal	Interest	Total
2020	\$ 9,891.62	\$ -	\$ 9,891.62
2021	5,985.12	3,906.50	9,891.62
2022	6,164.67	3,726.95	9,891.62
2023	6,349.61	3,542.01	9,891.62
2024	6,530.92	3,360.70	9,891.62
2025-2029	35,755.34	13,702.76	49,458.10
2030-2034	41,452.71	8,005.39	49,458.10
2035-2037	27,978.39	1,696.81	29,675.20
	<u>\$ 140,108.38</u>	<u>\$ 37,941.12</u>	<u>\$ 178,049.50</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IV. INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 2019, are as follows:

	2019	
	Transfers In	Transfers Out
General Revenue Fund	\$ 15,000.00	\$ 28,362.19
Special Road and Bridge Fund	-	15,000.00
Assessment Fund	31,362.19	-
Sheriff Federal Fund	13,660.67	-
Forest Reserve (15%) Fund	-	13,660.67
Collector Tax Maintenance Fund	-	3,000.00
TOTAL	\$ <u>60,022.86</u>	\$ <u>60,022.86</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

A. Plan Description (concluded)

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the county) are refunded to the employee.

The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the year ended December 31, 2019, were \$79,865.42

VI. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County did not have any COBRA participants at December 31, 2019.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$3,366.00 for the year ended December 31, 2019.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. This ranges from getting one week after the first year of service, to three weeks after fifteen years of service. Upon termination from county employment, an employee is reimbursed for unused vacation, if applicable. These have not been subjected to auditing procedures.

Employees in the County earn 6 days of sick leave per year and this can be accrued to a maximum of 30 calendar days. It is not paid to the employee upon separation of employment of the County.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in refunding of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. SUBSEQUENT EVENTS

There were no subsequent events to report as of the audit report date.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF STATE FINDINGS
YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2019, the actual expenses exceed those budgeted in the Developmentally Disabled Board Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Carter, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Carter ("County"), Missouri as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 9, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 9, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To The County Commission
The County of Carter, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Carter's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

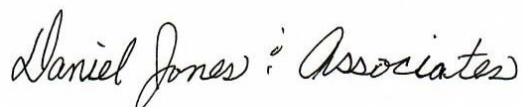
Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 9, 2020

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY VERIFYING NUMBER	PROVIDED TO SUB- RECIPIENTS	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
Office of Administration: School and Roads - Grants to States	10.665	N/A	\$ 121,692.38	\$ 190,890.01
<i>Total U.S. Department of Agriculture</i>			121,692.38	190,890.01
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Missouri Department of Economic Development: Community Development Block Grant	14.228	FR-2018-04	-	111,937.14
<i>Total U.S. Department of Housing and Urban Development</i>			-	111,937.14
U.S. DEPARTMENT OF INTERIOR				
DIRECT PROGRAM				
PILT - Payment in Lieu of Taxes	15.226	N/A	-	171,574.00
Office of Administration: National Forest Acquired Lands	15.438	N/A	96,732.04	128,976.06
<i>Total U.S. Department of Interior</i>			96,732.04	300,550.06
U.S. DEPARTMENT OF JUSTICE				
Department of Public Safety: Crime Victim Assistance	16.575	N/A	-	40,284.23
<i>Total U.S. Department of Justice</i>			-	40,284.23
U.S. DEPARTMENT OF TRANSPORTATION				
Highway and Transportation Commission: Federal Lands Access Program	20.224	FLAP-021	-	108,176.00
Federal Lands Access Program	20.224	FLAP-048		23,266.15
<i>Total U.S. Department of Transportation</i>			-	131,442.15
U.S. DEPARTMENT OF HOMELAND SECURITY				
State Emergency Management Agency: Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4317-DR-MO	-	615,251.36
Hazard Mitigation Grant	97.039	FEMA-4317-DR-MO		337,637.84
Emergency Management Performance Grants	97.042	EMK-2019-EP-00001-023	-	3,895.21
<i>Total U.S. Department of Homeland Security</i>			-	956,784.41
Total Expenditures of Federal Awards			\$ 218,424.42	\$ 1,731,888.00

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the County of Carter under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Carter, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Carter.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUB-RECIPIENTS

Of the federal expenditures presented in the accompanying schedule of expenditures of federal awards, the County provided federal awards to sub-recipients as follows:

Program Title	Sub-Recipients	Federal CFDA Number		Amount Provided to Sub- Recipients
Schools and Roads – Grants to States	Van Buren R-I School District	10.665	2019	\$ 94,901.50
Schools and Roads – Grants to States	East Carter R-II School District	10.665	2019	26,790.88
National Forest Acquired Lands	Van Buren R-I School District	15.438	2019	75,436.24
National Forest Acquired Lands	East Carter R-II School District	15.438	2019	21,295.80
				<u>\$ 218,424.42</u>

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
 - b. Significant deficiency (ies) identified? 2019 ☐ Yes ☒ None Reported
3. Noncompliance material to financial statements noted? 2019 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
 - b. Significant deficiency (ies) identified? 2019 ☐ Yes ☒ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 ☐ Yes ☒ No

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal programs:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2019	14.228	Community Development Block Grant
2019	15.438	National Forest Acquired Lands
2019	20.224	Federal Lands Access Program
2019	97.039	Hazard Mitigation Grant

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? 2019 ___ Yes X No

II. FINANCIAL STATEMENT FINDINGS

There were no financial statement findings noted for the year ended December 31, 2019.

THE COUNTY OF CARTER
VAN BUREN, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2019

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2018-001 Criteria: The County's deposits held by financial institutions must be fully collateralized through the Federal Deposit Insurance (FDIC) or securities pledged by the financial institution.

Condition: During our review of the County's bank accounts, it was noted that the County's deposits were under-collateralized for the year ended December 31, 2018.

Context: The County's bank accounts were under-collateralized for the year ended December 31, 2018.

Effect: There is a risk that the County's under-collateralized bank balances may not be returned to the County because the balances were not fully collateralized with coverage under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: The County Treasurer should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

Views of Responsible Officials and Planned Corrective Actions: The County Treasurer will monitor this closer in the future and the bank is also aware of the issue. The Treasurer is Velvet Ricker and her office number is 573-323-8271.

Status: This finding has been resolved in the current audit period.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs noted for the year ended December 31, 2018.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
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CERTIFIED PUBLIC ACCOUNTANTS

July 9, 2020

To the Board of Commissioners
County of Carter

In planning and performing our audit of the regulatory based financial statements of the County of Carter (the "County") as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our comments concerning internal control and other significant matters are presented as follows:

I. Information Required by Professional Standards

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 fiscal year. We noted no transactions entered into by the county during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (Concluded)

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 9, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Bates County, Missouri

The Office of the State Auditor contracted for an audit of the Bates County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

September 2020
Report No. 2020-060



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Bates County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-003	We recommend that the Collector's office prepare accurate bank reconciliations for this account.

THE COUNTY OF BATES
BUTLER, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF BATES
BUTLER, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report	1-2
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds- Regulatory Basis	
Year Ended December 31, 2019	3
Year Ended December 31, 2018	4
Comparative Statements of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2019 and 2018	5-17
 <i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2019	18
As of December 31, 2018	19
Notes to the Financial Statements	20-31
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings	32
 <u>INTERNAL CONTROL AND COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	33-34
Schedule of Findings and Responses	
Years Ended December 31, 2019 and 2018	35-36
Summary Schedule of Prior Year Findings and Responses	37-38

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Bates, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Bates ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

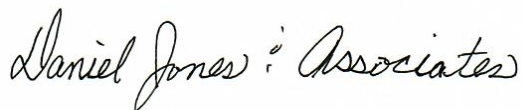
In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2020, on our consideration of the County of Bates’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Bates’s internal control over financial reporting and compliance.



DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 19, 2020

FINANCIAL STATEMENTS

THE COUNTY OF BATES
BUTLER, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 1,521,725.08	\$ 1,308,932.37	\$ 1,288,551.20	\$ 1,542,106.25
Special Road And Bridge Fund	1,030,909.60	1,387,625.30	1,264,015.81	1,154,519.09
Assessment Fund	149,269.23	254,695.11	287,816.19	116,148.15
Law Enforcement Sales Tax Fund	561,430.33	3,756,851.81	3,897,135.42	421,146.72
Recorder's User Fee Fund	3,259.25	5,674.00	7,398.10	1,535.15
Prosecuting Attorney Training Fund	289.04	1,763.61	4,265.15	(2,212.50)
Law Officer Training Fund	4,833.58	5,403.08	6,805.58	3,431.08
Families In Crisis Fund	352.00	606.00	644.00	314.00
Local Emergency Planning Committee Fund	10,531.83	4,298.61	4,297.20	10,533.24
Sheriff's Civil Fees Fund	38,949.23	17,854.46	25,482.14	31,321.55
Sheriff's Revolving Fund	10,252.76	6,860.69	8,335.00	8,778.45
Election Services Fund	20,951.66	3,133.08	1,949.14	22,135.60
Recorder's Technology Fund	62,455.08	6,943.96	-	69,399.04
Jail Bond Fund	802,589.45	6,907.17	392,103.97	417,392.65
Tax Maintenance Fund	111,860.04	31,577.71	31,308.90	112,128.85
Prosecuting Attorney Fund	3,970.01	52.91	-	4,022.92
Deputy Wage Supplement Fund	460.00	5,710.00	5,650.00	520.00
Local Solicitation Fund	-	-	-	-
Inmate Security Fund	112,540.21	223,008.84	137,509.74	198,039.31
Senate Bill 40 Fund	225,222.97	338,623.73	251,000.00	312,846.70
Prosecuting Attorney Bad Check Fund	318.31	-	-	318.31
Senior Services Board Fund	110,857.52	110,320.78	87,551.33	133,626.97
Capital Improvement Sales Tax Fund	511,627.98	732,581.00	748,071.63	496,137.35
TOTAL	<u>\$ 5,294,655.16</u>	<u>\$ 8,209,424.22</u>	<u>\$ 8,449,890.50</u>	<u>\$ 5,054,188.88</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 1,326,264.53	\$ 1,453,533.76	\$ 1,258,073.21	\$ 1,521,725.08
Special Road And Bridge Fund	878,847.16	1,197,178.77	1,045,116.33	1,030,909.60
Assessment Fund	160,609.45	253,060.99	264,401.21	149,269.23
Law Enforcement Sales Tax Fund	414,961.72	3,552,401.18	3,405,932.57	561,430.33
Recorder's User Fee Fund	6,775.81	5,874.04	9,390.60	3,259.25
Prosecuting Attorney Training Fund	1,180.46	928.78	1,820.20	289.04
Law Officer Training Fund	4,582.81	5,338.45	5,087.68	4,833.58
Families In Crisis Fund	337.00	655.00	640.00	352.00
Local Emergency Planning Committee Fund	12,748.38	4,130.90	6,347.45	10,531.83
Sheriff's Civil Fees Fund	39,584.29	16,753.89	17,388.95	38,949.23
Sheriff's Revolving Fund	9,129.31	1,526.45	403.00	10,252.76
Election Services Fund	21,449.39	3,943.39	4,441.12	20,951.66
Recorder's Technology Fund	41,988.80	20,616.28	150.00	62,455.08
Jail Bond Fund	1,273,275.10	49,325.02	520,010.67	802,589.45
Tax Maintenance Fund	101,675.51	27,514.03	17,329.50	111,860.04
Prosecuting Attorney Fund	3,918.42	51.59	-	3,970.01
Deputy Wage Supplement Fund	510.00	6,010.00	6,060.00	460.00
Local Solicitation Fund	102.00	-	102.00	-
Inmate Security Fund	119,196.09	219,042.72	225,698.60	112,540.21
Senate Bill 40 Fund	155,982.26	333,703.21	264,462.50	225,222.97
Prosecuting Attorney Bad Check Fund	318.31	-	-	318.31
Senior Services Board Fund	44,550.67	111,666.85	45,360.00	110,857.52
Capital Improvement Sales Tax Fund	16,368.78	725,694.71	230,435.51	511,627.98
TOTAL	\$ 4,634,356.25	\$ 7,988,950.01	\$ 7,328,651.10	\$ 5,294,655.16

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 642,000.00	\$ 630,164.05	\$ 634,500.00	\$ 642,790.86
Sales Taxes	-	-	-	-
Intergovernmental	62,500.00	77,769.76	95,000.00	92,109.79
Charges for Services	577,600.00	575,607.27	657,825.00	660,881.48
Interest	5,000.00	21,521.29	7,800.00	5,018.51
Other	50.00	3,870.00	50.00	12,733.12
Transfers In	-	-	40,000.00	40,000.00
TOTAL RECEIPTS	1,287,150.00	1,308,932.37	1,435,175.00	1,453,533.76
DISBURSEMENTS				
County Commission	137,725.00	140,808.15	132,970.00	129,946.84
County Clerk	129,450.00	115,317.15	183,255.00	190,045.75
Elections	73,500.00	43,709.10	151,300.00	86,723.83
Buildings and Grounds	274,200.00	242,998.23	251,875.00	118,461.57
County Treasurer	201,900.00	168,330.37	188,000.00	164,753.35
Recorder of Deeds	142,907.40	97,265.18	135,173.00	118,118.81
Circuit Court	26,250.00	13,484.80	26,250.00	10,101.86
Court Administration	39,529.25	13,201.29	38,184.50	8,182.26
Public Administrator	92,405.00	75,638.75	88,500.00	75,225.61
Other General County Government	224,848.00	175,942.13	242,453.00	175,653.56
Public Health/Welfare	7,000.00	-	6,000.00	4,000.00
Emergency Fund	19,000.00	-	39,500.00	-
Emergency Management	83,100.00	71,750.85	83,850.00	60,649.29
Fringe Benefits	131,650.00	130,105.20	125,150.00	116,210.48
Emergency Fund	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,583,464.65	1,288,551.20	1,692,460.50	1,258,073.21
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(296,314.65)	20,381.17	(257,285.50)	195,460.55
CASH BALANCES, JANUARY 1	1,521,725.08	1,521,725.08	1,326,264.53	1,326,264.53
CASH BALANCES, DECEMBER 31	\$ 1,225,410.43	\$ 1,542,106.25	\$ 1,068,979.03	\$ 1,521,725.08

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 66,500.00	\$ 67,765.93	\$ 65,000.00	\$ 66,856.93
Intergovernmental	1,283,000.00	1,273,884.23	1,287,000.00	1,093,739.62
Interest	3,000.00	15,169.14	2,100.00	3,009.22
Other	32,100.00	30,806.00	28,100.00	33,573.00
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,384,600.00	1,387,625.30	1,382,200.00	1,197,178.77
DISBURSEMENTS				
Salaries	272,000.00	276,220.16	262,000.00	264,416.08
Fringe Benefits	98,200.00	92,105.06	92,200.00	90,915.23
Office	5,300.00	4,454.91	4,500.00	3,326.97
Equipment and Maintenance	349,000.00	65,406.87	164,700.00	153,000.44
Mileage and Training	900.00	-	1,200.00	-
Insurance	20,000.00	10,567.00	26,000.00	11,595.00
Operation and Maintenance	24,200.00	33,007.34	21,400.00	21,291.96
Bridge Replacement and Repairs	852,000.00	782,254.47	490,000.00	460,570.65
Services and Other	-	-	-	-
Transfers Out	40,000.00	-	350,000.00	40,000.00
TOTAL DISBURSEMENTS	1,661,600.00	1,264,015.81	1,412,000.00	1,045,116.33
RECEIPTS OVER (UNDER) DISBURSEMENTS	(277,000.00)	123,609.49	(29,800.00)	152,062.44
CASH BALANCES, JANUARY 1	1,030,909.60	1,030,909.60	878,847.16	878,847.16
CASH BALANCES, DECEMBER 31	\$ 753,909.60	\$ 1,154,519.09	\$ 849,047.16	\$ 1,030,909.60

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ASSESSMENT FUND				LAW ENFORCEMENT SALES TAX FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ -	\$ -	\$ -	\$ -	\$ 895,000.00	\$ 930,039.43	\$ 860,000.00	\$ 887,659.48
Intergovernmental	238,716.77	243,364.74	238,000.00	238,716.77	154,500.00	234,696.23	166,000.00	131,230.37
Charges for Services	13,010.00	8,924.45	8,200.00	13,642.00	3,167,800.00	2,584,158.35	2,686,190.00	2,531,448.76
Interest	700.00	2,405.92	500.00	702.22	1,700.00	7,857.80	1,000.00	1,694.49
Other	-	-	-	-	500.00	100.00	12,500.00	368.08
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	252,426.77	254,695.11	246,700.00	253,060.99	4,219,500.00	3,756,851.81	3,725,690.00	3,552,401.18
DISBURSEMENTS								
Salaries	210,107.00	192,967.99	181,590.00	183,623.13	2,437,326.00	1,955,213.94	2,056,414.00	1,732,118.07
Fringe Benefits	53,800.00	52,309.55	50,700.00	44,119.31	550,000.00	578,375.81	450,100.00	469,945.02
Office	16,300.00	17,983.13	16,800.00	15,968.81	-	-	-	-
Equipment and Maintenance	12,400.00	11,417.82	17,400.00	9,999.73	-	-	-	-
Mileage and Training	2,100.00	876.93	1,700.00	1,949.19	-	-	-	-
Insurance	750.00	810.00	700.00	747.00	-	-	-	-
GIS System	10,000.00	11,450.77	10,000.00	7,994.04	-	-	-	-
Other County Government	-	-	-	-	24,530.00	42,835.06	6,000.00	9,595.72
Sheriff	-	-	-	-	436,250.00	335,789.35	428,700.00	363,405.15
Jail	-	-	-	-	1,036,600.00	849,203.48	882,300.00	714,191.57
Prosecuting Attorney	-	-	-	-	51,850.00	43,972.32	46,850.00	23,921.02
Juvenile Operations	-	-	-	-	80,177.50	65,752.08	80,177.50	72,524.81
Coroner	-	-	-	-	25,450.00	25,993.38	20,450.00	20,231.21
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	305,457.00	287,816.19	278,890.00	264,401.21	4,642,183.50	3,897,135.42	3,970,991.50	3,405,932.57
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(53,030.23)	(33,121.08)	(32,190.00)	(11,340.22)	(422,683.50)	(140,283.61)	(245,301.50)	146,468.61
CASH BALANCES, JANUARY 1	149,269.23	149,269.23	160,609.45	160,609.45	561,430.33	561,430.33	414,961.72	414,961.72
CASH BALANCES, DECEMBER 31	\$ 96,239.00	\$ 116,148.15	\$ 128,419.45	\$ 149,269.23	\$ 138,746.83	\$ 421,146.72	\$ 169,660.22	\$ 561,430.33

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	RECORDER'S USER FEE FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 6,000.00	\$ 5,674.00	\$ 6,000.00	\$ 5,867.00	\$ 1,000.00	\$ 1,763.61	\$ 1,000.00	\$ 928.78
Interest	-	-	-	7.04	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,000.00	5,674.00	6,000.00	5,874.04	1,000.00	1,763.61	1,000.00	928.78
DISBURSEMENTS								
Office	1,000.00	-	1,000.00	-	-	-	-	-
Equipment and Maintenance	11,000.00	7,398.10	11,000.00	9,390.60	-	-	-	-
Mileage and Training	-	-	-	-	1,200.00	4,265.15	1,650.00	1,820.20
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	12,000.00	7,398.10	12,000.00	9,390.60	1,200.00	4,265.15	1,650.00	1,820.20
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(6,000.00)	(1,724.10)	(6,000.00)	(3,516.56)	(200.00)	(2,501.54)	(650.00)	(891.42)
CASH BALANCES, JANUARY 1	3,259.25	3,259.25	6,775.81	6,775.81	289.04	289.04	1,180.46	1,180.46
CASH BALANCES, DECEMBER 31	\$ (2,740.75)	\$ 1,535.15	\$ 775.81	\$ 3,259.25	\$ 89.04	\$ (2,212.50)	\$ 530.46	\$ 289.04

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW OFFICER TRAINING FUND				FAMILIES IN CRISIS FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,700.00	\$ 1,700.78	\$ 2,000.00	\$ 1,619.76	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,800.00	3,684.75	4,000.00	3,703.50	600.00	606.00	600.00	655.00
Interest	15.00	17.55	-	15.19	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,515.00	5,403.08	6,000.00	5,338.45	600.00	606.00	600.00	655.00
DISBURSEMENTS								
Mileage and Training	4,000.00	2,125.78	5,000.00	1,869.76	-	-	-	-
Ammunition	2,000.00	4,679.80	2,000.00	3,217.92	-	-	-	-
Services and Other	-	-	-	-	952.00	644.00	600.00	640.00
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	6,000.00	6,805.58	7,000.00	5,087.68	952.00	644.00	600.00	640.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(485.00)	(1,402.50)	(1,000.00)	250.77	(352.00)	(38.00)	-	15.00
CASH BALANCES, JANUARY 1	4,833.58	4,833.58	4,582.81	4,582.81	352.00	352.00	337.00	337.00
CASH BALANCES, DECEMBER 31	\$ 4,348.58	\$ 3,431.08	\$ 3,582.81	\$ 4,833.58	\$ -	\$ 314.00	\$ 337.00	\$ 352.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LOCAL EMERGENCY PLANNING COMMITTEE FUND				SHERIFF'S CIVIL FEES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 4,000.00	\$ 4,173.09	\$ 2,700.00	\$ 4,098.26	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	18,000.00	17,455.83	18,000.00	16,644.35
Interest	50.00	125.52	25.00	32.64	100.00	398.63	100.00	109.54
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	4,050.00	4,298.61	2,725.00	4,130.90	18,100.00	17,854.46	18,100.00	16,753.89
DISBURSEMENTS								
Mileage and Training	10,500.00	4,297.20	15,400.00	6,347.45	-	-	-	-
Supplies and Equipment	-	-	-	-	40,000.00	25,482.14	35,000.00	17,388.95
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	10,500.00	4,297.20	15,400.00	6,347.45	40,000.00	25,482.14	35,000.00	17,388.95
RECEIPTS OVER (UNDER) DISBURSEMENTS	(6,450.00)	1.41	(12,675.00)	(2,216.55)	(21,900.00)	(7,627.68)	(16,900.00)	(635.06)
CASH BALANCES, JANUARY 1	10,531.83	10,531.83	12,748.38	12,748.38	38,949.23	38,949.23	39,584.29	39,584.29
CASH BALANCES, DECEMBER 31	\$ 4,081.83	\$ 10,533.24	\$ 73.38	\$ 10,531.83	\$ 17,049.23	\$ 31,321.55	\$ 22,684.29	\$ 38,949.23

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF'S REVOLVING FUND				ELECTION SERVICES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00	\$ 2,867.64	\$ 10,000.00	\$ 3,883.89
Charges for Services	1,500.00	6,701.36	1,000.00	1,500.00	-	-	-	-
Interest	26.00	159.33	-	26.45	50.00	265.44	50.00	59.50
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,526.00	6,860.69	1,000.00	1,526.45	2,050.00	3,133.08	10,050.00	3,943.39
DISBURSEMENTS								
Office	5,000.00	8,335.00	6,000.00	403.00	-	-	-	-
Elections	-	-	-	-	20,000.00	1,949.14	30,000.00	4,441.12
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	5,000.00	8,335.00	6,000.00	403.00	20,000.00	1,949.14	30,000.00	4,441.12
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	(3,474.00)	(1,474.31)	(5,000.00)	1,123.45	(17,950.00)	1,183.94	(19,950.00)	(497.73)
CASH BALANCES, JANUARY 1	10,252.76	10,252.76	9,129.31	9,129.31	20,951.66	20,951.66	21,449.39	21,449.39
CASH BALANCES, DECEMBER 31	<u>\$ 6,778.76</u>	<u>\$ 8,778.45</u>	<u>\$ 4,129.31</u>	<u>\$ 10,252.76</u>	<u>\$ 3,001.66</u>	<u>\$ 22,135.60</u>	<u>\$ 1,499.39</u>	<u>\$ 20,951.66</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	RECORDER'S TECHNOLOGY FUND				JAIL BOND FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 20,000.00	\$ 6,134.50	\$ 17,000.00	\$ 20,473.75	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	6,907.17	-	49,325.02
Interest	140.00	809.46	-	142.53	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	20,140.00	6,943.96	17,000.00	20,616.28	-	6,907.17	-	49,325.02
DISBURSEMENTS								
Services and Other	62,455.08	-	55,000.00	150.00	-	-	-	-
Salaries	-	-	-	-	35,000.00	43,495.85	33,904.00	-
Fringe Benefits	-	-	-	-	14,450.00	2,892.72	-	-
Repairs and Maintenance	-	-	-	-	100,000.00	46,826.51	135,000.00	99,308.69
Building and Equipment Maintenance	-	-	-	-	200,000.00	298,888.89	280,000.00	420,701.98
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	62,455.08	-	55,000.00	150.00	349,450.00	392,103.97	448,904.00	520,010.67
RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,315.08)	6,943.96	(38,000.00)	20,466.28	(349,450.00)	(385,196.80)	(448,904.00)	(470,685.65)
CASH BALANCES, JANUARY 1	62,455.08	62,455.08	41,988.80	41,988.80	802,589.45	802,589.45	1,273,275.10	1,273,275.10
CASH BALANCES, DECEMBER 31	<u>\$ 20,140.00</u>	<u>\$ 69,399.04</u>	<u>\$ 3,988.80</u>	<u>\$ 62,455.08</u>	<u>\$ 453,139.45</u>	<u>\$ 417,392.65</u>	<u>\$ 824,371.10</u>	<u>\$ 802,589.45</u>

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THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	TAX MAINTENANCE FUND				PROSECUTING ATTORNEY FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	27,000.00	30,175.70	24,000.00	27,208.23	200.00	52.91	200.00	51.59
Interest	300.00	1,402.01	225.00	305.80	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	27,300.00	31,577.71	24,225.00	27,514.03	200.00	52.91	200.00	51.59
DISBURSEMENTS								
Office	82,116.02	29,052.40	78,000.00	17,329.50	3,500.00	-	3,500.00	-
Professional Services	54,744.02	2,256.50	40,000.00	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	136,860.04	31,308.90	118,000.00	17,329.50	3,500.00	-	3,500.00	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(109,560.04)	268.81	(93,775.00)	10,184.53	(3,300.00)	52.91	(3,300.00)	51.59
CASH BALANCES, JANUARY 1	111,860.04	111,860.04	101,675.51	101,675.51	3,970.01	3,970.01	3,918.42	3,918.42
CASH BALANCES, DECEMBER 31	<u>\$ 2,300.00</u>	<u>\$ 112,128.85</u>	<u>\$ 7,900.51</u>	<u>\$ 111,860.04</u>	<u>\$ 670.01</u>	<u>\$ 4,022.92</u>	<u>\$ 618.42</u>	<u>\$ 3,970.01</u>

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THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	DEPUTY WAGE SUPPLEMENT FUND				LOCAL SOLICITATION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 6,000.00	\$ 5,710.00	\$ 5,000.00	\$ 6,010.00	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	6,000.00	5,710.00	5,000.00	6,010.00	-	-	-	-
DISBURSEMENTS								
Salaries	6,000.00	5,650.00	5,000.00	6,060.00	-	-	-	-
Services and Other	-	-	-	-	-	-	-	102.00
TOTAL DISBURSEMENTS	6,000.00	5,650.00	5,000.00	6,060.00	-	-	-	102.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	60.00	-	(50.00)	-	-	-	(102.00)
CASH BALANCES, JANUARY 1	460.00	460.00	510.00	510.00	-	-	102.00	102.00
CASH BALANCES, DECEMBER 31	\$ 460.00	\$ 520.00	\$ 510.00	\$ 460.00	\$ -	\$ -	\$ 102.00	\$ -

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THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	INMATE SECURITY FUND				SENATE BILL 40 FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 314,000.00	\$ 308,081.43	\$ 310,000.00	\$ 313,903.86
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	275,000.00	221,025.20	225,000.00	218,706.70	20,000.00	28,755.27	24,000.00	18,596.88
Interest	500.00	1,983.64	-	336.02	1,200.00	1,787.03	480.00	1,202.47
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	275,500.00	223,008.84	225,000.00	219,042.72	335,200.00	338,623.73	334,480.00	333,703.21
DISBURSEMENTS								
Equipment and Maintenance	40,000.00	-	40,000.00	-	33,000.00	-	18,000.00	2,850.00
Prisoner Transfer	180,000.00	137,509.74	200,000.00	225,698.60	-	-	-	-
BCI Contract Payments	-	-	-	-	216,000.00	251,000.00	216,000.00	216,000.00
Loan Payments	-	-	-	-	80,000.00	-	120,000.00	-
Services and Other	-	-	-	-	80,462.50	-	80,462.50	45,612.50
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	220,000.00	137,509.74	240,000.00	225,698.60	409,462.50	251,000.00	434,462.50	264,462.50
RECEIPTS OVER (UNDER) DISBURSEMENTS	55,500.00	85,499.10	(15,000.00)	(6,655.88)	(74,262.50)	87,623.73	(99,982.50)	69,240.71
CASH BALANCES, JANUARY 1	112,540.21	112,540.21	119,196.09	119,196.09	225,222.97	225,222.97	155,982.26	155,982.26
CASH BALANCES, DECEMBER 31	<u>\$ 168,040.21</u>	<u>\$ 198,039.31</u>	<u>\$ 104,196.09</u>	<u>\$ 112,540.21</u>	<u>\$ 150,960.47</u>	<u>\$ 312,846.70</u>	<u>\$ 55,999.76</u>	<u>\$ 225,222.97</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY BAD CHECK FUND				SENIOR SERVICES BOARD FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 110,000.00	\$ 110,079.07	\$ 105,000.00	\$ 111,539.70
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	241.71	-	127.15
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	-	-	-	-	110,000.00	110,320.78	105,000.00	111,666.85
DISBURSEMENTS								
Senior Service Expenses	-	-	-	-	52,000.00	28,824.94	25,000.00	21,209.53
Building Maintenance	-	-	-	-	35,000.00	21,949.69	22,500.00	17,116.85
Operational Support	-	-	-	-	48,000.00	36,641.80	47,500.00	1,931.36
Contingency	-	-	-	-	25,000.00	134.90	10,000.00	5,102.26
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	-	-	-	-	160,000.00	87,551.33	105,000.00	45,360.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	-	-	-	(50,000.00)	22,769.45	-	66,306.85
CASH BALANCES, JANUARY 1	318.31	318.31	318.31	318.31	110,857.52	110,857.52	44,550.67	44,550.67
CASH BALANCES, DECEMBER 31	<u>\$ 318.31</u>	<u>\$ 318.31</u>	<u>\$ 318.31</u>	<u>\$ 318.31</u>	<u>\$ 60,857.52</u>	<u>\$ 133,626.97</u>	<u>\$ 44,550.67</u>	<u>\$ 110,857.52</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	CAPITAL IMPROVEMENT SALES TAX FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Sales Taxes	\$ 710,000.00	\$ 728,486.59	\$ 697,300.00	\$ 724,981.32
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Interest	700.00	4,094.41	750.00	713.39
Other	-	-	-	-
Transfers In	-	-	-	-
TOTAL RECEIPTS	710,700.00	732,581.00	698,050.00	725,694.71
DISBURSEMENTS				
Repairs and Maintenance	500,000.00	80,248.89	-	47,800.04
Building Improvements	-	140,850.11	97,750.00	64,998.73
Bond Trustee	620,500.00	526,972.63	100,000.00	117,636.74
Services and Other	-	-	-	-
Transfers Out	-	-	-	-
TOTAL DISBURSEMENTS	1,120,500.00	748,071.63	197,750.00	230,435.51
RECEIPTS OVER (UNDER) DISBURSEMENTS	(409,800.00)	(15,490.63)	500,300.00	495,259.20
CASH BALANCES, JANUARY 1	511,627.98	511,627.98	16,368.78	16,368.78
CASH BALANCES, DECEMBER 31	<u>\$ 101,827.98</u>	<u>\$ 496,137.35</u>	<u>\$ 516,668.78</u>	<u>\$ 511,627.98</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	Tax Surplus Fund	Common School Interest Fund	Surtax Fund	Unclaimed Fees Fund	CERF Fund
ASSETS					
Cash and Cash Equivalents	\$ 3,586.88	\$ 58,177.22	\$ 1,535.15	\$ 12.68	\$ 38.97
Investments	-	-	-	-	-
Total Assets	3,586.88	58,177.22	1,535.15	12.68	38.97
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	3,586.88	58,177.22	1,535.15	12.68	38.97
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,586.88</u>	<u>\$ 58,177.22</u>	<u>\$ 1,535.15</u>	<u>\$ 12.68</u>	<u>\$ 38.97</u>
	FIT FUND	TWP Road and Bridge Fund	Collector	Recorder	Prosecuting Attorney
ASSETS					
Cash and Cash Equivalents	\$ 11.47	\$ 116,527.19	\$ 10,653,086.91	\$ 16,650.00	\$ 19,546.37
Investments	-	-	-	-	-
Total Assets	11.47	116,527.19	10,653,086.91	16,650.00	19,546.37
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	11.47	116,527.19	10,653,086.91	16,650.00	19,546.37
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11.47</u>	<u>\$ 116,527.19</u>	<u>\$ 10,653,086.91</u>	<u>\$ 16,650.00</u>	<u>\$ 19,546.37</u>
	Sheriff	DEA Forfeiture	PILT	Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 76,174.70	\$ 1,512.83	\$ 223.95	\$ 10,947,084.32	
Investments	-	-	-	-	
Total Assets	76,174.70	1,512.83	223.95	10,947,084.32	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	76,174.70	1,512.83	223.95	10,947,084.32	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 76,174.70</u>	<u>\$ 1,512.83</u>	<u>\$ 223.95</u>	<u>\$ 10,947,084.32</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	Tax Surplus Fund	Common School Interest Fund	Surtax Fund	Unclaimed Fees Fund	CERF Fund
ASSETS					
Cash and Cash Equivalents	\$ 3,193.69	\$ 73,377.04	\$ 12,315.07	\$ 12.68	\$ 4.91
Investments	-	-	-	-	-
Total Assets	3,193.69	73,377.04	12,315.07	12.68	4.91
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	3,193.69	73,377.04	12,315.07	12.68	4.91
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,193.69</u>	<u>\$ 73,377.04</u>	<u>\$ 12,315.07</u>	<u>\$ 12.68</u>	<u>\$ 4.91</u>
	FIT FUND	TWP Road and Bridge Fund	Collector	Recorder	Prosecuting Attorney
ASSETS					
Cash and Cash Equivalents	\$ 0.20	\$ 142,833.87	\$ 9,792,818.04	\$ -	\$ 17,217.03
Investments	-	-	-	-	-
Total Assets	0.20	142,833.87	9,792,818.04	-	17,217.03
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	0.20	142,833.87	9,792,818.04	-	17,217.03
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 0.20</u>	<u>\$ 142,833.87</u>	<u>\$ 9,792,818.04</u>	<u>\$ -</u>	<u>\$ 17,217.03</u>
	Sheriff	DEA Forfeiture	PILT	Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 66,877.71	\$ 1,512.83	\$ -	\$ 10,110,163.07	
Investments	-	-	-	-	
Total Assets	66,877.71	1,512.83	-	10,110,163.07	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	66,877.71	1,512.83	-	10,110,163.07	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,877.71</u>	<u>\$ 1,512.83</u>	<u>\$ -</u>	<u>\$ 10,110,163.07</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Bates, Missouri (“the County”), which is governed by a three-member board of commissioners, was established in 1841 by an Act of the Missouri Territory. In addition to the three Commissioners, there are 10 elected Constitutional Officers: County Clerk, Collector-Treasurer, Circuit Clerk, Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator, County Surveyor/Engineer and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, police protection, transportation, economic development, social and human services and cultural and recreation services.

The financial statements referred to above include only the primary government of the County of Bates, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector-Treasurer and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	2019	2018
Real Estate	\$ 143,716,250	\$ 139,981,130
Personal Property	54,027,207	53,251,597
Railroad and Utilities	36,014,095	34,680,945
	<u>\$ 233,757,552</u>	<u>\$ 227,913,672</u>

During 2019 and 2018, the County Commission approved a \$0.4633 and \$0.4633, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2019	2018
General Revenue Fund	\$ 0.2724	\$ 0.2724
Senate Bill 40 Fund	0.0503	0.0503
Senior Services Board Fund	0.1406	0.1406
	<u>\$ 0.4633</u>	<u>\$ 0.4633</u>

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amount of the County's deposits was \$5,054,188.88 and \$5,294,655.16. The bank balance was \$16,175,329.99 and \$15,568,155.02, respectively. As of December 31, 2019 and 2018, the County's deposits were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances – Governmental Funds:

Deposits	\$ 5,054,188.88
Total Governmental Funds	5,054,188.88

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	10,947,084.32
Total Agency Funds	10,947,084.32

Total Deposits as of December 31, 2019	<u>\$ 16,001,273.20</u>
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THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS AND INVESTMENTS (concluded)

The carrying values of deposits shown above are included in the financial statements at December 31, 2018, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes
in Cash Balances – Governmental Funds:

Deposits	\$ 5,294,655.16
Total Governmental Funds	5,294,655.16

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits	10,110,163.07
Total Agency Funds	10,110,163.07

Total Deposits as of December 31, 2018	\$ <u>15,404,818.23</u>
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Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the year ending December 31, 2019, and 2018.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has a policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's deposits were not exposed to concentration of investment credit risk for the years ending December 31, 2019, and 2018.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

On March 7, 2018, the County entered into a lease certificates of participation agreement with LJ Hart and Company for \$6,580,000. Principal and interest payments are due April 15 and interest only payments are due every October 15, with variable interest rates ranging from 1.75% to 4.00%.

As of December 31, 2019, the unpaid principal balance of the lease purchase was \$6,150,000. The changes in long-term debt for the lease certificates of participation are as follows:

Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
<u>\$6,580,000.00</u>	<u>\$ -</u>	<u>\$430,000.00</u>	<u>\$6,150,000.00</u>	<u>\$190,500.00</u>
December 31,	Interest	Principal	Total	
2020	\$ 182,487.50	\$ 425,000.00	\$ 607,487.50	
2021	173,668.75	425,000.00	598,668.75	
2022	163,925.00	450,000.00	613,925.00	
2023	153,350.00	450,000.00	603,350.00	
2024	142,325.00	450,000.00	592,325.00	
2025-2029	484,375.00	2,525,000.00	3,009,375.00	
2030-2032	61,625.00	1,425,000.00	1,486,625.00	
	<u>\$ 1,361,756.25</u>	<u>\$ 6,150,000.00</u>	<u>\$ 7,511,756.25</u>	

As of December 31, 2018, the unpaid principal balance of the lease purchase was \$6,580,000. The changes in long-term debt for the lease certificates of participation are as follows:

Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
<u>\$ -</u>	<u>\$6,580,000.00</u>	<u>\$ -</u>	<u>\$6,580,000.00</u>	<u>\$117,636.74</u>
December 31,	Interest	Principal	Total	
2019	\$ 190,500.00	\$ 430,000.00	\$ 620,500.00	
2020	182,487.50	425,000.00	607,487.50	
2021	173,668.75	425,000.00	598,668.75	
2022	163,925.00	450,000.00	613,925.00	
2023	153,350.00	450,000.00	603,350.00	
2024-2028	567,750.00	2,450,000.00	3,017,750.00	
2029-2032	120,575.00	1,950,000.00	2,070,575.00	
	<u>\$ 1,552,256.25</u>	<u>\$ 6,580,000.00</u>	<u>\$ 8,132,256.25</u>	

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. CAPITAL LEASES

On March 23, 2018, Bates County entered into a lease purchase agreement with First Capital Equipment Leasing Corporation for 9 Ford Police Interceptor vehicles. The lease purchase is in the amount of \$196,000 with 3 annual payments of \$69,266.94. The lease purchase agreement carries an interest rate of 4.214%.

On October 25, 2018, Bates County entered into a lease purchase agreement with First Capital Equipment Leasing Corporation for 2012 B6 Armored F-550 Officer Transport Truck. The lease purchase is in the amount of \$87,000 with 5 annual payments of \$19,808.63. The lease purchase agreement carries an interest rate of 5.791%.

As of December 31, 2019, the unpaid principal balances of the capital leases were \$135,434.82. The changes in long-term debt for the capital leases are as follows:

Description	Balance 12/31/2018	Current Year Additions	Current Year Deletions and Payments	Balance 12/31/2019	Interest Paid
9 Police Interceptors	\$ 130,244.49	\$ -	\$ 63,778.44	\$ 66,466.05	\$ 5,488.50
Armored F-550	87,000.00	-	18,031.23	68,968.77	1,777.40
	<u>\$ 217,244.49</u>	<u>\$ -</u>	<u>\$ 81,809.67</u>	<u>\$ 135,434.82</u>	<u>\$ 7,265.90</u>

The future payments for the capital leases of the County are as follows:

December 31,	Interest	Principal	Total
2020	\$ 6,794.86	\$ 82,280.71	\$ 89,075.57
2021	3,078.16	16,730.47	19,808.63
2022	2,109.29	17,699.34	19,808.63
2023	1,084.32	18,724.30	19,808.62
	<u>\$ 13,066.63</u>	<u>\$ 135,434.82</u>	<u>\$ 148,501.45</u>

As of December 31, 2018, the unpaid principal balances of the capital leases were \$217,244.49. The changes in long-term debt for the capital leases are as follows:

Description	Balance 12/31/2017	Current Year Additions	Current Year Deletions and Payments	Balance 12/31/2018	Interest Paid
9 Police Interceptors	\$ -	\$ 196,000.00	\$ 65,755.51	\$ 130,244.49	\$ 3,511.43
Armored F-550	-	87,000.00	-	87,000.00	-
	<u>\$ -</u>	<u>\$ 283,000.00</u>	<u>\$ 65,755.51</u>	<u>\$ 217,244.49</u>	<u>\$ 3,511.43</u>

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. CAPITAL LEASES (concluded)

The future payments for the capital leases of the County are as follows:

<u>December 31,</u>	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
2019	\$ 7,265.90	\$ 81,809.67	\$ 89,075.57
2020	6,794.86	82,280.71	89,075.57
2021	3,078.16	16,730.47	19,808.63
2022	2,109.29	17,699.34	19,808.63
2023	1,084.32	18,724.30	19,808.62
	<u>\$ 20,332.53</u>	<u>\$ 217,244.49</u>	<u>\$ 237,577.02</u>

V. OPERATING LEASES

On April 1, 2019, the County entered into an operating lease with Mobilis Technologies LLC for records management software and hardware. Monthly charges are \$1,000, but are billed quarterly. This is a 5 year lease starting June 2019 and ends May 2024. The lease will automatically renew for 1 year periods unless terminated.

2019 Future Minimum Payments for Operating Leases:

<u>Year Ending</u> <u>December 31,</u>	<u>Total</u> <u>Minimum</u> <u>Payments</u>
2020	\$ 12,000.00
2021	12,000.00
2022	12,000.00
2023	12,000.00
2024	5,000.00
	<u>\$ 53,000.00</u>

VI. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019 and 2018 are as follows:

	<u>2019</u>		<u>2018</u>	
	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Revenue Fund	\$ -	\$ -	\$ 40,000.00	\$ -
Special Road and Bridge Fund	-	-	-	40,000.00
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000.00</u>	<u>\$ 40,000.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service and who terminated employment after December 31, 1999, may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system. The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions (other than those made by the County) are refunded

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VII. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2019, and 2018 were \$317,277.99 and \$269,603.52, respectively.

VIII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2019, and 2018.

IX. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2019 or December 31, 2018.

X. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in any pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Only regular employees who have completed their three-month introductory period are eligible to receive vacation time. Vacation time must be used in its entirety within the year that it is earned, and unused time is forfeited at the year end. Vacation time is not paid out if the employment terminates. These have not been subjected to auditing procedures.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

THE COUNTY OF BATES
BUTLER, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

XI. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence for 2019 and \$2,000,000 per occurrence for 2018. It is then reinsured up to the statutory limit through excess insurance.

XII. SUBSEQUENT EVENTS

There were no subsequent events to be reported as of the audit report date

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF BATES
BUTLER, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDING

- I. For the year ended December 31, 2019, actual expenditures exceeded those budgeted in the Prosecuting Attorney Training Fund, Law Officer Training Fund, Sheriff's Revolving Fund and Jail Bond Fund.
- II. For the year ended December 31, 2018, actual expenditures exceeded those budgeted in the Prosecuting Attorney Training Fund, Families in Crisis Fund, Jail Bond Fund, Deputy Wage Supplement Fund and Capital Improvement Sales Tax Fund.
- III. For the year ended December 31, 2019, the Prosecuting Attorney Training Fund had a deficit balance of (\$2,212.50).
- IV. For the year ended December 31, 2019, the Recorder's User Fee Fund was deficit budgeted in the amount of (\$2,740.75).
- V. For the year ended December 31, 2018, no budget was prepared for the Local Solicitation Fund.

INTERNAL CONTROL AND COMPLIANCE SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Bates, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Bates ("County") as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 19, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. (2019-001, 2019-002 and 2019-003)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 19, 2020

THE COUNTY OF BATES
BUTLER, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

THE COUNTY OF BATES
BUTLER, MISSOURI
SCHEDULE OF FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

2019-003 Criteria: Bank reconciliations must be accurately prepared for the Collector's accounts.

Condition: We noted that the bank reconciliations for the Collector did not reconcile back to the bank statement.

Context: During our audit procedures of cash we reviewed the bank reconciliations for the Collector's office.

Effect: Errors may go undetected if proper controls are not in place to review cash transactions.

Cause: Management does not place adequate emphasis upon reviewing cash transactions and preparing accurate reconciliations.

Recommendation: We recommend that the Collector's office prepare accurate bank reconciliations for this account.

Views of Responsible Officials and Planned Corrective Actions: The County Collector's Office (Jimmy Platt) will modify the bank reconciliations to the recommended format. The County Collector's office phone number is (660) 679-3341.

THE COUNTY OF BATES
BUTLER, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2017-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

Status: This finding is repeated in the current audit period as 2019-001.

2017-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

THE COUNTY OF BATES
BUTLER, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

2017-002 Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

Status: This finding is repeated in the current audit period as 2019-002.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 19, 2020

To the County Commission
The County of Bates, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Bates (the "County") as of and for the years ended December 31, 2019 and December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. These responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there were no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2019-002 Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County Clerk's Office (Marlene Wainscott) will consider preparing the needed documentation to document their internal control structure and risk assessment in conformity with the COSO framework under the guidance given by the County Commission. The County Clerk's office phone number is (660) 679-3371.

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Recommendation: We recommend that the Collector's office prepare accurate bank reconciliations for this account.

Views of Responsible Officials and Planned Corrective Actions: The County Collector's Office (Jimmy Platt) will modify the bank reconciliations to the recommended format. The County Collector's office phone number is (660) 679-3341.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 19, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Other Matters

We made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
July 2020**

Report No. 2020-059

September 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

July 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended January 31, 2020 Reports Due July 31, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in July 2020	5
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due May 31, 2020 Filed in July 2020	6
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in July 2020	7



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 10 political subdivisions required to file a financial report by July 31, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in July 2020, after their filing deadline. The filing status for these 186 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

July 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 10 political subdivisions, other than cities, towns, and villages, with a fiscal year end of January 31, 2020. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 10 political subdivisions, 9 filed an annual financial report timely.

This report also includes the filing status for 186 political subdivisions, other than cities, towns, and villages, that filed their financial report in July 2020, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due July 31, 2020

Fiscal Year Ended January 31, 2020

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	South St. Joseph D&LD	Yes	May 21, 2020
Carroll	Carr Sal Levee District	Yes	January 22, 2020
	Eugene Township Drainage District	Yes	January 14, 2020
	Farmers Drainage & Levee District	Yes	January 14, 2020
	Wakenda Levee District	Yes	January 31, 2020
Cedar	Cedar County Memorial Hospital	Yes	June 5, 2020
Jefferson	Valle Lake Sewer District	Yes	July 15, 2020
Mississippi	Consolidated DD 1 Mississippi County	Yes	June 24, 2020
Scott	North Scott Ambulance District	Yes	July 14, 2020
St. Charles	Dardenne Creek Drainage District 3	No	
Total Filed		9	
Total Not Filed		1	

Acronyms:

D&LD Drainage and Levee District
DD Drainage District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due March 31, 2020
 Filed in July 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	North Blue Springs CID	Yes	July 28, 2020
Total Filed		1	

Acronyms:

CID Special Road District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due May 31, 2020
 Filed in July 2020

Fiscal Year Ended November 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Greene	PWSD 5 Greene County	Yes	July 20, 2020
St. Francois	Leadwood FPD	Yes	July 30, 2020
Total Filed		2	

Acronyms:

FPD Fire Protection District
 PWSD Public Water Supply District

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2020

Filed in July 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Health Department	Yes	July 24, 2020
Andrew	PWSD 2 Andrew County	Yes	July 27, 2020
	Village of Country Club FPD	Yes	July 27, 2020
Atchison	West Atchison FPD	Yes	July 16, 2020
Audrain	Audrain County Health Department	Yes	July 31, 2020
	Tri County NHD	Yes	July 29, 2020
Barry	Central Crossing FPD	Yes	July 27, 2020
	Kings Prairie SRD Barry County	Yes	July 31, 2020
	Monett Rural FPD	Yes	July 1, 2020
	Roaring River SRD 2 Barry County	Yes	July 31, 2020
	Washburn SRD 4 Barry County	Yes	July 2, 2020
Barton	Consolidated PWSD 1	Yes	July 31, 2020
Benton	Benton County Health Department	Yes	July 24, 2020
	Cole Camp SRD Benton County	Yes	July 5, 2020
Bollinger	Bollinger County Health Center	Yes	July 27, 2020
	Leopold Volunteer FPD	Yes	July 9, 2020
	Woodland FPD	Yes	July 17, 2020
Boone	Cross Creek TDD	Yes	July 1, 2020
	Northwoods TDD	Yes	July 27, 2020
Buchanan	Agri-Business Expo Center TDD	Yes	July 28, 2020
Butler	Consolidated DD 10 Butler County	Yes	July 9, 2020
Caldwell	Hamilton FPD	Yes	July 31, 2020
	PWSD 2 Caldwell County	Yes	July 28, 2020
Callaway	North Callaway FPD	Yes	July 13, 2020
Camden	Mid-County FPD Camden County	Yes	July 9, 2020
	Osage Beach FPD	Yes	July 29, 2020
	PWSD 3 Camden County	Yes	July 28, 2020
	Southwest Camden County FPD	Yes	July 25, 2020
	Sunrise Beach FPD	Yes	July 8, 2020
Cape Girardeau	Cape Girardeau SRD	Yes	July 27, 2020
	PWSD 1 Cape-Perry County	Yes	July 31, 2020
Carroll	Carrollton Public Library District	Yes	July 27, 2020
Carter	East Carter Ambulance District	Yes	July 29, 2020
Cass	Cass Medical Center	Yes	July 28, 2020
	Dolan & West Dolan FPD	Yes	July 24, 2020
	Garden City FPD	Yes	July 14, 2020
	PWSD 12 Cass County	Yes	July 27, 2020
Chariton	Mendon Public FPD	Yes	July 31, 2020
	Yellow Creek FPD	Yes	July 29, 2020
Christian	Chadwick Rural FPD	Yes	July 27, 2020
	Selmore SRD Christian County	Yes	July 1, 2020
Clay	Liberty Commons CID Clay County	Yes	July 29, 2020
Cole	PWSD 3 Cole County	Yes	July 30, 2020
	PWSD 4 Cole County	Yes	July 9, 2020
	Regional West FPD	Yes	July 31, 2020

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in July 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cooper	Blackwater Volunteer Rural FPD	Yes	July 17, 2020
	Boonville Riverfront TDD	Yes	July 29, 2020
Dade	Good Shepherd NHD	Yes	July 28, 2020
Dent	Dent County FPD	Yes	July 27, 2020
	Dent County Health Center	Yes	July 30, 2020
Douglas	Ava Ambulance District	Yes	July 28, 2020
Dunklin	Dunklin County Ambulance District	Yes	July 26, 2020
	PWSD 3 Dunklin County	Yes	July 27, 2020
Franklin	Gerald Ambulance District	Yes	July 27, 2020
	Union Ambulance District	Yes	July 24, 2020
Gasconade	Gasconade Manor NHD	Yes	July 24, 2020
	Owensville Ambulance District	Yes	July 31, 2020
Gentry	King City FPD	Yes	July 28, 2020
Greene	PWSD 1 Greene County	Yes	July 22, 2020
	Southern Hills CID Greene County	Yes	July 13, 2020
Grundy	Jewett Norris-Grundy County PLD	Yes	July 27, 2020
	Spickard FPD	Yes	July 28, 2020
Harrison	Cainsville FPD	Yes	July 29, 2020
	North Harrison FPD	Yes	July 31, 2020
	PWSD 1 Harrison County	Yes	July 10, 2020
Henry	Clinton Country Club SRD Henry County	Yes	July 27, 2020
Hickory	PWSD 2 Hickory County	Yes	July 13, 2020
Howard	Howard County Ambulance District	Yes	July 28, 2020
Howell	Pomona FPD	Yes	July 29, 2020
	PWSD 1 Howell County	Yes	July 29, 2020
	South Howell Ambulance District	Yes	July 27, 2020
	71 Highway & 150 Highway TDD	Yes	July 30, 2020
Jackson	Grandview Crossing CID	Yes	July 27, 2020
	Mapaville FPD	Yes	July 7, 2020
	Northwest Library Subdistrict	Yes	July 27, 2020
	PWSD 6 Jefferson County	Yes	July 1, 2020
Jefferson	Windsor-Fox Library Subdistrict	Yes	July 27, 2020
	Western Missouri Medical Center	Yes	July 29, 2020
Johnson	PWSD 1 Laclede County	Yes	July 28, 2020
Laclede	Aurora Rural FPD	Yes	July 1, 2020
Lawrence	Mt. Vernon FPD	Yes	July 2, 2020
	Lewis County Health Department & HHA	Yes	July 24, 2020
Lewis	PWSD 2 Lincoln County	Yes	July 6, 2020
Lincoln	Linn County 911 Board	Yes	July 28, 2020
Linn	Linn County Ambulance District	Yes	July 28, 2020
	PWSD 3 Linn-Livingston County	Yes	July 27, 2020
	PWSD 3 Livingston County	Yes	July 8, 2020
Livingston	Samaritan Memorial Hospital	Yes	July 30, 2020
Macon	Marion County NHD	Yes	July 27, 2020
Marion	PWSD 1 Marion County	Yes	July 28, 2020

Appendix D
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in July 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Marion	South River Drainage District	Yes	July 24, 2020
Miller	Heartland Regional Library District	Yes	July 24, 2020
	Miller County Ambulance District	Yes	July 28, 2020
	Tuscumbia FPD	Yes	July 2, 2020
Mississippi	Mississippi County Health	Yes	July 30, 2020
	Mississippi County Library District	Yes	July 28, 2020
Montgomery	Middletown Community FPD	Yes	July 29, 2020
	Montgomery Ambulance District	Yes	July 24, 2020
Morgan	Gravois Arm Sewer District	Yes	July 27, 2020
	Versailles Rural FPD	Yes	July 26, 2020
New Madrid	New Madrid Ambulance District	Yes	July 29, 2020
	PWSD 2 New Madrid County	Yes	July 29, 2020
Newton	Neosho-Newton County PLD	Yes	July 29, 2020
Nodaway	Nodaway County Ambulance District	Yes	July 27, 2020
	Nodaway County Health Center	Yes	July 27, 2020
Oregon	Oregon County Library District	Yes	July 24, 2020
Ozark	Ozark County Ambulance District	Yes	July 9, 2020
Pemiscot	Pemiscot County Memorial Hospital	Yes	July 31, 2020
Pettis	PWSD 1 Pettis-Johnson-Saline County	Yes	July 28, 2020
Phelps	Phelps County Regional Medical Center	Yes	July 24, 2020
Pike	Pike County Health Department	Yes	July 27, 2020
Platte	9 Highway Corridor CID	Yes	July 28, 2020
	Dearborn Area FPD	Yes	July 29, 2020
	Drainage District 1 Platte County	Yes	July 2, 2020
	Farley SRD Platte County	Yes	July 2, 2020
	Northland Regional AD	Yes	July 28, 2020
	Parkville SRD Platte County	Yes	July 2, 2020
	Platte City SRD Platte County	Yes	July 2, 2020
	Platte County Regional Sewer District	Yes	July 29, 2020
	Smithville Area FPD	Yes	July 27, 2020
	Weston SRD Platte County	Yes	July 2, 2020
Polk	Polk County Library District	Yes	July 27, 2020
Pulaski	Farris Family TDD	Yes	July 30, 2020
	Interstate Plaza/North Town Village TDD	Yes	July 30, 2020
	Pulaski County Health Department	Yes	July 24, 2020
Putnam	Putnam County Ambulance District	Yes	July 22, 2020
Ralls	Ralls County Health Department	Yes	July 27, 2020
Ray	Consolidated PWSD 2 Ray County	Yes	July 9, 2020
	Hardin SRD Ray County	Yes	July 28, 2020
	PWSD 1 Ray County	Yes	July 24, 2020
Ripley	PWSD 1 Ripley County	Yes	July 27, 2020
Saline	Gilliam SRD Saline County	Yes	July 2, 2020
	PWSD 3 Saline County	Yes	July 24, 2020
Scotland	Consolidated PWSD 1 Scotland County	Yes	July 27, 2020
	Scotland County Health Department	Yes	July 24, 2020

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2020

Filed in July 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Scott	Scott County Health Department	Yes	July 24, 2020
Shannon	Shannon County Health Department	Yes	July 22, 2020
St. Charles	Bear Creek CID	Yes	July 1, 2020
	Central County Fire & Rescue	Yes	July 2, 2020
	Duckett Creek Sewer District	Yes	July 27, 2020
	Junction CID	Yes	July 6, 2020
	Junction TDD	Yes	July 6, 2020
	Mexico Road TDD	Yes	July 1, 2020
	Rivers Pointe FPD	Yes	July 28, 2020
	West Clay Extension CID	Yes	July 3, 2020
St. Clair	Chloe SRD St. Clair County	Yes	July 21, 2020
	St. Clair County Health Center	Yes	July 30, 2020
St. Francois	PWSD 1 St. Francois County	Yes	July 9, 2020
St. Louis	370/MO Bottom Road/Taussig Road TDD	Yes	July 8, 2020
	Centene Plaza TDD	Yes	July 1, 2020
	Colonial Marketplace CID	Yes	July 3, 2020
	Crossings CID	Yes	July 1, 2020
	Elm Grove TDD	Yes	July 1, 2020
	Francis Place TDD	Yes	July 10, 2020
	Manchester Highlands TDD	Yes	July 9, 2020
	Northeast Ambulance & FPD	Yes	July 1, 2020
	Robinwood West CID	Yes	July 10, 2020
	St. Charles Rock Road TDD	Yes	July 11, 2020
St. Louis City	620 Market TDD	Yes	July 16, 2020
	Crowne Plaza TDD	Yes	July 28, 2020
	Euclid Buckingham TDD	Yes	July 26, 2020
	Hampton/Berthold TDD	Yes	July 28, 2020
	Tower Grove South Concerned Citizen SBD	Yes	July 21, 2020
Ste. Genevieve	Ste. Genevieve County PLD	Yes	July 24, 2020
Stoddard	Stoddard County Public Health	Yes	July 7, 2020
Stone	Stone County Library District	Yes	July 31, 2020
Sullivan	Locust Creek Watershed Subdistrict	Yes	July 24, 2020
	Medicine Creek FPD	Yes	July 30, 2020
Taney	Branson Creek CID	Yes	July 28, 2020
	PWSD 2 Taney County	Yes	July 31, 2020
	PWSD 3 Taney County	Yes	July 27, 2020
	Taney County Health Department	Yes	July 27, 2020
	Taney County Regional SwrD	Yes	July 27, 2020
	Western Taney County FPD	Yes	July 28, 2020
Texas	PWSD 2 Texas County	Yes	July 1, 2020
	PWSD 4 Texas County	Yes	July 31, 2020
	Texas County EMS Board	Yes	July 28, 2020
Vernon	Consolidated PWSD 1 Vernon County	Yes	July 31, 2020
Washington	Potosi FPD	Yes	July 24, 2020
	Washington County 911 Board	Yes	July 28, 2020

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2020

Filed in July 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Wayne	Clearwater FPD	Yes	July 2, 2020
	Wayne County Health Center	Yes	July 27, 2020
Wright	Mountain Grove SRD Wright County	Yes	July 29, 2020
Total Filed		183	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
DD	Drainage District
EMS	Emergency Medical Service
FPD	Fire Protection District
HHA	Home Health Aide
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
SBD	Special Business District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
July 2020**

Report No. 2020-058

September 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

July 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended January 31, 2020 Reports Due July 31, 2020	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in July 2020	6
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in July 2020	7
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in July 2020	8
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in July 2020	9
F	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due May 31, 2020 Filed in July 2020	10
G	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2020 Filed in July 2020	11



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipality required to file a financial report by July 31, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 1 city is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in July 2020, after their filing deadline. The filing status for these 44 cities, 2 towns, and 10 villages is presented in summary on pages 3 and 4 and by individual entity in Appendixes B to G.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

July 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 1 city with a fiscal year end of January 31, 2020, whose financial report was due by July 31, 2020. That 1 municipality filed the report timely. No municipalities were required to file an addendum or certification.

This report includes the filing status for 44 cities, 2 towns, and 10 villages that filed at least one of the items (financial report, addendum, or certification)



Monthly Report on Municipal Court and Revenue Filings
July 2020
Executive Summary

in July 2020, after their filing deadline. Of these municipalities, 42 filed an annual financial report, 15 filed an addendum, and 13 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due July 31, 2020

Fiscal Year Ended January 31, 2020

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cole	City of St. Martins	Yes	July 30, 2020	n/a	n/a
Total Filed		1		0	0
Total Not Filed		0		0	0
Total n/a		0		1	1

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in July 2020

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Saline	City of Sweet Springs	**	August 14, 2019	Yes	Yes
Total Filed		0		1	1

** Filed by September 30, 2019.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in July 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Woodson Terrace	**	October 25, 2019	***	Yes
Total Filed		0		0	1

** Filed by December 31, 2019.

*** Filed after December 31, 2019, but before July 2020.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2020
Filed in July 2020

Fiscal Year Ended September 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cedar	City of El Dorado Springs	***	April 20, 2020	Yes	Yes
Total Filed		0		1	1

*** Filed after March 31, 2020, but before July 2020.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2020
Filed in July 2020

Fiscal Year Ended October 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Raymore	**	April 28, 2020	Yes	Yes
Jasper	City of Cartersville	**	April 7, 2020	***	Yes
	City of Webb City	**	April 30, 2020	Yes	Yes
Total Filed		0		2	3

** Filed by April 30, 2020.

*** Filed after April 30, 2020, but before July 2020.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due May 31, 2020
Filed in July 2020

Fiscal Year Ended November 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Flordell Hills	***	June 25, 2020	***	Yes
Total Filed		0		0	1

*** Filed after May 31, 2020, but before July 2020.

Appendix G
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in July 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Andrew	Village of Country Club	Yes	July 27, 2020	No	n/a
Atchison	City of Fairfax	**	June 30, 2020	Yes	n/a
Barton	City of Liberal	Yes	July 27, 2020	No	n/a
Benton	City of Warsaw	Yes	July 1, 2020	Yes	Yes
Bollinger	Village of Glen Allen	Yes	July 22, 2020	n/a	n/a
Butler	City of Poplar Bluff	Yes	July 10, 2020	Yes	Yes
Caldwell	City of Kingston	Yes	July 15, 2020	n/a	n/a
Camden	City of Osage Beach	**	June 2, 2020	Yes	Yes
Carroll	Town of Carrollton	Yes	July 27, 2020	No	n/a
Carter	City of Van Buren	Yes	July 24, 2020	**	n/a
Clark	City of Revere	Yes	July 30, 2020	n/a	n/a
Cooper	City of Wyaconda	Yes	July 31, 2020	n/a	n/a
	City of Otterville	Yes	July 13, 2020	No	n/a
	Village of Windsor Place	Yes	July 10, 2020	No	n/a
Dade	Village of Arcola	Yes	July 28, 2020	n/a	n/a
	Village of South Greenfield	Yes	July 27, 2020	n/a	n/a
DeKalb	City of Stewartsville	Yes	July 20, 2020	No	n/a
	City of Union Star	Yes	July 27, 2020	No	n/a
Dunklin	City of Cardwell	Yes	July 7, 2020	**	**
Gentry	City of Stanberry	Yes	July 30, 2020	No	n/a
Greene	City of Walnut Grove	Yes	July 7, 2020	No	No
Harrison	City of Ridgeway	Yes	July 14, 2020	No	n/a
	Village of Eagleville	Yes	July 10, 2020	No	n/a
Henry	Village of Tightwad	Yes	July 1, 2020	n/a	n/a
Jackson	City of Lake Lotawana	Yes	July 27, 2020	No	n/a
Jasper	City of Purcell	**	June 30, 2020	Yes	n/a
Jefferson	City of Kimmswick	Yes	July 27, 2020	n/a	n/a
	City of Pevely	**	April 20, 2020	Yes	Yes
Johnson	City of Kingsville	Yes	July 10, 2020	No	n/a
Knox	City of Baring	Yes	July 28, 2020	n/a	n/a
Lincoln	City of Silex	Yes	July 21, 2020	No	n/a
Linn	City of Laclede	Yes	July 28, 2020	n/a	n/a
Madison	City of Marquand	Yes	July 1, 2020	n/a	n/a
McDonald	City of Goodman	Yes	July 17, 2020	No	No
Nodaway	Village of Guilford	Yes	July 4, 2020	No	n/a
Platte	City of Camden Point	Yes	July 9, 2020	No	n/a
	City of Weston	No		Yes	No
Pulaski	City of St. Robert	Yes	July 1, 2020	No	No
Ray	City of Homestead Village	Yes	July 15, 2020	Yes	n/a
Reynolds	City of Centerville	Yes	July 16, 2020	n/a	n/a
Saline	City of Miami	Yes	July 21, 2020	n/a	n/a
St. Charles	City of Cottleville	Yes	July 13, 2020	Yes	**
	Town of Weldon Springs Heights	Yes	July 28, 2020	n/a	n/a
St. Louis	City of Chesterfield	Yes	July 27, 2020	**	No
	City of Dellwood	**	June 26, 2020	Yes	Yes

Appendix G
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020
Filed in July 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Northwoods	Yes	July 15, 2020	**	**
	City of St. Ann	Yes	July 13, 2020	Yes	**
	Village of Champ	**	February 12, 2020	No	Yes
Sullivan	Village of Humphreys	Yes	July 27, 2020	n/a	n/a
Total Filed		42		11	6

** Filed by June 30, 2020.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Polk County, Missouri

The Office of the State Auditor contracted for an audit of Polk County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by Stopp & VanHoy, Certified Public Accountants, and Business Advisors, LLC, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2020
Report No. 2020-057



Nicole Galloway, CPA
Missouri State Auditor

RECOMMENDATION SUMMARY

Recommendations in the contracted audit of Polk County

2019-001	We recommend that the county adopt a budget for all funds and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the county should closely monitor fund balances on an ongoing basis in order to prevent negative fund balances.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.
2019-003	We recommend management develop internal controls over reporting and consult with external consultants, if possible, to ensure an accurate SEFA is prepared.

**The County of Polk
Bolivar, Missouri
Independent Auditor's Reports and Financial Statements
December 31, 2019 and 2018**



**The County of Polk
Bolivar, Missouri
Table of Contents**

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditor's Report.....	1
Financial Statements:	
Statement of Receipts, Disbursements, and Changes in Cash All Governmental Funds: Regulatory Basis	
For the year ended December 31, 2019.....	4
For the year ended December 31, 2018.....	5
Comparative Statements of Receipts, Disbursements, and Changes in Cash Budget and Actual, All Governmental Funds: Regulatory Basis	
For the years ended December 31, 2019 and 2018.....	6
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.....	20
Notes to the Financial Statements.....	21
<u>Federal Compliance Section</u>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance.....	33
Schedule of Expenditures of Federal Awards.....	36
Notes to the Schedule of Expenditures of Federal Awards.....	38
Schedule of Findings and Questioned Costs.....	39
Summary Schedule of Prior Year Findings and Responses.....	42

Independent Auditor's Report

To the County Commission and
Officeholders of Polk County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Polk County, Missouri, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Polk County, Missouri's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by Polk County, Missouri on the basis of accounting practices prescribed or permitted by Missouri law to demonstrate compliance with the State of Missouri's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of Polk County, Missouri as of December 31, 2019 and 2018, or changes in financial position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Polk County, Missouri as of December 31, 2019 and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the basis of accounting practices prescribed or permitted by Missouri law as described in Note 1.

Other Matters

Other Information

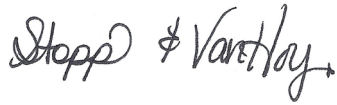
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Polk County, Missouri's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2020 on our consideration of Polk County, Missouri's internal control over financial reporting and on our tests of

its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Polk County, Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Stopp & VanHay". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
July 8, 2020

**The County of Polk
Bolivar, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2019**

<u>Fund</u>	Cash and Equivalents January 1, 2019	Receipts 2019	Disbursements 2019	Cash and Equivalents December 31, 2019
General Revenue	\$ 2,129,954	\$ 1,721,201	\$ 1,673,543	\$ 2,177,612
Special Road and Bridge	30	3,164,613	3,140,672	23,971
Assessment	420,375	355,357	307,079	468,653
Road and Bridge Capital Improvement	1,142,314	1,723,702	1,660,580	1,205,436
General Revenue Savings	1,021,045	69,829	239,116	851,758
Law Enforcement Sales Tax	107,596	2,355,766	2,463,007	355
Collector's Tax Maintenance	17,466	36,267	30,084	23,649
Deputy Sheriff Salary Supplement	(1,555)	50,381	46,071	2,755
Election Service	88,654	13,664	3,887	98,431
Inmate Security	31,239	19,108	17,371	32,976
Law Enforcement Restitution	122,443	90,706	104,042	109,107
Law Enforcement Training	32,057	7,182	12,426	26,813
Prosecuting Attorney Administrative Handling Cost	2	7,889	7,888	3
Prosecuting Attorney Training	(196)	2,358	1,250	912
Recorder User Fee	51,872	17,845	24,880	44,837
Prosecuting Attorney Delinquent Tax	2,081	-	-	2,081
Regional Child Support	26,984	148,372	165,345	10,011
Senior Citizens Service Board	67,485	159,881	134,472	92,894
Sheriff Special Operations	2,793	-	-	2,793
Sheriff Civil Fee	48,601	22,414	24,584	46,431
Special Trust	1,533	7,224	8,297	460
Sheriff Revolving	38,538	13,457	26,316	25,679
Senate Bill 40 Board	480,516	894,031	813,316	561,231
Veteran's Memorial	3,354	44	-	3,398
Total	<u>\$ 5,835,181</u>	<u>\$ 10,881,291</u>	<u>\$ 10,904,226</u>	<u>\$ 5,812,246</u>

See Notes to the Financial Statements

**The County of Polk
Bolivar, Missouri
Statement of Receipts, Disbursements, and Changes in Cash
All Governmental Funds: Regulatory Basis
For the year ended December 31, 2018**

<u>Fund</u>	Cash and Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Equivalents December 31, 2018
General Revenue	\$ 2,004,358	\$ 1,752,567	\$ 1,626,971	\$ 2,129,954
Special Road and Bridge	42	3,932,736	3,932,748	30
Assessment	383,090	349,117	311,832	420,375
Road and Bridge Capital Improvement	900,929	1,690,869	1,449,484	1,142,314
General Revenue Savings	960,505	60,540	-	1,021,045
Law Enforcement Sales Tax	155,938	2,245,785	2,294,127	107,596
Collector's Tax Maintenance	11,524	34,990	29,048	17,466
Deputy Sheriff Salary Supplement	2,583	59,846	63,984	(1,555)
Election Service	81,150	13,721	6,217	88,654
Inmate Security	59,828	18,166	46,755	31,239
Law Enforcement Restitution	143,985	66,384	87,926	122,443
Law Enforcement Training	34,878	9,012	11,833	32,057
Prosecuting Attorney Administrative Handling Cost	78	6,469	6,545	2
Prosecuting Attorney Training	602	1,439	2,237	(196)
Recorder User Fee	47,087	16,845	12,060	51,872
Prosecuting Attorney Delinquent Tax	2,081	-	-	2,081
Regional Child Support	12,716	170,290	156,022	26,984
Senior Citizens Service Board	113,965	158,945	205,425	67,485
Sheriff Special Operations	2,793	-	-	2,793
Sheriff Civil Fee	33,093	23,404	7,896	48,601
Special Trust	964	8,569	8,000	1,533
Sheriff Revolving	82,855	7,679	51,996	38,538
Senate Bill 40 Board	349,660	778,361	647,505	480,516
Veteran's Memorial	3,320	34	-	3,354
Total	<u>\$ 5,388,024</u>	<u>\$ 11,405,768</u>	<u>\$ 10,958,611</u>	<u>\$ 5,835,181</u>

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	General Revenue Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
Receipts				
Property Taxes	\$ 1,045,500	1,025,750	\$ 995,000	\$ 1,045,417
Sales Taxes	-	-	-	-
Intergovernmental	73,733	74,448	110,048	77,247
Charges for Services	529,000	522,558	495,250	526,112
Interest	25,500	33,774	17,000	25,443
Other Receipts	58,722	57,671	59,628	71,348
Transfers In	7,000	7,000	7,000	7,000
Total Receipts	1,739,455	1,721,201	1,683,926	1,752,567
Disbursements				
County Commission	110,785	106,053	108,000	103,348
County Clerk	126,270	119,471	94,352	85,060
Elections	189,360	123,917	278,232	206,142
Building and Grounds	444,635	344,887	516,842	357,782
Employee Fringe Benefits	87,500	83,767	72,000	78,989
County Treasurer	62,325	57,303	56,910	53,406
Collector	181,199	170,886	174,865	151,167
Recorder of Deeds	104,668	96,282	97,358	92,316
Circuit Clerk	162,689	66,277	141,010	69,052
Court Administration	21,514	13,058	21,238	14,108
Public Administrator	93,660	84,736	81,500	80,634
Court Reporter	1,932	938	2,208	908
Surveyor	3,400	3,110	3,400	2,955
Emergency Management	76,620	54,989	77,294	66,427
Other Disbursements	241,029	183,128	234,026	175,445
Transfers Out	486,924	164,741	293,732	89,232
Emergency	52,000	-	50,500	-
Total Disbursements	2,446,510	1,673,543	2,303,467	1,626,971
Receipts Over (Under)				
Disbursements	\$ (707,055)	\$ 47,658	\$ (619,541)	\$ 125,596
Cash and Equivalents, Jan 1	2,129,954	2,129,954	2,004,358	2,004,358
Cash and Equivalents, Dec 31	\$ 1,422,899	\$ 2,177,612	\$ 1,384,817	\$ 2,129,954

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Special Road and Bridge Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ 603,500	\$ 613,027	\$ 570,300	\$ 595,082
Sales Taxes	-	-	-	-
Intergovernmental	1,428,100	1,081,542	2,012,070	2,066,570
Charges for Services	-	-	-	23
Interest	1,100	1,444	750	1,179
Other Receipts	1,000	8,600	1,000	17,777
Transfers In	1,650,000	1,460,000	1,600,000	1,252,105
Total Receipts	3,683,700	3,164,613	4,184,120	3,932,736
<u>Disbursements</u>				
Salaries	680,000	665,791	668,000	657,686
Employee Fringe Benefits	202,000	188,649	205,000	194,320
Supplies	321,500	302,342	320,200	302,040
Insurance	48,100	43,186	41,000	46,076
Road and Bridge Materials	1,236,000	1,138,002	1,236,000	1,102,322
Equipment Repairs	180,000	267,523	160,000	202,678
Rentals	13,000	16,624	10,000	11,863
Equipment Purchases	280,000	317,539	280,000	232,972
Road and Bridge Construction	562,000	83,983	1,082,000	1,066,914
Other Disbursements	112,500	117,033	115,800	115,877
Transfers Out	-	-	-	-
Total Disbursements	3,635,100	3,140,672	4,118,000	3,932,748
Receipts Over (Under)				
Disbursements	\$ 48,600	\$ 23,941	\$ 66,120	\$ (12)
Cash and Equivalents, Jan 1	30	30	42	42
Cash and Equivalents, Dec 31	\$ 48,630	\$ 23,971	\$ 66,162	\$ 30

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Assessment Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-
Intergovernmental	303,840	306,549	292,788	302,998
Charges for Services	-	-	-	-
Interest	4,200	6,900	3,900	4,965
Other Receipts	7,900	8,879	7,200	8,134
Transfers In	33,029	33,029	33,020	33,020
Total Receipts	348,969	355,357	336,908	349,117
<u>Disbursements</u>				
Salaries	193,300	187,380	198,068	172,607
Employee Fringe Benefits	61,625	57,699	56,500	54,225
Materials and Supplies	27,900	20,558	25,900	17,677
Services	26,750	13,421	12,840	13,128
Other Disbursements	-	236	-	-
Capital Outlay	42,000	27,785	58,000	54,195
Transfers Out	-	-	-	-
Total Disbursements	351,575	307,079	351,308	311,832
Receipts Over (Under)				
Disbursements	\$ (2,606)	\$ 48,278	\$ (14,400)	\$ 37,285
Cash and Equivalents, Jan 1	420,375	420,375	383,090	383,090
Cash and Equivalents, Dec 31	\$ 417,769	\$ 468,653	\$ 368,690	\$ 420,375

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Road and Bridge Capital Improvement Fund				General Revenue Savings Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,600,000	1,704,719	1,550,000	1,677,514	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	13,000	18,983	8,000	13,355	9,000	10,829	8,000	9,950
Other Receipts	-	-	-	-	-	7,000	-	90
Transfers In	-	-	-	-	-	52,000	-	50,500
Total Receipts	<u>1,613,000</u>	<u>1,723,702</u>	<u>1,558,000</u>	<u>1,690,869</u>	<u>9,000</u>	<u>69,829</u>	<u>8,000</u>	<u>60,540</u>
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	-	-	-	-
Other Disbursements	200,000	200,580	186,000	197,379	-	-	-	-
Capital Outlay	-	-	-	-	240,000	239,116	-	-
Transfers Out	<u>1,650,000</u>	<u>1,460,000</u>	<u>1,600,000</u>	<u>1,252,105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>1,850,000</u>	<u>1,660,580</u>	<u>1,786,000</u>	<u>1,449,484</u>	<u>240,000</u>	<u>239,116</u>	<u>-</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ (237,000)	\$ 63,122	\$ (228,000)	\$ 241,385	\$ (231,000)	\$ (169,287)	\$ 8,000	\$ 60,540
Cash and Equivalents, Jan 1	<u>1,142,314</u>	<u>1,142,314</u>	<u>900,929</u>	<u>900,929</u>	<u>1,021,045</u>	<u>1,021,045</u>	<u>960,505</u>	<u>960,505</u>
Cash and Equivalents, Dec 31	<u>\$ 905,314</u>	<u>\$ 1,205,436</u>	<u>\$ 672,929</u>	<u>\$ 1,142,314</u>	<u>\$ 790,045</u>	<u>\$ 851,758</u>	<u>\$ 968,505</u>	<u>\$ 1,021,045</u>

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Law Enforcement Sales Tax Fund			
	2019		2018	
	Budget	Actual	Budget	Actual
<u>Receipts</u>				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,600,000	1,704,719	1,550,000	1,677,515
Intergovernmental	153,113	144,494	160,700	107,805
Charges for Services	286,500	338,588	230,750	351,102
Interest	2,900	2,241	2,000	2,987
Other Receipts	54,682	63,734	42,500	52,235
Transfers In	479,198	101,990	321,108	54,141
Total Receipts	<u>2,576,393</u>	<u>2,355,766</u>	<u>2,307,058</u>	<u>2,245,785</u>
<u>Disbursements</u>				
Sheriff	1,159,392	1,104,067	1,052,999	1,017,502
Jail	608,700	578,218	574,100	538,576
Prosecuting Attorney	413,171	395,762	379,218	358,133
Juvenile Office	101,703	78,954	76,023	75,945
Coroner	42,770	32,685	44,318	44,256
Employee Fringe Benefits	278,540	273,321	267,332	257,493
Transfers Out	-	-	-	-
Emergency	75,000	-	63,000	2,222
Total Disbursements	<u>2,679,276</u>	<u>2,463,007</u>	<u>2,456,990</u>	<u>2,294,127</u>
Receipts Over (Under)				
Disbursements	\$ (102,883)	\$ (107,241)	\$ (149,932)	\$ (48,342)
Cash and Equivalents, Jan 1	<u>107,596</u>	<u>107,596</u>	<u>155,938</u>	<u>155,938</u>
Cash and Equivalents, Dec 31	<u>\$ 4,713</u>	<u>\$ 355</u>	<u>\$ 6,006</u>	<u>\$ 107,596</u>

See Notes to the Financial Statements

**The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	Collector's Tax Maintenance Fund				Deputy Sheriff Salary Supplement Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	53,360	41,732	59,329	50,407
Charges for Services	35,010	35,873	32,007	34,755	9,500	8,649	9,100	9,439
Interest	200	394	163	235	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>35,210</u>	<u>36,267</u>	<u>32,170</u>	<u>34,990</u>	<u>62,860</u>	<u>50,381</u>	<u>68,429</u>	<u>59,846</u>
<u>Disbursements</u>								
Salaries	7,280	7,280	5,200	5,200	41,500	34,087	54,100	49,744
Employee Fringe Benefits	560	557	400	398	3,227	2,607	4,121	3,806
Materials and Supplies	7,000	1,955	7,000	1,840	-	-	-	-
Services	23,600	10,606	17,600	11,196	9,500	8,608	9,100	9,439
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	6,560	2,686	5,800	3,414	-	-	-	-
Transfers Out	7,000	7,000	7,000	7,000	1,015	769	1,108	995
Total Disbursements	<u>52,000</u>	<u>30,084</u>	<u>43,000</u>	<u>29,048</u>	<u>55,242</u>	<u>46,071</u>	<u>68,429</u>	<u>63,984</u>
Receipts Over (Under)								
Disbursements	\$ (16,790)	\$ 6,183	\$ (10,830)	\$ 5,942	\$ 7,618	\$ 4,310	\$ -	\$ (4,138)
Cash and Equivalents, Jan 1	<u>17,466</u>	<u>17,466</u>	<u>11,524</u>	<u>11,524</u>	<u>(1,555)</u>	<u>(1,555)</u>	<u>2,583</u>	<u>2,583</u>
Cash and Equivalents, Dec 31	<u>\$ 676</u>	<u>\$ 23,649</u>	<u>\$ 694</u>	<u>\$ 17,466</u>	<u>\$ 6,063</u>	<u>\$ 2,755</u>	<u>\$ 2,583</u>	<u>\$ (1,555)</u>

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Election Service Fund				Inmate Security Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500	3,157	3,000	1,711	-	-	-	-
Charges for Services	5,000	7,125	4,550	5,350	17,300	18,793	19,200	17,731
Interest	800	1,237	600	857	-	-	-	-
Other Receipts	2,500	2,145	6,500	5,803	200	315	600	435
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	10,800	13,664	14,650	13,721	17,500	19,108	19,800	18,166
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	50,000	1,405	50,000	2,890	-	-	-	-
Services	7,500	2,482	7,500	3,327	20,000	17,371	52,000	46,755
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	57,500	3,887	57,500	6,217	20,000	17,371	52,000	46,755
Receipts Over (Under)								
Disbursements	\$ (46,700)	\$ 9,777	\$ (42,850)	\$ 7,504	\$ (2,500)	\$ 1,737	\$ (32,200)	\$ (28,589)
Cash and Equivalents, Jan 1	88,654	88,654	81,150	81,150	31,239	31,239	59,828	59,828
Cash and Equivalents, Dec 31	\$ 41,954	\$ 98,431	\$ 38,300	\$ 88,654	\$ 28,739	\$ 32,976	\$ 27,628	\$ 31,239

See Notes to the Financial Statements

**The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	Law Enforcement Restitution Fund				Law Enforcement Training Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	8,086	8,086	3,000	2,233	3,000	2,917
Charges for Services	55,000	89,060	80,000	55,746	5,300	4,550	6,800	5,734
Interest	1,300	1,646	1,300	1,402	360	399	200	361
Other Receipts	-	-	-	1,150	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>56,300</u>	<u>90,706</u>	<u>89,386</u>	<u>66,384</u>	<u>8,660</u>	<u>7,182</u>	<u>10,000</u>	<u>9,012</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	37,460	-	14,397	13,000	12,426	12,000	11,833
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	175,000	66,582	158,000	73,529	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>175,000</u>	<u>104,042</u>	<u>158,000</u>	<u>87,926</u>	<u>13,000</u>	<u>12,426</u>	<u>12,000</u>	<u>11,833</u>
Receipts Over (Under)								
Disbursements	\$ (118,700)	\$ (13,336)	\$ (68,614)	\$ (21,542)	\$ (4,340)	\$ (5,244)	\$ (2,000)	\$ (2,821)
Cash and Equivalents, Jan 1	<u>122,443</u>	<u>122,443</u>	<u>143,985</u>	<u>143,985</u>	<u>32,057</u>	<u>32,057</u>	<u>34,878</u>	<u>34,878</u>
Cash and Equivalents, Dec 31	<u>\$ 3,743</u>	<u>\$ 109,107</u>	<u>\$ 75,371</u>	<u>\$ 122,443</u>	<u>\$ 27,717</u>	<u>\$ 26,813</u>	<u>\$ 32,878</u>	<u>\$ 32,057</u>

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Prosecuting Attorney Administrative Handling Cost Fund				Prosecuting Attorney Training Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	8,000	7,872	7,500	6,454	1,500	2,358	1,800	1,439
Interest	14	17	20	15	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	8,014	7,889	7,520	6,469	1,500	2,358	1,800	1,439
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	1,300	1,250	2,400	2,237
Other Disbursements	3,000	5,667	-	3,399	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	5,000	2,221	7,500	3,146	-	-	-	-
Total Disbursements	8,000	7,888	7,500	6,545	1,300	1,250	2,400	2,237
Receipts Over (Under)								
Disbursements	\$ 14	\$ 1	\$ 20	\$ (76)	\$ 200	\$ 1,108	\$ (600)	\$ (798)
Cash and Equivalents, Jan 1	2	2	78	78	(196)	(196)	602	602
Cash and Equivalents, Dec 31	\$ 16	\$ 3	\$ 98	\$ 2	\$ 4	\$ 912	\$ 2	\$ (196)

See Notes to the Financial Statements

**The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	Recorder User Fee Fund				Prosecuting Attorney Delinquent Tax Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	17,000	17,162	18,000	16,302	-	-	-	-
Interest	500	683	150	543	-	-	-	-
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	17,500	17,845	18,150	16,845	-	-	-	-
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	-	-	-	-	2,000	-	2,000	-
Other Disbursements	5,000	-	5,000	-	-	-	-	-
Capital Outlay	25,000	24,880	30,000	12,060	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	30,000	24,880	35,000	12,060	2,000	-	2,000	-
Receipts Over (Under)								
Disbursements	\$ (12,500)	\$ (7,035)	\$ (16,850)	\$ 4,785	\$ (2,000)	\$ -	\$ (2,000)	\$ -
Cash and Equivalents, Jan 1	51,872	51,872	47,087	47,087	2,081	2,081	2,081	2,081
Cash and Equivalents, Dec 31	\$ 39,372	\$ 44,837	\$ 30,237	\$ 51,872	\$ 81	\$ 2,081	\$ 81	\$ 2,081

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Regional Child Support Fund				Senior Citizens Service Board Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 144,184	\$ 158,233	\$ 139,010	\$ 157,909
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	152,646	142,130	176,752	164,243	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	500	891	900	779
Other Receipts	-	530	-	335	555	757	600	257
Transfers In	5,712	5,712	5,712	5,712	-	-	-	-
Total Receipts	158,358	148,372	182,464	170,290	145,239	159,881	140,510	158,945
Disbursements								
Salaries	117,006	111,655	114,614	104,639	-	-	-	-
Employee Fringe Benefits	27,225	21,785	21,100	21,815	-	-	-	-
Materials and Supplies	4,200	1,689	4,200	2,550	2,200	75	2,200	-
Services	27,000	23,147	24,400	21,743	210,524	134,397	252,275	205,425
Other Disbursements	200	86	200	145	-	-	-	-
Capital Outlay	6,600	6,983	6,600	5,130	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	182,231	165,345	171,114	156,022	212,724	134,472	254,475	205,425
Receipts Over (Under)								
Disbursements	\$ (23,873)	\$ (16,973)	\$ 11,350	\$ 14,268	\$ (67,485)	\$ 25,409	\$ (113,965)	\$ (46,480)
Cash and Equivalents, Jan 1	26,984	26,984	12,716	12,716	67,485	67,485	113,965	113,965
Cash and Equivalents, Dec 31	\$ 3,111	\$ 10,011	\$ 24,066	\$ 26,984	\$ -	\$ 92,894	\$ -	\$ 67,485

See Notes to the Financial Statements

**The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	Sheriff Special Operations Fund				Sheriff Civil Fee Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Receipts								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	-	-	-	-	22,000	21,702	20,000	22,936
Interest	-	-	-	-	400	712	300	425
Other Receipts	-	-	-	-	-	-	-	43
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	-	-	-	-	22,400	22,414	20,300	23,404
Disbursements								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	2,793	-	2,793	-	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	25,000	24,584	25,000	7,896
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	2,793	-	2,793	-	25,000	24,584	25,000	7,896
Receipts Over (Under)								
Disbursements	\$ (2,793)	\$ -	\$ (2,793)	\$ -	\$ (2,600)	\$ (2,170)	\$ (4,700)	\$ 15,508
Cash and Equivalents, Jan 1	2,793	2,793	2,793	2,793	48,601	48,601	33,093	33,093
Cash and Equivalents, Dec 31	\$ -	\$ 2,793	\$ -	\$ 2,793	\$ 46,001	\$ 46,431	\$ 28,393	\$ 48,601

See Notes to the Financial Statements

**The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018**

	Special Trust Fund				Sheriff Revolving Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Services	8,700	7,224	10,600	8,569	6,500	13,160	3,000	7,245
Interest	-	-	-	-	400	297	400	434
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>8,700</u>	<u>7,224</u>	<u>10,600</u>	<u>8,569</u>	<u>6,900</u>	<u>13,457</u>	<u>3,400</u>	<u>7,679</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	2,500	1,316	2,000	1,996
Services	10,200	8,297	11,564	8,000	-	-	-	-
Other Disbursements	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	25,000	25,000	50,000	50,000
Total Disbursements	<u>10,200</u>	<u>8,297</u>	<u>11,564</u>	<u>8,000</u>	<u>27,500</u>	<u>26,316</u>	<u>52,000</u>	<u>51,996</u>
Receipts Over (Under)								
Disbursements	\$ (1,500)	\$ (1,073)	\$ (964)	\$ 569	\$ (20,600)	\$ (12,859)	\$ (48,600)	\$ (44,317)
Cash and Equivalents, Jan 1	<u>1,533</u>	<u>1,533</u>	<u>964</u>	<u>964</u>	<u>38,538</u>	<u>38,538</u>	<u>82,855</u>	<u>82,855</u>
Cash and Equivalents, Dec 31	<u>\$ 33</u>	<u>\$ 460</u>	<u>\$ -</u>	<u>\$ 1,533</u>	<u>\$ 17,938</u>	<u>\$ 25,679</u>	<u>\$ 34,255</u>	<u>\$ 38,538</u>

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Comparative Statements of Receipts, Disbursements, and Changes in Cash
Budget and Actual, All Governmental Funds: Regulatory Basis
For the years ended December 31, 2019 and 2018

	Senate Bill 40 Board Fund				Veteran's Memorial Fund			
	2019		2018		2019		2018	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<u>Receipts</u>								
Property Taxes	\$ 66,000	\$ 71,428	\$ 62,000	\$ 66,020	\$ -	\$ -	\$ -	\$ -
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	700,000	822,410	650,000	712,099	-	-	-	-
Charges for Services	-	-	-	-	-	-	-	-
Interest	225	193	200	242	30	44	-	34
Other Receipts	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Total Receipts	<u>766,225</u>	<u>894,031</u>	<u>712,200</u>	<u>778,361</u>	<u>30</u>	<u>44</u>	<u>-</u>	<u>34</u>
<u>Disbursements</u>								
Salaries	-	-	-	-	-	-	-	-
Employee Fringe Benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services	707,309	813,316	692,310	647,505	-	-	-	-
Other Disbursements	-	-	-	-	200	-	200	-
Capital Outlay	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Disbursements	<u>707,309</u>	<u>813,316</u>	<u>692,310</u>	<u>647,505</u>	<u>200</u>	<u>-</u>	<u>200</u>	<u>-</u>
Receipts Over (Under)								
Disbursements	\$ 58,916	\$ 80,715	\$ 19,890	\$ 130,856	\$ (170)	\$ 44	\$ (200)	\$ 34
Cash and Equivalents, Jan 1	<u>480,516</u>	<u>480,516</u>	<u>349,660</u>	<u>349,660</u>	<u>3,354</u>	<u>3,354</u>	<u>3,320</u>	<u>3,320</u>
Cash and Equivalents, Dec 31	<u>\$ 539,432</u>	<u>\$ 561,231</u>	<u>\$ 369,550</u>	<u>\$ 480,516</u>	<u>\$ 3,184</u>	<u>\$ 3,398</u>	<u>\$ 3,120</u>	<u>\$ 3,354</u>

See Notes to the Financial Statements

The County of Polk
Bolivar, Missouri
Statements of Assets and Liabilities Arising From Cash Transactions
Agency Funds - Regulatory Basis
December 31, 2019 and 2018

2019					
	Collector	Recorder	Sheriff	Treasurer	Total
Assets					
Cash and Equivalents	\$ 10,821,354	\$ 20,851	\$ 36,627	\$ 326,291	\$ 11,205,123
Total Assets	10,821,354	20,851	36,627	326,291	11,205,123
Liabilities and Fund Balances					
Total Liabilities	10,821,354	20,851	36,627	326,291	11,205,123
	10,821,354	20,851	36,627	326,291	11,205,123
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 10,821,354	\$ 20,851	\$ 36,627	\$ 326,291	\$ 11,205,123
2018					
	Collector	Recorder	Sheriff	Treasurer	Total
Assets					
Cash and Equivalents	\$ 9,620,595	\$ 16,551	\$ 33,367	\$ 922,142	\$ 10,592,655
Total Assets	9,620,595	16,551	33,367	922,142	10,592,655
Liabilities and Fund Balances					
Total Liabilities	9,620,595	16,551	33,367	922,142	10,592,655
	9,620,595	16,551	33,367	922,142	10,592,655
Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ 9,620,595	\$ 16,551	\$ 33,367	\$ 922,142	\$ 10,592,655

See Notes to the Financial Statements

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies

Organized in 1835, the county of Polk was named after former U.S. President James K. Polk. It is a third-class county, and the county seat is Bolivar. Polk County's government is composed of a three-member county commission and the following separately elected Constitutional Officers: County Clerk, Collector, Treasurer, Sheriff, Assessor, Coroner, Circuit Clerk, Recorder of Deeds, Public Administrator, and Prosecuting Attorney.

As discussed further in Note 1, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of Polk County, Missouri, the Polk County Senior Citizens Service Board, and the Polk County Senate Bill 40 Board.

Polk County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include only the primary government of Polk County, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise Polk County's legal entity. The Senior Citizens Service Board and the Senate Bill 40 Board are controlled by separate boards and are also included under the control of the County.

Certain elected County officials, such as the County Collector, Treasurer, and Sheriff, collect and hold monies in a trustee capacity as an agent of an individual, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are included in the Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis.

Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of all funds of Polk County, Missouri, and the comparisons of such information with the corresponding budgeted information for all funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission or an elected county official. The General Revenue Fund is the county's general operation fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

Basis of Accounting

The financial statements were prepared using accounting practices prescribed or permitted by Missouri law, which differ from accounting principles generally accepted in the United States of America. The effects of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation, bonds, and obligations under capital leases), and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If Polk County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Budget and Budgetary Accounting

In accordance with Chapter 50 RSMo, Polk County adopts a budget for each governmental fund.

On or before January 15th, each elected official and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.

A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.

Prior to February 1, the budget is legally enacted by a vote of the County Commission.

Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

Budgets are prepared and adopted on the cash basis of accounting.

During the audit, it was noted the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following funds had actual expenditures which exceeded the budgeted expenditures in 2019: Senate Bill 40 Board Fund. The following funds had an ending deficit fund balance in 2018: Deputy Sheriff Salary Supplement Fund and Prosecuting Attorney Training Fund.

The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (continued)

Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within Polk County's boundaries for the calendar year 2019 and 2018, respectively, for the purposes of County taxation was as follows:

	<u>2019</u>	<u>2018</u>
Real Estate	\$ 238,733,780	\$ 219,004,370
Personal Property	74,965,470	70,926,944
Railroad and Utilities	29,999,912	23,930,627
	<u>\$ 343,699,162</u>	<u>\$ 313,861,941</u>

The tax levy per \$100 assessed valuation of tangible taxable property for the calendar year 2019 and 2018, respectively, for the purpose of County taxation, was as follows:

	<u>2019</u>	<u>2018</u>
General Revenue Fund	\$ 0.3094	\$ 0.3250
Special Road and Bridge Fund	0.2662	0.2811
Senior Citizens Service Board Fund	0.0476	0.0500
Senate Bill 40 Board Fund	0.0200	0.0210

The County also receives sales tax collected by the State and remitted based on the County's sales tax rate to the total sales tax collected in the County.

Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer's funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investments shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in Polk County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

Interfund Transactions

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

Note 2 - Deposits and Investments

Polk County maintains a cash and temporary investment pool that is available for use by all funds. Deposits with maturities greater than three months are considered investments. Each fund type's portion of this pool is displayed on the statements of receipts, disbursements, and changes in cash arising from cash transactions as "Cash and Equivalents." Cash held for others is displayed on the statement of assets and liabilities arising from cash transactions as "Cash and Equivalents."

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits.

The carrying values and bank balances of deposits and investments shown below are included in the financial statements at December 31, 2019, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 13,947,369	\$ 13,977,196
Investments	3,070,000	3,070,000
Total Deposits and Investments as of December 31, 2019	<u>\$ 17,017,369</u>	<u>\$ 17,047,196</u>
Total Cash and Equivalents - Governmental Funds	\$ 5,812,246	
Total Cash and Equivalents - Agency Funds	11,205,123	
	<u>\$ 17,017,369</u>	

The carrying values and bank balances of deposits and investments shown below are included in the financial statements at December 31, 2018, as follows:

	<u>Carrying Value</u>	<u>Bank Balance</u>
Deposits	\$ 13,357,836	\$ 13,403,613
Investments	3,070,000	3,070,000
Total Deposits and Investments as of December 31, 2018	<u>\$ 16,427,836</u>	<u>\$ 16,473,613</u>
Total Cash and Equivalents - Governmental Funds	\$ 5,835,181	
Total Cash and Equivalents - Agency Funds	10,592,655	
	<u>\$ 16,427,836</u>	

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 2 - Deposits and Investments (continued)

Custodial Credit Risk - Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2019 and 2018, 100% of Polk County's deposits and investments were covered by the Federal Deposit Insurance Corporation (FDIC) or were collateralized.

Custodial Credit Risk - Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party that sold the security to Polk County or its agent but not in the government's name. Polk County does not have a policy for custodial credit risk relating to investments.

All investments, evidenced by individual securities, are registered in the name of Polk County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Polk County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by Polk County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U. S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities.

The following investments represent more than 5%, individually, of total investments:

Issuer	Investment Type	2019 Balance	% of Portfolio	2018 Balance	% of Portfolio
Oakstar Bank	Cert. of Deposit	\$ 3,070,000	100.00%	\$ 2,400,000	78.18%
Farmers State Bank	Cert. of Deposit	-	n/a	670,000	21.82%

Note 3 - Long-Term Debt

On June 16, 2014, the County entered into a \$1,400,000 lease purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. for courthouse improvements, payable in ten annual payments of \$159,446 with a final payment due June 16, 2024. The lease agreement carries an interest rate of 2.411%.

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 3 - Long-Term Debt (continued)

On June 12, 2015, the County entered into a \$192,424 lease purchase agreement with Caterpillar Financial Services Corporation for a motor grader, payable in four annual payments of \$16,453 with a final payment of \$150,453 due July 15, 2020. The lease agreement carries an interest rate of 2.710%. On May 19, 2020, the County refinanced the lease purchase agreement for \$137,000 to be payable in four semiannual payments of \$10,671 with a final payment of \$115,800 due September 15, 2022. The new lease agreement carries an interest rate of 6.985%.

On July 31, 2015, the County entered into a \$660,756 lease purchase agreement with Deere Credit Inc. for three 672G motor graders, payable in five annual payments of \$50,369 and a final payment of \$417,000 due on August 31, 2020. The lease agreement carries an interest rate of 0.283%.

On October 2, 2015, the County entered into a \$192,424 lease purchase agreement with Caterpillar Financial Services Corporation for a motor grader payable in four annual payments of \$16,453 with a final payment of \$150,453 due October 2, 2020. The lease agreement carries an interest rate of 2.710%.

On September 26, 2016, the County entered into \$128,800 lease purchase agreement with Deere Credit, Inc. for a 670G motor grader, payable in two annual payments of \$67,102 with a final payment due September 26, 2018. The lease agreement carries an interest rate of 2.750%.

On November 18, 2018, the County entered into a \$94,902 lease purchase agreement with Deere Credit Inc. for a Loader Backhoe payable in one annual payment of \$47,450 and a second annual payment of \$50,274 due February 19, 2020. The lease agreement carries an interest rate of 5.790%.

	Balance at 1/1/2019	Amount Borrowed	Amount Repaid	Balance at 12/31/2019	Interest Paid During Year
Courthouse Improvements	\$ 880,088	\$ -	\$ (137,994)	\$ 742,094	\$ 21,452
Motor Grader	158,519	-	(12,099)	146,420	4,355
3 Motor Graders	514,858	-	(48,909)	465,949	1,460
Motor Grader	158,539	-	(12,104)	146,435	4,350
Motor Grader	-	-	-	-	-
Loader Backhoe	94,902	-	(47,450)	47,452	-
	<u>\$ 1,806,906</u>	<u>\$ -</u>	<u>\$ (258,556)</u>	<u>\$ 1,548,350</u>	<u>\$ 31,617</u>

	Balance at 1/1/2018	Amount Borrowed	Amount Repaid	Balance at 12/31/2018	Interest Paid During Year
Courthouse Improvements	\$ 1,014,798	\$ -	\$ (134,710)	\$ 880,088	\$ 24,736
Motor Grader	170,295	-	(11,776)	158,519	4,678
3 Motor Graders	563,628	-	(48,770)	514,858	1,599
Motor Grader	170,319	-	(11,780)	158,539	4,674
Motor Grader	65,284	-	(65,284)	-	1,818
Loader Backhoe	-	94,902	-	94,902	-
	<u>\$ 1,984,324</u>	<u>\$ 94,902</u>	<u>\$ (272,320)</u>	<u>\$ 1,806,906</u>	<u>\$ 37,505</u>

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 3 - Long-Term Debt (continued)

As of December 31, 2019, the schedule of future payments of long-term debt of the County is as follows:

Year Ending December 31,	Principal	Interest	Total
2020	\$ 810,614	\$ 26,349	\$ 836,963
2021	154,159	26,629	180,788
2022	275,977	19,611	295,588
2023	151,948	7,498	159,446
2024	155,652	3,794	159,446
Total	<u>\$ 1,548,350</u>	<u>\$ 83,881</u>	<u>\$ 1,632,231</u>

Note 4 - Interfund Transfers

Transfers between funds for the years ended December 31, 2019 and 2018 are as follows:

<u>Fund</u>	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 7,000	\$ 164,741	\$ 7,000	\$ 89,232
Special Road and Bridge Fund	1,460,000	-	1,252,105	-
Assessment Fund	33,029	-	33,020	-
Road and Bridge Capital Improvement Fund	-	1,460,000	-	1,252,105
General Revenue Savings Fund	52,000	-	50,500	-
Law Enforcement Sales Tax Fund	101,990	-	54,141	-
Collector's Tax Maintenance Fund	-	7,000	-	7,000
Deputy Sheriff Salary Supplement Fund	-	769	-	995
Prosecuting Attorney Admin. Handling Cost Fund	-	2,221	-	3,146
Regional Child Support Fund	5,712	-	5,712	-
Sheriff Revolving Fund	-	25,000	-	50,000
Total	<u>\$ 1,659,731</u>	<u>\$ 1,659,731</u>	<u>\$ 1,402,478</u>	<u>\$ 1,402,478</u>

Note 5 - State of Missouri County Employees' Retirement Fund (CERF)

Plan Description

The County Employees' Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elected or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under RSMo. Sections 56.800 to 56.840, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under RSMo. Sections 57.949 to 57.997, and certain personnel not defined as an employee per RSMo. Section 50.1000(8). The Fund was created by an act of legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of eleven persons.

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 5 - State of Missouri County Employees' Retirement Fund (CERF) (continued)

Benefits Provided

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, Missouri, 65101, by calling (573) 632-9203, or by visiting the CERF website at www.mocerf.org.

Contributions

Prior to January 1, 2003, participating county employees were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002 are required to make contributions of 6%. If any employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 6% contribution on behalf of employees. During 2019 and 2018, the County remitted to CERF, employee contributions of \$157,525 and \$145,823, respectively, for the years ended.

In addition to the above contributions required of employees, the following fees and penalties prescribed under Missouri law are required to be collected and remitted to CERF by counties covered by the plan:

- Late fees on filing of personal property tax declarations;
- Twenty dollars on each merchants' and manufacturers' license issued;
- Six dollars on each document recorded or filed with county recorders of deeds, with an additional one dollar on each document recorded;
- Three sevenths of the fee on delinquent property taxes; and
- Interest earned on investment of the above collections prior to remittance to CERF.

The County collected and remitted CERF fees and penalties of \$238,277 and \$204,612 for the years ended December 31, 2019 and 2018, respectively.

Further information related to required contributions, pension benefits, other plan terms, and investments and related return and financial information can be found in the notes to the financial statements of CERF's Annual Financial Report.

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 6 - Prosecuting Attorney Retirement Fund

In accordance with state statute RSMo. Section 56.807, Polk County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys' and Circuit Attorneys' Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2019 and 2018.

Note 7 - Other Retirement Plans

Polk County has voluntary 457 and 401(a) plans administered by Empower Retirement (formerly Great-West Retirement Services) which are paid by deductions from employees' salaries. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 457 plan were \$48,361 and \$53,851, respectively. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 for the 401(a) plan were \$19,813 and \$18,488, respectively.

Note 8 - Post Employment Benefits

Polk County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by Polk County.

Note 9 - Claims, Commitments, and Contingencies

Litigation

The County is subject to various claims and legal proceedings covering a wide range of matters in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition of the County.

Compensated Absences

The County provides employees with up to three weeks of paid vacation based upon the number of years of continuous service. This ranges from getting one week after the first year of service, two weeks after two years of service, and three weeks after 10 years of service. Upon termination from county employment, an employee is reimbursed for unused vacation leave, if applicable. County employees receive personal days when they start, after 90 days of continuous employment. An employee is not reimbursed for unused personal time upon termination of employment. Full-time employees earn 4 hours per month of sick time, up to a maximum of 240 hours. Upon voluntary termination, employees will be compensated for half of their unused sick time if the employee provides two weeks' notice. Employees may not be compensated for unused sick time if involuntarily terminated.

Federal and State Assisted Programs

The County receives proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned. Such audits could result in refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

**The County of Polk
Bolivar, Missouri
Notes to the Financial Statements
For the years ended December 31, 2019 and 2018**

Note 9 - Claims, Commitments, and Contingencies (continued)

Other Commitments

Part of the County's taxing district contains a development area subject to an Enhanced Enterprise Zone (EEZ) plan where the County must abate 100% of the real property tax assessed on improvements. If approved, the abatements within the EEZ must continue for 10 years if the business maintains operations and eligibility. Future amounts abated are based on maintaining operations and eligibility and cannot be estimated. The County is committed to abating these taxes through the year ended December 31, 2029.

Note 10 - Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is also a member of the Missouri Association of Counties Self-Injured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$500,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

Note 11 - Subsequent Events

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events have been evaluated through July 8, 2020, the date the financial statements were available to be issued.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact its operating results. However, the related financial impact and duration cannot be estimated at this time.

On May 19, 2020, the County refinanced the June 12, 2015 lease purchase agreement for \$137,000. See Note 3 for more details.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*

Independent Auditor's Report

To the County Commission and
Officeholders of Polk County, Missouri

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of Polk County, Missouri as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise Polk County, Missouri's basic financial statements, and have issued our report thereon dated July 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Polk County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Polk County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Polk County, Missouri's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-002 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Polk County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the schedule of findings and questioned costs as item 2019-001.

Polk County, Missouri's Responses to Findings

Polk County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Polk County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Creve Coeur, Missouri
July 8, 2020

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE
UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission and
Officeholders of Polk County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Polk County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Polk County, Missouri's major federal programs for the years ended December 31, 2019 and 2018. Polk County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Polk County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Polk County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Polk County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Polk County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2019 and 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2019-003. Our opinion on each major federal program is not modified with respect to these matters.

Polk County, Missouri's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Polk County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

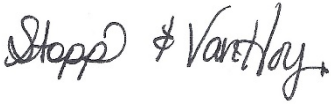
Management of Polk County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Polk County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Polk County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-003, that we consider to be a significant deficiency.

Polk County, Missouri's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Polk County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink, reading "Stopp & VanHoy". The signature is written in a cursive, flowing style.

Creve Coeur, Missouri
July 8, 2020

**The County of Polk
Bolivar, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2019 and 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,		Awards Provided to Subrecipients	
			2019	2018	2019	2018
U.S. Department of Defense						
Passed through state:						
Office of Administration						
Payments to States in Lieu of Real Estate Taxes	12.112	n/a	186	249	-	-
U.S. Department of Interior						
Direct Program:						
Payments in Lieu of Taxes	15.226	n/a	29,224	28,589	-	-
U.S. Department of Justice						
Passed through local:						
Lawrence County, Missouri						
Domestic Cannabis Eradication and Suppression Program	16.000	2018-75	-	8,000	-	-
Domestic Cannabis Eradication and Suppression Program	16.000	2019-79	19,605	-	-	-
Total Domestic Cannabis Eradication and Suppression Program			19,605	8,000	-	-
Passed through state:						
Missouri Association of Prosecuting Attorneys						
Crime Victim Assistance	16.575	ER130180073	70,199	88,379	-	-
Crime Victim Assistance	16.575	ER130200072	13,550	-	-	-
Total Crime Victim Assistance			83,749	88,379	-	-
Direct Program:						
Bulletproof Vest Partnership Program	16.607	n/a	-	8,086	-	-
Passed through state:						
Missouri Department of Public Safety						
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-LLEBG-068	7,421	-	-	-
Total U.S. Department of Justice			110,775	104,465	-	-
U.S. Department of Transportation						
Highway Planning and Construction Cluster						
Passed through state:						
Missouri Highways and Transportation Commission						
Highway Planning and Construction	20.205	BRO-NBIL-B084(13)	-	1,063,710	-	-
Highway Planning and Construction	20.205	BRO-B084(14)	58,556	-	-	-
Total Highway Planning and Construction Cluster			58,556	1,063,710	-	-

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Polk
Bolivar, Missouri
Schedule of Expenditures of Federal Awards
For the years ended December 31, 2019 and 2018**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Number	Federal Expenditures Year Ended December 31,		Awards Provided to Subrecipients	
			2019	2018	2019	2018
U.S. Department of Transportation (continued)						
Highway Safety Cluster						
Passed through:						
University of Central Missouri						
State and Community Highway Safety	20.600	19-PT-02-067	1,276	-	-	-
Passed through:						
University of Central Missouri						
National Priority Safety Programs	20.616	18-M2OP-05-020	-	846	-	-
Total Highway Safety Cluster			1,276	846	-	-
Passed through:						
University of Central Missouri						
Alcohol Open Container Requirements	20.607	18-154-AL-154	-	1,238		
Alcohol Open Container Requirements	20.607	19-154-AL-019	1,979	-		
Total Alcohol Open Container Requirements			1,979	1,238	-	-
Total U.S. Department of Transportation			61,811	1,065,794		
U.S. Department of Health and Human Services						
Passed through state:						
Missouri Department of Social Services						
Child Support Enforcement	93.563	ER10217C078	46,287	45,342		
Total Expenditures of Federal Awards			\$ 248,283	\$ 1,244,439	\$ -	\$ -

See Notes to the Schedule of Expenditures of Federal Awards

**The County of Polk
Bolivar, Missouri
Notes to the Schedule of Expenditures of Federal Awards
For the years ended December 31, 2019 and 2018**

Note 1 - Summary of Significant Accounting Policies

Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This Uniform Guidance requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA number is not available.

This schedule includes all federal awards administered by Polk County, Missouri.

Basis of Presentation

The *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Because the Schedule presents only a selected portion of the operations of Polk County, Missouri, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Polk County, Missouri.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement.

Polk County, Missouri has not elected to use the 10% de minimis indirect cost rate.

**The County of Polk
Bolivar, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2019 and 2018**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued

Unmodified Regulatory Basis

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified that are
not considered to be material weaknesses?

 X Yes _____ None Reported

Any noncompliance material to financial
statements noted?

 X Yes _____ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiencies identified
not considered to be material weaknesses?

 X Yes _____ None Reported

Type of auditor's report issued on
compliance for major programs:

Unmodified

Any audit findings disclosed that are
required to be reported in accordance
with section 2 CFR section 200.516(a)?

 X Yes _____ No

Identification of Major Programs:

CFDA
Number
20.205

Name of Federal Program or Cluster
Highway Planning and Construction Cluster

Dollar threshold used to distinguish
between type A and type B programs:

 \$750,000

Auditee qualified as low-risk auditee?

_____ Yes X No

**The County of Polk
Bolivar, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2019 and 2018**

Section 2 - Financial Statement Findings

2019-001 **Criteria:** Missouri statutes requires Counties to prepare an annual budget as applicable to each fund. Expenditures are not to exceed the budget and funds are not to be budgeted at a deficit. Additionally, expenditures are not to exceed available funds, resulting in a deficit fund balance available.

Condition: During the audit, it was noted the County was not in compliance with Missouri budgetary statute RSMo. Chapter 50. The following funds had actual expenditures which exceeded the budgeted expenditures in 2019: Senate Bill 40 Board Fund. The following funds had an ending deficit fund balance in 2018: Deputy Sheriff Salary Supplement Fund and Prosecuting Attorney Training Fund.

Cause: Oversight

Effect: The County is in violation of Missouri Revised Statutes due to exceeding budgets in certain funds and expending funds in excess of funds available in certain funds.

Recommendation: We recommend that the County adopt a budget for all funds and periodically review its actual expenditures as compared to budgeted amounts. An amended budget should be prepared and approved as necessary to comply with statutes. Additionally, the County should closely monitor fund balances on an ongoing basis in order to prevent negative fund balances.

Management's Response: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (417) 326-4031.

2019-002 **Criteria:** Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Cause: Management has not prepared documentation of risk assessments, including identifying risks and mitigating controls.

Effect: Lack of an appropriate fraud risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze, and manage these risks.

Management's Response: The County will work to prepare a risk assessment procedure. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (417) 326-4031.

**The County of Polk
Bolivar, Missouri
Schedule of Findings and Questioned Costs
For the years ended December 31, 2019 and 2018**

Section 3 - Federal Award Findings and Questioned Costs

2019-003 Federal Grantor: All Programs
Pass-Through Grantor: All Programs
Federal CFDA Number: All Programs
Program Title: All Programs

Criteria: Title 2 U.S. *Code of Federal Regulations* Part 200 requires auditees to prepare an accurate Schedule of Expenditures of Federal Awards (SEFA) containing awards expended, CFDA title and number, award number, name of the Federal agency, name of pass-through entity, and awards paid to subrecipients.

Condition: During our audit, we noted the SEFA contained errors. The County's current internal controls over SEFA reporting are not sufficient enough to ensure correct SEFA reporting.

Cause: Management did not follow reporting requirements related to the Schedule of Expenditures of Federal Awards.

Effect: Federal expenditures reported in the SEFA were incorrect.

Recommendation: We recommend management develop internal controls over reporting and consult with external consultants, if possible, to ensure an accurate SEFA is prepared.

Management's Response: Title 2 U.S. *Code of Federal Regulations* Part 200 is being reviewed and training sessions will be initiated by the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period. The expected completion date is December 31, 2020. The phone number for the County Clerk's office is (417) 326-4031.

**The County of Polk
Bolivar, Missouri
Summary Schedule of Prior Year Findings and Responses
For the years ended December 31, 2019 and 2018**

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Polk County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2015 and 2014.

Prior Year Financial Statement Findings

2015-001 **Condition:** We noted two areas of noncompliance with State Statutes regarding the County's budgeting process during 2015 and 2014, as follows: a) Adoption of formal budget is required by law. However, the County did not adopt a formal budget for the Sheriff's Special Operations Fund in 2015 and 2014. b) Actual expenditures exceeded budgeted expenditures for the Senate Bill 40 Fund in 2015 and 2014. State statutes prohibit the County from approving expenditures in excess of the authorized budgeted amount for any County fund. This requirement ensures that expenditures are subject to public scrutiny as provided by their inclusion in a budget adopted or amended at a public meeting.

Recommendation: We recommend the County Commission and County Clerk ensure compliance with State Statutes by adopting a formal budget for all funds and refraining from approving expenditures in excess of budgeted amounts. In the event that the originally adopted budget is inadequate to finance current year unforeseen expenditures, budgetary amendments should be discussed in a public meeting and formally adopted by the County Commission.

County's Response: We are scheduled to amend the budget on August 16, 2016, at that time we will adopt a formal budget for the Sheriff's Special Operation Fund as per recommendation of the auditors.

2014 is when we started working with the Center for Human Services and we did not have any idea what kind of revenues or expenditures would be associated with this relationship. In the future, the Senate Bill 40 Board will take into consideration when setting the budget expenditures to include any possible requests that may come before the Board during the budget year and budget accordingly, as to not go over in expenditures.

Auditor's Evaluation: The responses are appropriate to correct the concern.

Status: Management has not corrected this issue; therefore, this finding is repeated as 2019-001 in the current year.



POLK COUNTY COMMISSION

SHANNON HANCOCK
Presiding Commissioner

KYLE LEGAN
North Associate Commissioner

REX AUSTIN
South Associate Commissioner

MELINDA ROBERTSON
County Clerk

COUNTY OF POLK • 102 E. Broadway, Room 11 • BOLIVAR, MISSOURI 65613 • (417) 326-4031 - (417) 326-3525 (Fax)
E-mail: clerk@polkcountymo.org • Website: www.polkcountymo.gov

Polk County, Missouri Corrective Action Plan

Corrective Action Plan – 2019-001

Finding: During our audit, it was noted that the County was not in compliance with Missouri budgetary state statute RSMo. Chapter 50.

Contact Person Responsible for Corrective Action: Polk County Clerk

Corrective Action Planned: The County Clerk will perform a detailed review of budgetary schedules and actual expenditures in order to ensure budgetary compliance, and amendments to the budget will be prepared and approved by the County Commission, if necessary.

Anticipated Completion Date: December 31, 2020

Corrective Action Plan – 2019-002

Finding: During our audit, we noted there is no formal fraud risk assessment in place.

Contact Person Responsible for Corrective Action: Polk County Clerk

Corrective Action Planned: The County will work to prepare a risk assessment procedure.

Anticipated Completion Date: December 31, 2020

Corrective Action Plan – 2019-003

Finding: Management has not implemented internal controls related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). During our audit we noted the SEFA contained errors.

Contact Person Responsible for Corrective Action: Polk County Clerk

Corrective Action Planned: Title 2 U.S. *Code of Federal Regulations* Part 200 is being reviewed and training sessions will be initiated by the County Clerk's office. The County Clerk is working towards capturing grant transactions in a manner sufficient to readily report the necessary information required on the SEFA by the next audit period.

Anticipated Completion Date: December 31, 2020



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Linn County, Missouri

The Office of the State Auditor contracted for an audit of the Linn County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2020
Report No. 2020-056



Recommendations in the contracted audit of Linn County

2019-001	The County Treasurer should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.
2019-002	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-003	The county should implement procedures to ensure that the documentation of internal controls over federal awards is addressed going forward.
2019-004	The county should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The county should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

THE COUNTY OF LINN
LINNEUS, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

THE COUNTY OF LINN
LINNEUS, MISSOURI
TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-3
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash Balances - All Governmental Funds - Regulatory Basis	
Year Ended December 31, 2019.....	4
Year Ended December 31, 2018.....	5
Comparative Statements of Receipts, Disbursements and Changes in Cash Balances - Budget and Actual - All Governmental Funds - Regulatory Basis	
Years Ended December 31, 2019 and 2018.....	6-15
 <i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising from Cash Transactions - Agency Funds - Regulatory Basis	
As of December 31, 2019.....	16
As of December 31, 2018.....	17
Notes to the Financial Statements.....	18-27
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings.....	28
 <u>FEDERAL COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	29-30
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	31-33
Schedule of Expenditures of Federal Awards.....	34
Notes to the Schedule of Expenditures of Federal Awards.....	35
Schedule of Findings and Questioned Costs Years Ended December 31, 2019 and 2018.....	36-40
Summary Schedule of Prior Year Findings and Questioned Costs.....	41

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Linn, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Linn ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements - budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the County of Linn’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 16, 2020, on our consideration of the County of Linn's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Linn's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 16, 2020

FINANCIAL STATEMENTS

THE COUNTY OF LINN
LINNEUS, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 1,013,200.25	\$ 1,962,057.63	\$ 1,990,937.02	\$ 984,320.86
Special Road and Bridge Fund	2,166,854.67	1,939,260.21	1,756,706.24	2,349,408.64
Assessment Fund	228,374.42	238,124.19	186,214.41	280,284.20
Special Election Fund	42,554.97	8,066.37	3,620.00	47,001.34
Check Collection Fund	10,758.16	2,050.00	2,393.53	10,414.63
Sheriff Training Fund	-	3,932.76	1,672.76	2,260.00
Prosecuting Attorney Training Fund	1,755.01	1,257.13	1,300.00	1,712.14
Recorders Fund	25,820.99	6,495.65	3,327.50	28,989.14
Shelter of Victims Fund	725.00	420.00	-	1,145.00
911 Fund	(22,909.22)	116,972.99	94,972.62	(908.85)
Juvenile Office Grant Fund	(12,718.41)	36,262.50	34,307.50	(10,763.41)
Tax Maintenance Fund	9,179.37	19,225.76	16,958.02	11,447.11
Drug Court Grant Fund	3,356.33	382,947.94	384,725.24	1,579.03
Senior Citizens' Services Fund Board Fund	13,218.37	75,698.56	77,672.50	11,244.43
Child Support Fund	(18,540.21)	105,319.35	105,642.81	(18,863.67)
Sheriff Deputy Salary Support Fund	(3,761.73)	25,226.91	32,529.58	(11,064.40)
Medical Insurance Fund	201,512.96	164,539.57	220,595.32	145,457.21
County Law Enforcement Restitution Fund	17,458.01	22,449.34	7,313.56	32,593.79
TOTAL	<u>\$ 3,676,838.94</u>	<u>\$ 5,110,306.86</u>	<u>\$ 4,920,888.61</u>	<u>\$ 3,866,257.19</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH BALANCES -
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 1,056,692.86	\$ 1,929,235.47	\$ 1,972,728.08	\$ 1,013,200.25
Special Road and Bridge Fund	1,744,133.54	1,744,354.21	1,321,633.08	2,166,854.67
Assessment Fund	231,426.52	242,284.53	245,336.63	228,374.42
Special Election Fund	44,767.50	7,577.47	9,790.00	42,554.97
Check Collection Fund	9,929.67	3,880.00	3,051.51	10,758.16
Sheriff Training Fund	83.08	4,598.05	4,681.13	-
Prosecuting Attorney Training Fund	2,184.02	802.69	1,231.70	1,755.01
Recorders Fund	22,731.66	6,614.96	3,525.63	25,820.99
Shelter of Victims Fund	965.00	310.00	550.00	725.00
911 Fund	(3,787.92)	135,866.64	154,987.94	(22,909.22)
Juvenile Office Grant Fund	(15,620.91)	43,537.50	40,635.00	(12,718.41)
Tax Maintenance Fund	17,397.34	19,467.37	27,685.34	9,179.37
Drug Court Grant Fund	700.29	255,856.90	253,200.86	3,356.33
Senior Citizens' Services Fund Board Fund	12,442.30	77,797.67	77,021.60	13,218.37
Child Support Fund	(18,500.10)	105,250.04	105,290.15	(18,540.21)
Sheriff Deputy Salary Support Fund	(2,642.30)	32,847.08	33,966.51	(3,761.73)
Medical Insurance Fund	229,078.54	184,068.66	211,634.24	201,512.96
County Law Enforcement Restitution Fund	11,966.60	5,572.88	81.47	17,458.01
TOTAL	<u>\$ 3,343,947.69</u>	<u>\$ 4,799,922.12</u>	<u>\$ 4,467,030.87</u>	<u>\$ 3,676,838.94</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 147,000.00	\$ 141,820.99	\$ 145,000.00	\$ 148,314.88
Sales Taxes	675,000.00	673,787.77	675,000.00	683,787.39
Intergovernmental	436,835.00	464,351.87	436,500.00	491,753.91
Charges for Services	417,100.00	403,614.66	410,000.00	423,456.80
Interest	10,000.00	12,834.57	10,000.00	13,342.68
Other	92,265.00	183,726.15	93,270.00	107,637.81
Transfers In	75,000.00	81,921.62	90,000.00	60,942.00
TOTAL RECEIPTS	1,853,200.00	1,962,057.63	1,859,770.00	1,929,235.47
DISBURSEMENTS				
County Commission	159,200.00	100,740.81	159,200.00	88,351.33
County Clerk	108,000.00	98,849.51	106,763.00	90,759.18
Elections	42,400.00	59,863.29	107,650.00	85,884.07
Buildings and Grounds	189,935.00	99,512.58	183,000.00	88,171.57
Fringe Benefits	221,500.00	171,882.14	233,975.00	185,398.86
Collector-Treasurer	72,250.00	71,192.21	71,727.00	66,466.04
Recorder of Deeds	84,117.00	83,749.08	82,459.00	84,025.36
Circuit Clerk	42,000.00	27,037.29	44,500.00	24,494.73
Court Administration	73,200.00	48,838.71	100,750.00	55,504.22
Public Administrator	31,500.00	28,567.59	31,500.00	29,004.65
Sheriff	454,627.00	442,481.15	454,627.00	442,891.11
Jail	260,000.00	253,647.52	240,000.00	210,226.02
Prosecuting Attorney	173,551.00	167,829.91	169,271.00	153,715.68
Juvenile Officer	133,400.00	108,477.27	136,400.00	100,809.62
Coroner	25,935.00	20,549.44	25,935.00	19,661.79
Other	344,640.00	205,718.52	357,885.00	244,363.85
Health and Welfare	4,000.00	2,000.00	3,000.00	3,000.00
Emergency Fund	400,000.00	-	370,000.00	-
Transfers Out	37,000.00	-	37,000.00	-
TOTAL DISBURSEMENTS	2,857,255.00	1,990,937.02	2,915,642.00	1,972,728.08
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,004,055.00)	(28,879.39)	(1,055,872.00)	(43,492.61)
CASH BALANCES, JANUARY 1	1,013,200.25	1,013,200.25	1,056,692.86	1,056,692.86
CASH BALANCES, DECEMBER 31	\$ 9,145.25	\$ 984,320.86	\$ 820.86	\$ 1,013,200.25

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 74,000.00	\$ 72,630.59	\$ 72,000.00	\$ 73,509.15
Sales Taxes	678,500.00	673,791.39	670,000.00	683,787.37
Intergovernmental	790,860.00	1,169,181.74	1,106,940.00	963,451.16
Charges for Services	-	-	-	-
Interest	-	20,841.69	10,000.00	18,191.98
Other	500.00	2,814.80	-	5,414.55
Transfers In	-	-	-	-
TOTAL RECEIPTS	1,543,860.00	1,939,260.21	1,858,940.00	1,744,354.21
DISBURSEMENTS				
Salaries	169,500.00	146,695.36	169,500.00	147,272.10
Fringe Benefits	73,500.00	34,752.56	73,500.00	40,006.70
Supplies	19,450.00	6,323.34	19,450.00	5,678.91
Insurance	8,000.00	4,503.00	8,000.00	4,716.00
Road and Bridge Materials	304,000.00	113,143.19	304,000.00	127,423.47
Equipment Purchases	145,750.00	6,283.27	145,750.00	8,303.85
Road and Bridge Construction	708,875.00	620,695.07	708,875.00	250,563.89
Other	1,096,732.50	742,388.83	1,096,732.50	676,726.16
Transfers Out	128,306.00	81,921.62	128,306.00	60,942.00
TOTAL DISBURSEMENTS	2,654,113.50	1,756,706.24	2,654,113.50	1,321,633.08
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,110,253.50)	182,553.97	(795,173.50)	422,721.13
CASH BALANCES, JANUARY 1	2,166,854.67	2,166,854.67	1,744,133.54	1,744,133.54
CASH BALANCES, DECEMBER 31	\$ 1,056,601.17	\$ 2,349,408.64	\$ 948,960.04	\$ 2,166,854.67

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	ASSESSMENT FUND				SPECIAL ELECTION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 216,339.00	\$ 229,306.14	\$ 207,262.00	\$ 234,977.10	\$ 3,539.00	\$ 3,538.86	\$ 3,600.00	\$ 3,598.47
Charges for Services	3,000.00	-	4,000.00	-	3,000.00	4,157.35	12,000.00	3,629.54
Interest	2,500.00	2,598.92	2,000.00	2,450.49	340.00	370.16	200.00	349.46
Other	10,500.00	6,219.13	10,500.00	4,856.94	-	-	-	-
Transfers In	-	-	55,739.00	-	-	-	-	-
TOTAL RECEIPTS	232,339.00	238,124.19	279,501.00	242,284.53	6,879.00	8,066.37	15,800.00	7,577.47
DISBURSEMENTS								
Salaries	130,839.00	110,384.21	129,262.00	116,835.29	-	-	-	-
Fringe Benefits	9,000.00	7,914.22	9,000.00	8,763.73	-	-	-	-
Office Supplies	17,000.00	12,463.19	17,000.00	14,954.39	-	-	-	-
Equipment	23,500.00	20,790.79	23,500.00	18,869.58	25,000.00	3,620.00	25,000.00	9,790.00
Mileage and Training	6,500.00	2,920.16	6,500.00	4,395.28	10,000.00	-	10,000.00	-
Work Comp	6,500.00	2,327.00	6,500.00	4,467.00	-	-	-	-
Medical Insurance	20,000.00	18,504.58	20,000.00	14,561.36	-	-	-	-
Unemployment	3,000.00	327.11	3,000.00	490.47	-	-	-	-
Miscellaneous/Emergency	2,500.00	179.15	2,500.00	1,210.37	-	-	-	-
GIS Tech	13,500.00	10,404.00	62,239.00	60,789.16	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	232,339.00	186,214.41	279,501.00	245,336.63	35,000.00	3,620.00	35,000.00	9,790.00
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	51,909.78	-	(3,052.10)	(28,121.00)	4,446.37	(19,200.00)	(2,212.53)
CASH BALANCES, JANUARY 1	228,374.42	228,374.42	231,426.52	231,426.52	42,554.97	42,554.97	44,767.50	44,767.50
CASH BALANCES, DECEMBER 31	\$ 228,374.42	\$ 280,284.20	\$ 231,426.52	\$ 228,374.42	\$ 14,433.97	\$ 47,001.34	\$ 25,567.50	\$ 42,554.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	CHECK COLLECTION FUND				SHERIFF TRAINING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	5,000.00	2,050.00	5,000.00	3,880.00	8,000.00	3,932.76	8,000.00	4,598.05
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	5,000.00	2,050.00	5,000.00	3,880.00	8,000.00	3,932.76	8,000.00	4,598.05
DISBURSEMENTS								
Salary	-	2,056.52	6,264.00	2,412.00	-	-	-	-
Fringe Benefits	-	157.01	480.00	184.51	-	-	-	-
Fee Expenses	-	180.00	1,500.00	455.00	-	-	-	-
Other	5,000.00	-	-	-	-	-	-	-
Training & Education	-	-	-	-	8,000.00	1,672.76	8,000.00	4,681.13
TOTAL DISBURSEMENTS	5,000.00	2,393.53	8,244.00	3,051.51	8,000.00	1,672.76	8,000.00	4,681.13
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(343.53)	(3,244.00)	828.49	-	2,260.00	-	(83.08)
CASH BALANCES, JANUARY 1	10,758.16	10,758.16	9,929.67	9,929.67	-	-	83.08	83.08
CASH BALANCES, DECEMBER 31	<u>\$ 10,758.16</u>	<u>\$ 10,414.63</u>	<u>\$ 6,685.67</u>	<u>\$ 10,758.16</u>	<u>\$ -</u>	<u>\$ 2,260.00</u>	<u>\$ 83.08</u>	<u>\$ -</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY TRAINING FUND				RECORDERS FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,300.00	1,257.13	1,000.00	802.69	6,000.00	6,125.50	6,000.00	6,265.50
Interest	-	-	-	-	300.00	370.15	300.00	349.46
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	1,300.00	1,257.13	1,000.00	802.69	6,300.00	6,495.65	6,300.00	6,614.96
DISBURSEMENTS								
Computer/Equipment & Maintenance	-	-	-	-	4,000.00	578.36	4,000.00	320.00
Maintenance	-	-	-	-	5,000.00	796.50	5,000.00	723.50
Book Binding	-	-	-	-	1,000.00	-	1,000.00	-
Software - Fidler	-	-	-	-	8,000.00	1,586.00	8,000.00	1,586.00
Mileage & Training	1,300.00	1,300.00	1,300.00	1,231.70	2,000.00	366.64	2,000.00	896.13
TOTAL DISBURSEMENTS	1,300.00	1,300.00	1,300.00	1,231.70	20,000.00	3,327.50	20,000.00	3,525.63
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(42.87)	(300.00)	(429.01)	(13,700.00)	3,168.15	(13,700.00)	3,089.33
CASH BALANCES, JANUARY 1	1,755.01	1,755.01	2,184.02	2,184.02	25,820.99	25,820.99	22,731.66	22,731.66
CASH BALANCES, DECEMBER 31	\$ 1,755.01	\$ 1,712.14	\$ 1,884.02	\$ 1,755.01	\$ 12,120.99	\$ 28,989.14	\$ 9,031.66	\$ 25,820.99

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHELTER OF VICTIMS FUND				911 FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 275.00	\$ 420.00	\$ -	\$ 310.00	\$ 211,805.00	\$ 116,972.99	\$ 190,000.00	\$ 135,866.64
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	275.00	420.00	-	310.00	211,805.00	116,972.99	190,000.00	135,866.64
DISBURSEMENTS								
Personnel Services	-	-	-	-	110,000.00	43,600.00	90,445.00	109,000.00
Contractual Services	-	-	-	-	77,345.00	51,372.62	96,900.00	45,987.94
Commodities	-	-	-	-	50.00	-	50.00	-
Training & Education	-	-	-	-	1,500.00	-	1,500.00	-
Other	275.00	-	275.00	550.00	-	-	-	-
TOTAL DISBURSEMENTS	275.00	-	275.00	550.00	188,895.00	94,972.62	188,895.00	154,987.94
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	420.00	(275.00)	(240.00)	22,910.00	22,000.37	1,105.00	(19,121.30)
CASH BALANCES, JANUARY 1	725.00	725.00	965.00	965.00	(22,909.22)	(22,909.22)	(3,787.92)	(3,787.92)
CASH BALANCES, DECEMBER 31	\$ 725.00	\$ 1,145.00	\$ 690.00	\$ 725.00	\$ 0.78	\$ (908.85)	\$ (2,682.92)	\$ (22,909.22)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	JUVENILE OFFICE GRANT FUND				TAX MAINTENANCE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 65,464.00	\$ 36,262.50	\$ 81,875.00	\$ 43,537.50	\$ -	\$ -	\$ -	\$ -
Charges For Services	-	-	-	-	26,000.00	19,225.76	26,000.00	19,205.90
Interest	-	-	-	-	225.00	-	225.00	261.47
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	65,464.00	36,262.50	81,875.00	43,537.50	26,225.00	19,225.76	26,225.00	19,467.37
DISBURSEMENTS								
Contracts & Services	65,464.00	34,307.50	44,226.00	40,635.00	-	-	-	-
Equipment	-	-	16,875.00	-	-	-	-	-
Salary	-	-	-	-	2,000.00	1,730.56	2,000.00	1,725.76
Fringe Benefits	-	-	-	-	300.00	115.05	300.00	95.76
Medical Insurance	-	-	-	-	500.00	341.04	500.00	351.24
Other	-	-	-	-	32,200.00	14,771.37	32,200.00	25,512.58
TOTAL DISBURSEMENTS	65,464.00	34,307.50	61,101.00	40,635.00	35,000.00	16,958.02	35,000.00	27,685.34
RECEIPTS OVER (UNDER) DISBURSEMENTS	-	1,955.00	20,774.00	2,902.50	(8,775.00)	2,267.74	(8,775.00)	(8,217.97)
CASH BALANCES, JANUARY 1	(12,718.41)	(12,718.41)	(15,620.91)	(15,620.91)	9,179.37	9,179.37	17,397.34	17,397.34
CASH BALANCES, DECEMBER 31	<u>\$ (12,718.41)</u>	<u>\$ (10,763.41)</u>	<u>\$ 5,153.09</u>	<u>\$ (12,718.41)</u>	<u>\$ 404.37</u>	<u>\$ 11,447.11</u>	<u>\$ 8,622.34</u>	<u>\$ 9,179.37</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	DRUG COURT GRANT FUND				SENIOR CITIZENS' SERVICES FUND BOARD FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 311,300.00	\$ 370,952.94	\$ 326,300.00	\$ 239,105.77	\$ -	\$ -	\$ -	\$ -
Charges For Services	15,000.00	11,995.00	-	16,751.13	78,000.00	75,685.38	75,000.00	77,793.47
Interest	-	-	-	-	3.00	13.18	3.00	4.20
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	326,300.00	382,947.94	326,300.00	255,856.90	78,003.00	75,698.56	75,003.00	77,797.67
DISBURSEMENTS								
Salaries/Personnel	56,000.00	63,707.27	56,000.00	61,345.28	-	-	-	-
Fringe Benefits	2,300.00	3,007.60	2,300.00	2,442.75	-	-	-	-
Unemployment	500.00	106.64	500.00	108.81	-	-	-	-
Travel/Training	18,000.00	9,161.37	18,000.00	17,312.84	100.00	-	100.00	-
Drug Testing	10,000.00	2,712.45	10,000.00	5,704.07	-	-	-	-
Contracts/Services	234,500.00	302,332.20	234,500.00	163,343.38	-	-	-	-
Other	5,000.00	3,697.71	5,000.00	2,943.73	-	-	-	-
Serve Link	-	-	-	-	8,500.00	8,400.00	6,300.00	6,300.00
Brookfield Senior Center	-	-	-	-	39,000.00	34,600.00	39,000.00	35,292.00
Marceline Senior Center	-	-	-	-	39,000.00	34,600.00	39,000.00	33,908.00
Newspaper Ad	-	-	-	-	50.00	72.50	50.00	21.60
Rail	-	-	-	-	-	-	1,500.00	1,500.00
TOTAL DISBURSEMENTS	326,300.00	384,725.24	326,300.00	253,200.86	86,650.00	77,672.50	85,950.00	77,021.60
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	-	(1,777.30)	-	2,656.04	(8,647.00)	(1,973.94)	(10,947.00)	776.07
CASH BALANCES, JANUARY 1	3,356.33	3,356.33	700.29	700.29	13,218.37	13,218.37	12,442.30	12,442.30
CASH BALANCES, DECEMBER 31	\$ 3,356.33	\$ 1,579.03	\$ 700.29	\$ 3,356.33	\$ 4,571.37	\$ 11,244.43	\$ 1,495.30	\$ 13,218.37

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	CHILD SUPPORT FUND				SHERIFF DEPUTY SALARY SUPPORT FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 124,240.21	\$ 105,319.35	\$ 124,200.10	\$ 105,250.04	\$ 35,623.00	\$ 23,066.91	\$ 35,622.86	\$ 32,847.08
Charges For Services	-	-	-	-	4,000.00	2,160.00	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	124,240.21	105,319.35	124,200.10	105,250.04	39,623.00	25,226.91	35,622.86	32,847.08
DISBURSEMENTS								
Salaries/Fringe Benefits/Unemployment/Medical Ins	91,349.00	90,996.56	91,349.00	91,134.41	-	5,120.00	-	5,180.00
Training, Dues/Mileage	5,500.00	5,078.95	5,500.00	4,395.89	31,715.00	25,434.30	31,714.80	26,723.12
Office Supplies/Postage	1,401.00	2,044.47	1,401.00	1,183.43	-	-	-	-
Copy Machine	500.00	867.62	500.00	1,106.24	-	-	-	-
Telephone/Utilities	6,450.00	6,034.99	6,450.00	7,316.18	-	-	-	-
Other	-	371.22	-	154.00	-	-	-	-
Equip & Repair	500.00	249.00	500.00	-	-	-	-	-
Payroll Taxes	-	-	-	-	2,398.00	1,945.74	2,398.44	2,044.20
Work Comp	-	-	-	-	1,510.00	29.54	1,509.62	19.19
TOTAL DISBURSEMENTS	105,700.00	105,642.81	105,700.00	105,290.15	35,623.00	32,529.58	35,622.86	33,966.51
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	18,540.21	(323.46)	18,500.10	(40.11)	4,000.00	(7,302.67)	-	(1,119.43)
CASH BALANCES, JANUARY 1	(18,540.21)	(18,540.21)	(18,500.10)	(18,500.10)	(3,761.73)	(3,761.73)	(2,642.30)	(2,642.30)
CASH BALANCES, DECEMBER 31	\$ -	\$ (18,863.67)	\$ -	\$ (18,540.21)	\$ 238.27	\$ (11,064.40)	\$ (2,642.30)	\$ (3,761.73)

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN
CASH BALANCES -
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	MEDICAL INSURANCE FUND				COUNTY LAW ENFORCEMENT RESTITUTION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges For Services	-	-	-	-	5,000.00	22,449.34	5,000.00	5,572.88
Interest	-	-	-	-	-	-	-	-
Other	190,000.00	164,539.57	180,000.00	184,068.66	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	190,000.00	164,539.57	180,000.00	184,068.66	5,000.00	22,449.34	5,000.00	5,572.88
DISBURSEMENTS								
Medical Insurance	120,000.00	125,481.53	115,000.00	117,561.32	-	-	-	-
Claims Expense	80,000.00	95,113.79	65,000.00	94,072.92	-	-	-	-
Mileage	-	-	-	-	500.00	2,073.25	500.00	-
Office & Computer Equip, etc	-	-	-	-	4,500.00	5,240.31	4,500.00	81.47
TOTAL DISBURSEMENTS	200,000.00	220,595.32	180,000.00	211,634.24	5,000.00	7,313.56	5,000.00	81.47
RECEIPTS OVER (UNDER) DISBURSEMENTS	(10,000.00)	(56,055.75)	-	(27,565.58)	-	15,135.78	-	5,491.41
CASH BALANCES, JANUARY 1	201,512.96	201,512.96	229,078.54	229,078.54	17,458.01	17,458.01	11,966.60	11,966.60
CASH BALANCES, DECEMBER 31	<u>\$ 191,512.96</u>	<u>\$ 145,457.21</u>	<u>\$ 229,078.54</u>	<u>\$ 201,512.96</u>	<u>\$ 17,458.01</u>	<u>\$ 32,593.79</u>	<u>\$ 11,966.60</u>	<u>\$ 17,458.01</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	<u>Collector-Treasurer</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 9,302,715.19	\$ 3,698.28	\$ 3,170.60	\$ 9,309,584.07
Investments				
Other Investments	-	-	-	-
Total Investments	-	-	-	-
Total Assets	9,302,715.19	3,698.28	3,170.60	9,309,584.07
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	9,302,715.19	3,698.28	3,170.60	9,309,584.07
UNRESERVED FUND BALANCES	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,302,715.19</u>	<u>\$ 3,698.28</u>	<u>\$ 3,170.60</u>	<u>\$ 9,309,584.07</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS -
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	<u>Collector-Treasurer</u>	<u>Sheriff</u>	<u>Prosecuting Attorney</u>	<u>Total Agency Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 8,392,709.52	\$ 3,167.86	\$ 3,975.23	\$ 8,399,852.61
Investments				
Other Investments	-	-	-	-
Total Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	8,392,709.52	3,167.86	3,975.23	8,399,852.61
LIABILITIES AND FUND BALANCES				
TOTAL LIABILITIES	<u>8,392,709.52</u>	<u>3,167.86</u>	<u>3,975.23</u>	<u>8,399,852.61</u>
UNRESERVED FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,392,709.52</u>	<u>\$ 3,167.86</u>	<u>\$ 3,975.23</u>	<u>\$ 8,399,852.61</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Linn, Missouri ("County"), which is governed by a three-member board of commissioners, was established in 1837 by an Act of the Missouri Territory. In addition to the three Commissioners, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, County Clerk, Collector-Treasurer, Coroner, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the primary government of the County of Linn, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County's legal entity. The SB40 Board and 911 have separate audits.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector-Treasurer and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of using this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget included estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1, and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	2019	2018
Real Estate	\$ 90,989,029	\$ 89,408,942
Personal Property	49,922,644	47,072,365
Railroad and Utilities	29,027,272	24,992,842
	<u>\$ 169,938,945</u>	<u>\$ 161,474,149</u>

During 2019 and 2018, the County Commission approved a \$0.1216 and 0.1213, respectively, tax levy per \$100 of assessed valuation of tangible taxable property, for purposes of County taxation, as follows:

	2019	2018
General Revenue Fund	\$ 0.0725	\$ 0.0725
Senior Citizens' Services Fund Board Fund	0.0491	0.0488
	<u>\$ 0.1216</u>	<u>\$ 0.1213</u>

F. Cash and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balances. Cash equivalents include repurchase agreements and any other instruments with an original maturity of 90 days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. DEPOSITS

The County maintains a cash investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash is separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amounts of the County's deposits were \$3,866,257.19 and \$3,676,838.94, and the bank balances were \$11,452,713.19 and \$9,591,114.01, respectively. The total bank balances as of December 31, 2019, and 2018 were not fully insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in
Cash Balances -

Deposits	\$ 3,866,257.19
Total Governmental Funds	<u>3,866,257.19</u>

Statement of Assets and Liabilities Arising from Cash Transactions
– Agency Funds:

Deposits	<u>9,309,584.07</u>
Total Agency Funds	<u>9,309,584.07</u>

Total Deposits as of December 31, 2019	<u><u>\$ 13,175,841.26</u></u>
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THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS (concluded)

The carrying values of deposits at December 31, 2018, are as follows:

Included in the following fund financial statement captions:

<u>Statement of Receipts, Disbursements and Changes in</u> <u>Cash Balances -</u>	
Deposits	\$ 3,676,838.94
Total Governmental Funds	3,676,838.94
<u>Statement of Assets and Liabilities Arising from Cash Transactions</u> <u>- Agency Funds:</u>	
Deposits	8,399,852.61
Total Agency Funds	8,399,852.61
 Total Deposits as of December 31, 2018	 \$ 12,076,691.55

Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2019, and 2018.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2019, and 2018.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

On November 26, 2019, Linn County entered into a lease purchase agreement with Preferred Bank in the amount of \$84,745.80 for the purchase of Motorola Radio Equipment. The Lease Purchase agreement calls for sixty monthly payments of \$1,541.71 and carries a 3.50% interest rate.

As of December 31, 2019, the schedule of future payments of the lease purchase agreement of the County is as follows:

Year Ending December 31,	Interest	Principal	Total
2020	\$ 2,675.53	\$ 15,824.99	\$ 18,500.52
2021	2,104.74	16,395.78	18,500.52
2022	1,521.58	16,978.94	18,500.52
2023	917.68	17,582.84	18,500.52
2024	293.68	16,665.13	16,958.81
	<u>\$ 7,513.21</u>	<u>\$ 83,447.68</u>	<u>\$ 90,960.89</u>

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019, and 2018 are as follows:

	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 81,921.62	\$ -	\$ 60,942.00	\$ -
Special Road and Bridge Fund	<u>-</u>	<u>81,921.62</u>	<u>-</u>	<u>60,942.00</u>
TOTAL	<u>\$ 81,921.62</u>	<u>\$ 81,921.62</u>	<u>\$ 60,942.00</u>	<u>\$ 60,942.00</u>

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs. Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system.

CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55. Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. Counties may elect to make all or a portion of the required 4% contribution on behalf of employees. Total contributions remitted to CERF for the years ended December 31, 2019, and 2018, were \$149,417.70 and \$145,909.37, respectively.

VI. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. The County had no COBRA participants at December 31, 2019, and December 31, 2018.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$3,366 and \$3,366, respectively, for the years ended December 31, 2019, and 2018.

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

The County provides employees with up to four weeks of paid vacation based upon the number of years of continuous service. Upon termination from county employment, an employee is reimbursed for unused vacation if vested and overtime if applicable. Unused sick time is not reimbursed. These have not been subjected to auditing procedures.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VIII. CLAIMS COMMITMENTS AND CONTINGENCIES (concluded)

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

IX. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. Insurance is obtained from commercial insurance companies. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

X. SUBSEQUENT EVENTS

There were no subsequent events to report as of the date of the audit report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF LINN
LINNEUS, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDINGS

- A. For the year ended December 31, 2018, the County's actual expenses exceeded those budgeted for the following funds: Shelter of Victims Fund and Medical Insurance Fund.
- B. For the year ended December 31, 2019, the County's actual expenses exceeded those budgeted for the following funds: Drug Court Grant Fund, Medical Insurance Fund and County Law Enforcement Restitution Fund.
- C. For the year ended December 31, 2018, the County deficit budgeted the following funds: 911 Fund and Sheriff Deputy Salary Support Fund.
- D. For the year ended December 31, 2019, the County deficit budgeted the following funds: Juvenile Office Grant Fund.
- E. For the year ended December 31, 2018, the County had deficit balances for the following funds: 911 Fund, Juvenile Office Grant Fund, Child Support Fund and Sheriff Deputy Salary Support Fund.
- F. For the year ended December 31, 2019, the County had deficit balances for the following funds: 911 Fund, Juvenile Office Grant Fund, Child Support Fund and Sheriff Deputy Salary Support Fund.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Linn, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Linn ("County") as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated July 16, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 16, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the County Commission
The County of Linn, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Linn's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2019, and 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2019, and 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

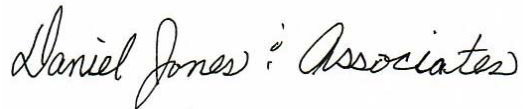
Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

July 16, 2020

THE COUNTY OF LINN
LINNEUS, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	12/31/19 PROVIDED TO SUBRECIPIENTS	12/31/19 FEDERAL EXPENDITURES	12/31/18 PROVIDED TO SUBRECIPIENTS	12/31/18 FEDERAL EXPENDITURES	TOTAL FEDERAL EXPENDITURES
U.S. DEPARTMENT OF JUSTICE							
Passed Through Missouri Department of Public Safety: Crime Victim Assistance	16.575		\$ -	\$ 73,141.87	\$ -	\$ 67,107.52	\$ 140,249.39
Drug Court Discretionary Grant Program	16.585	2018-DC-BX-0134	-	20,479.22	-	-	20,479.22
<i>Total U.S. Department of Justice</i>			-	93,621.09	-	67,107.52	160,728.61
U.S. DEPARTMENT OF TRANSPORTATION							
Passed Through Missouri Highway and Transportation Commission:							
Highway Planning and Construction Cluster:							
Highway Planning and Construction	20.205	BRO-B058(40)	-	186,352.32	-	-	186,352.32
Highway Planning and Construction	20.205	BRO-B058(41)	-	242,524.83	-	-	242,524.83
Highway Planning and Construction	20.205	BRO-B058(37)	-	-	-	196,164.85	196,164.85
<i>Total Highway Planning and Construction Cluster</i>			-	428,877.15	-	196,164.85	625,042.00
<i>Total U.S. Department of Transportation</i>			-	428,877.15	-	196,164.85	625,042.00
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Passed Through Missouri Department of Social Services: Substance Abuse and Mental Health Services	93.243	1H79TI081023-01	-	316,685.06	-	213,304.30	529,989.36
Child Support Enforcement Grant	93.563		-	69,724.25	-	69,609.31	139,333.56
<i>Total U.S. Department of Health and Human Services</i>			-	386,409.31	-	282,913.61	669,322.92
U.S. DEPARTMENT OF HOMELAND SECURITY							
Passed Through Missouri Department of Public Safety:							
Emergency Management Performance Grants	97.042	EMK-2019-EP-00001-066	-	300.00	-	-	300.00
Emergency Management Performance Grants	97.042	EMK-2018-EP-00003-063	-	-	-	1,565.33	1,565.33
<i>Total U.S. Department of Homeland Security</i>			-	300.00	-	1,565.33	1,865.33
Total Expenditures of Federal Awards			\$ -	\$ 909,207.55	\$ -	\$ 547,751.31	\$ 1,456,958.86

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

THE COUNTY OF LINN
LINNEUS, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019 AND 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the County of Linn under programs of the federal government for the years ended December 31, 2019, and 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Linn, it is not intended to and does not present the financial position, changes in net assets, or cash flows, of the County of Linn.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County of Linn has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended December 31, 2019, and 2018.

THE COUNTY OF LINN
LINNEUS, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
2018 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 ☒ Yes ☐ No
2018 ☒ Yes ☐ No

THE COUNTY OF LINN
LINNEUS, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. FINANCIAL STATEMENT FINDINGS (concluded)

2019-002 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

Views of Responsible Officials and Planned Corrective Actions: The County does have an Internal Control Narratives and Policy already in place. A folder is prepared for each grant based on budget and the grant amount. Bills are approved by Commissioners and paid the balance monthly. The County will continue to develop internal control procedures accordingly. The Commission's phone number is (660) 895-5547.

THE COUNTY OF LINN
LINNEUS, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019, AND 2018

2019-003

Federal Grantor:	All federal grantors listed on SEFA schedule
Pass-Through Grantor:	All pass-through grantors listed on SEFA schedule
Federal CFDA Number:	All federal CFDA numbers listed on SEFA schedule
Program Title:	All program titles listed on SEFA schedule
Pass-Through Entity Identifying Number:	All pass-through entity identifying numbers listed on SEFA schedule
Award Year:	2019 and 2018
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires the auditee to document internal controls over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required internal control documentation over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required internal control documentation over federal awards.

Effect: No documentation of internal controls over federal awards.

Cause: The County was not aware of this required assessment under the Uniform Guidance for the 2019-2018 audit years.

Recommendation: The County should implement procedures to ensure that the documentation of internal controls over federal awards is addressed going forward.

Views of responsible officials and planned corrective actions: The County has an Internal Control Policy in place. Each federal program director will be implementing internal controls for each individual grant and will be completed by the next audit period. The Commission's phone number is (660) 895-5547.

THE COUNTY OF LINN
LINNEUS, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEARS ENDED DECEMBER 31, 2019, AND 2018 (concluded)

2019-004

Federal Grantor:	All federal grantors listed on SEFA schedule
Pass-Through Grantor:	All pass-through grantors listed on SEFA schedule
Federal CFDA Number:	All federal CFDA numbers listed on SEFA schedule
Program Title:	All program titles listed on SEFA schedule
Pass-Through Entity Identifying Number:	All pass-through entity identifying numbers listed on SEFA schedule
Award Year:	2019 and 2018
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: The Uniform Guidance requires the auditee to prepare the Schedule of Expenditures of Federal Awards in accordance with 2 CFR Section 200.502, Basis for Determining Federal Awards Expended.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards. Prior to these corrections, the Schedule of Expenditures of Federal Awards was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

Recommendation: The County should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

Views of responsible officials and planned corrective actions: The County will be implementing a tracking system for monitoring each grant individually and continue in its efforts to prepare a schedule of expenditures of federal awards with correct information. The Commission's phone number is (660) 895-5547.

THE COUNTY OF LINN
LINNEUS, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

There were no financial statement findings for the year ended December 31, 2017.

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no federal award findings or questioned costs for the year ended December 31, 2017.



Linn County
108 North High, Linneus, MO 64653
Fax: (660) 895-5527

Dick King-Presiding Commissioner
Mike Brown-1st District Commissioner
Josh Muck- 2nd District Commissioner
(660) 895-5547

Suzan Stephenson-County Clerk
Dianna Dimitt-Deputy Clerk
Monica Cochenour-Registration Clerk
(660) 895-5417

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2019 AND 2018**

There are no prior audit findings to report.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

July 16, 2020

To the County Commissioners
The County of Linn, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Linn (the "County") as of and for the years ended December 31, 2019, and 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in the County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in internal control to be significant deficiencies as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiencies Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. The responses have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

2019-001 Criteria: The County's deposits held by financial institutions must be fully collateralized through the Federal Deposit Insurance Corporation (FDIC) or securities pledged by the financial institution.

Condition: During our review of the County's bank accounts, it was noted that the County's deposits were under-collateralized for the years ended December 31, 2019 and December 31, 2018.

Context: The County's bank accounts were under-collateralized for the years ended December 31, 2019 and December 31, 2018.

Effect: There is a risk that the County's under-collateralized bank balances may not be returned to the County because the balances were not fully collateralized with coverage under FDIC or other pledged securities.

Cause: Adequate oversight was not in place to ensure all bank account balances were secured through FDIC or other pledged securities.

Recommendation: The County Treasurer should periodically review with the bank that its deposits are fully collateralized with securities pledged and FDIC insurance.

Views of Responsible Officials and Planned Corrective Actions: The bank was made aware that this happened and said they would watch the collateral pledges more closely. Also, the Collector-Treasurer will watch them better. The Commission's phone number is (660) 895-5547.

2019-002 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2019-002 Views of Responsible Officials and Planned Corrective Actions: The County does have an Internal Control Narratives and Policy already in place. A folder is prepared for each grant based on budget and the grant amount. Bills are approved by Commissioners and paid the balance monthly. The County will continue to develop internal control procedures accordingly. The Commission's phone number is (660) 895-5547.

2019-003

Federal Grantor:	All federal grantors listed on SEFA schedule
Pass-Through Grantor:	All pass-through grantors listed on SEFA schedule
Federal CFDA Number:	All federal CFDA numbers listed on SEFA schedule
Program Title:	All program titles listed on SEFA schedule
Pass-Through Entity Identifying Number:	All pass-through entity identifying numbers listed on SEFA schedule
Award Year:	2019 and 2018
Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective internal controls over Federal awards, regulation and the terms and conditions of the Federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to document internal controls over federal awards.

Condition: Through auditing procedures, we identified that the County has not prepared the required internal control documentation over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required internal control documentation over federal awards.

Effect: No documentation of internal controls over federal awards.

Cause: The County was not aware of this required assessment under the Uniform Guidance for the 2019-2018 audit years.

Recommendation: The County should implement procedures to ensure that the documentation of internal controls over federal awards is addressed going forward.

Views of responsible officials and planned corrective actions: The County has an Internal Control Policy in place. Each federal program director will be implementing internal controls for each individual grant and will be completed by the next audit period. The Commission's phone number is (660) 895-5547.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2019-004	Federal Grantor:	All federal grantors listed on SEFA schedule
	Pass-Through Grantor:	All pass-through grantors listed on SEFA schedule
	Federal CFDA Number:	All federal CFDA numbers listed on SEFA schedule
	Program Title:	All program titles listed on SEFA schedule
	Pass-Through Entity Identifying Number:	All pass-through entity identifying numbers listed on SEFA schedule
	Award Year:	2019 and 2018
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: The Uniform Guidance requires the auditee to prepare the Schedule of Expenditures of Federal Awards in accordance with 2 CFR Section 200.502, Basis for Determining Federal Awards Expended.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards. Prior to these corrections, the Schedule of Expenditures of Federal Awards was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

Recommendation: The County should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

Views of responsible officials and planned corrective actions: The County will be implementing a tracking system for monitoring each grant individually and continue in its efforts to prepare a schedule of expenditures of federal awards with correct information. The Commission's phone number is (660) 895-5547.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards, *Government Auditing Standards*, and the *Uniform Guidance*

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 16, 2020.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

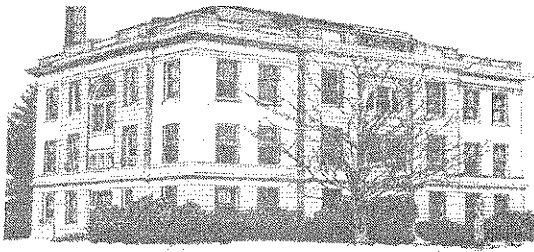
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report on the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff, which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.



Linn County

108 North High, Linneus, MO 64653

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Mike Brown-1st District Commissioner
Josh Muck- 2nd District Commissioner
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Suzan Stephenson-County Clerk
Dianna Dimitt-Deputy Clerk
Monica Cochenour-Registration Clerk
(660) 895-5417

**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2019 and 2018**

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2019-001	The bank was made aware that this happened and said they would watch the collateral pledges more closely. Also, the Collector-Treasurer will watch them better.	12/31/2020	Dick King, Presiding Commissioner
2019-002	The County does have an Internal Control Narratives and Policy already in place. A folder is prepared for each grant based on budget and the grant amount. Bills are approved by Commissioners and paid the balance monthly. The County will continue to develop internal control procedures accordingly.	12/31/2020	Dick King, Presiding Commissioner
2019-003	The County has an Internal Control Policy in place. Each federal program director will be implementing internal controls for each individual grant and will be completed by the next audit period.	12/31/2020	Dick King, Presiding Commissioner
2019-004	The County will be implementing a tracking system for monitoring each grant individually and continue in its efforts to prepare a schedule of expenditures of federal awards with correct information.	12/31/2020	Dick King, Presiding Commissioner



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Lawrence County, Missouri

The Office of the State Auditor contracted for an audit of the Lawrence County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. This audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of the audit, performed by Daniel Jones & Associates, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2020
Report No. 2020-055



Recommendations in the contracted audit of Lawrence County

2019-001	We recommend that the county develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
2019-002	We recommend that the county address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
2019-003	The county should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.
2019-004	The county should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The county should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORTS
AND SUPPLEMENTARY INFORMATION
DECEMBER 31, 2019 AND 2018

**THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
TABLE OF CONTENTS**

<u>FINANCIAL SECTION</u>	PAGE
Independent Auditor's Report.....	1-3
 <u>FINANCIAL STATEMENTS</u>	
Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – All Governmental Funds - Regulatory Basis	
Year Ended December 31, 2019.....	4
Year Ended December 31, 2018.....	5
Comparative Statements of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual - All Governmental Funds – Regulatory Basis	
Years Ended December 31, 2019 and 2018.....	6-18
 <i>Fiduciary Funds:</i>	
Statements of Assets and Liabilities Arising From Cash Transactions – Agency Funds - Regulatory Basis	
As of December 31, 2019.....	19
As of December 31, 2018.....	20
Notes to the Financial Statements.....	21-38
 <u>SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT</u>	
 <u>STATE COMPLIANCE SECTION</u>	
Schedule of State Findings.....	39
 <u>FEDERAL COMPLIANCE SECTION</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	40-41
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	42-44
Schedule of Expenditures of Federal Awards.....	45
Notes to the Schedule of Expenditures of Federal Awards.....	46
Schedule of Findings and Questioned Costs Years Ended December 31, 2019 and 2018.....	47-51
Summary Schedule of Prior Year Findings and Questioned Costs.....	52-54

FINANCIAL SECTION



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission
The County of Lawrence, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Lawrence ("County"), Missouri, which comprise cash and unencumbered cash for each fund as of December 31, 2019, and 2018, and the related statements of cash receipts and disbursements and disbursements-budget and actual for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the regulatory basis of accounting, a financial reporting framework prescribed or permitted by Missouri law as described in Note I of the accompanying financial statements. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note I of the financial statements, the financial statements are prepared by the County on the basis of the financial reporting provisions prescribed or permitted by Missouri law, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Missouri.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note I and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the County as of December 31, 2019, and 2018, or changes in net position or cash flows thereof for the years then ended.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash of each fund of the County as of December 31, 2019, and 2018, and their respective cash receipts and disbursements, and budgetary results for the years then ended in accordance with the financial reporting provisions prescribed or permitted by Missouri law described in Note I.

Other Matters

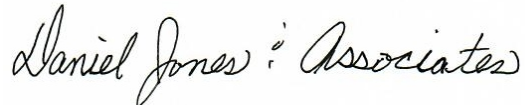
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Lawrence’s basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2020, on our consideration of the County of Lawrence's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Lawrence's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 14, 2020

FINANCIAL STATEMENTS

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2019

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2019	RECEIPTS 2019	DISBURSEMENTS 2019	CASH AND INVESTMENT BALANCES DECEMBER 31, 2019
General Revenue Fund	\$ 698,817.03	\$ 3,917,300.17	\$ 3,653,281.67	\$ 962,835.53
Special Road and Bridge Fund	591,828.81	2,849,760.91	2,637,655.36	803,934.36
Assessment Fund	770,231.26	416,978.97	382,774.25	804,435.98
Judicial Sales Tax Fund	1,389,656.60	410,460.82	542,416.24	1,257,701.18
Capital Improvements Fund	351,533.96	288,763.23	186,355.60	453,941.59
Common I Fund	387,429.80	458,746.49	572,600.03	273,576.26
Common II Fund	249,135.19	311,678.42	269,427.97	291,385.64
Prosecuting Attorney Admin Cost Handling Fund	2,627.50	9,413.89	10,912.74	1,128.65
Sheriff Special Fund	164,364.95	45,186.61	41,355.41	168,196.15
Law Enforcement Restitution Fund	24,015.10	25,216.15	26,436.91	22,794.34
Prosecuting Attorney Training Fund	437.06	809.51	692.11	554.46
Law Enforcement Training Fund	7,920.55	2,568.57	3,187.87	7,301.25
911 Emergency Fund	16,524.72	288,538.50	305,063.22	-
Inmate Security Fund	37,960.33	35,608.12	29,167.49	44,400.96
Election Services Fund	20,114.49	12,517.22	2,998.36	29,633.35
Collector's Tax Maintenance Fund	47,996.17	57,868.05	47,065.23	58,798.99
Recorder Special Fund	137,548.47	52,332.50	24,292.04	165,588.93
Sheriff Revolving Fund	114,557.82	29,014.92	19,959.83	123,612.91
Local Emergency Planning Committee Fund	20,244.75	4,443.33	5,961.10	18,726.98
Domestic Violence Fund	2,882.28	4,490.74	7,173.02	200.00
Domestic Cannabis Eradication Fund	-	354,738.32	335,020.64	19,717.68
Law Enforcement Sales Tax Fund	264,505.25	2,321,398.04	2,138,382.87	447,520.42
General Revenue Reserve Fund	476,534.03	472,662.33	-	949,196.36
Senior Citizens Service Board Fund	139,231.00	227,262.00	275,170.00	91,323.00
Developmentally Disabled Board Fund	604,062.00	918,934.00	972,836.00	550,160.00
TOTAL	\$ 6,520,159.12	\$ 13,516,691.81	\$ 12,490,185.96	\$ 7,546,664.97

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2018

FUND	CASH AND INVESTMENT BALANCES JANUARY 1, 2018	RECEIPTS 2018	DISBURSEMENTS 2018	CASH AND INVESTMENT BALANCES DECEMBER 31, 2018
General Revenue Fund	\$ 205,056.04	\$ 3,864,550.35	\$ 3,370,789.36	\$ 698,817.03
Special Road and Bridge Fund	483,393.21	2,840,622.87	2,732,187.27	591,828.81
Assessment Fund	809,751.33	415,741.25	455,261.32	770,231.26
Judicial Sales Tax Fund	1,626,577.09	401,723.24	638,643.73	1,389,656.60
Capital Improvements Fund	192,489.09	190,000.00	30,955.13	351,533.96
Common I Fund	375,097.41	472,367.88	460,035.49	387,429.80
Common II Fund	172,579.67	346,834.74	270,279.22	249,135.19
Prosecuting Attorney Admin Cost Handling Fund	4,559.45	11,209.13	13,141.08	2,627.50
Sheriff Special Fund	164,985.72	47,481.12	48,101.89	164,364.95
Law Enforcement Restitution Fund	29,854.91	21,727.72	27,567.53	24,015.10
Prosecuting Attorney Training Fund	722.71	792.72	1,078.37	437.06
Law Enforcement Training Fund	6,943.31	3,290.91	2,313.67	7,920.55
911 Emergency Fund	9,616.08	221,698.57	214,789.93	16,524.72
Inmate Security Fund	28,606.91	43,575.16	34,221.74	37,960.33
Election Services Fund	34,376.76	6,863.95	21,126.22	20,114.49
Collector's Tax Maintenance Fund	51,005.47	51,688.09	54,697.39	47,996.17
Recorder Special Fund	111,467.08	51,122.32	25,040.93	137,548.47
Sheriff Revolving Fund	120,966.61	15,502.60	21,911.39	114,557.82
Local Emergency Planning Committee Fund	23,484.85	4,322.97	7,563.07	20,244.75
Domestic Violence Fund	222.00	5,738.62	3,078.34	2,882.28
Domestic Cannabis Eradication Fund	-	236,907.66	236,907.66	-
Law Enforcement Sales Tax Fund	116,785.89	2,209,478.32	2,061,758.96	264,505.25
General Revenue Reserve Fund	-	476,534.03	-	476,534.03
Senior Citizens Service Board Fund	113,470.00	234,828.00	209,067.00	139,231.00
Developmentally Disabled Board Fund	512,163.00	927,515.00	835,616.00	604,062.00
TOTAL	<u>\$ 5,194,174.59</u>	<u>\$ 13,102,117.22</u>	<u>\$ 11,776,132.69</u>	<u>\$ 6,520,159.12</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH
AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	GENERAL REVENUE FUND			
	2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS				
Property Taxes	\$ 518,600.00	\$ 606,417.05	\$ 414,063.00	\$ 644,651.47
Sales Taxes	1,580,000.00	1,605,920.25	1,530,000.00	1,563,276.57
Intergovernmental	799,870.00	803,400.18	780,372.00	812,522.51
Charges for Services	707,300.00	753,246.07	712,675.00	770,576.77
Interest	6,540.00	21,007.79	12,600.00	13,899.29
Other	91,500.00	95,708.83	9,000.00	28,023.74
Transfers In	31,600.00	31,600.00	33,200.00	31,600.00
TOTAL RECEIPTS	3,735,410.00	3,917,300.17	3,491,910.00	3,864,550.35
DISBURSEMENTS				
County Commission	383,910.21	363,957.86	335,112.34	313,151.09
County Clerk	131,176.83	121,051.80	146,269.73	128,773.92
Elections	121,303.00	108,599.72	183,800.00	136,618.79
Buildings and Grounds	113,400.00	92,277.45	81,232.46	97,745.59
Employee Fringe Benefits	31,300.00	13,636.63	30,300.00	28,984.20
County Treasurer	67,306.17	65,688.88	65,924.16	64,781.66
Collector	124,926.17	118,973.03	118,831.44	112,916.98
Recorder of Deeds	129,656.17	118,066.27	126,877.74	110,378.78
Circuit Clerk	27,000.00	22,150.37	27,000.00	23,315.50
Court Administration	38,876.00	33,749.29	37,059.00	42,252.42
Public Administrator	112,911.17	109,851.59	95,694.95	95,021.58
Prosecuting Attorney	611,336.58	604,048.84	529,744.26	501,355.20
Juvenile Officer	142,113.00	142,565.03	133,455.40	133,103.82
Coroner	48,098.30	53,756.47	45,549.76	47,392.68
Child Support Enforcement Unit	275,858.96	253,752.34	273,553.97	249,146.01
Other General County Government	325,302.35	312,300.31	267,487.00	221,140.13
Public Health and Welfare Services	633,714.84	593,855.79	674,486.56	649,711.01
Transfers Out	525,000.00	525,000.00	415,000.00	415,000.00
TOTAL DISBURSEMENTS	3,843,189.75	3,653,281.67	3,587,378.77	3,370,789.36
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(107,779.75)	264,018.50	(95,468.77)	493,760.99
CASH AND INVESTMENT				
BALANCES, JANUARY 1	698,817.03	698,817.03	205,056.04	205,056.04
CASH AND INVESTMENT				
BALANCES, DECEMBER 31	\$ 591,037.28	\$ 962,835.53	\$ 109,587.27	\$ 698,817.03

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 92,000.00	\$ 101,462.57	\$ 60,000.00	\$ 79,744.28	\$ -	\$ -	\$ -	\$ -
Sales Taxes	1,530,000.00	1,555,920.46	1,530,000.00	1,563,239.19	-	-	-	-
Intergovernmental	1,451,320.00	1,182,161.29	1,233,060.00	1,137,239.35	367,810.00	390,362.39	367,814.00	392,052.92
Charges for Services	-	-	-	-	18,000.00	17,108.72	18,000.00	19,863.48
Interest	-	10,216.59	-	400.05	4,000.00	9,507.86	4,000.00	3,824.85
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	60,000.00	60,000.00	-	-	-	-
TOTAL RECEIPTS	3,073,320.00	2,849,760.91	2,883,060.00	2,840,622.87	389,810.00	416,978.97	389,814.00	415,741.25
DISBURSEMENTS								
Supplies	10,500.00	10,085.15	10,500.00	9,095.43	40,000.00	25,106.43	40,000.00	24,288.14
Road and Bridge Construction	2,259,299.45	1,980,386.83	2,195,777.82	2,052,114.34	-	-	-	-
Salaries	16,704.00	16,529.12	13,980.00	9,745.00	271,516.17	255,092.59	262,692.72	242,573.87
Benefits	8,370.00	7,127.85	4,240.00	3,715.93	76,700.00	56,180.56	72,000.00	57,872.69
Equipment	-	-	-	-	90,200.00	38,593.01	90,200.00	59,756.66
Office	-	-	-	-	29,800.00	7,801.66	29,800.00	10,246.06
Other	-	289.42	-	120.00	-	-	-	-
Transfer to Agency Funds	-	-	-	-	62,000.00	-	62,000.00	60,523.90
Transfers Out	692,710.55	623,236.99	703,282.18	657,396.57	-	-	-	-
TOTAL DISBURSEMENTS	2,987,584.00	2,637,655.36	2,927,780.00	2,732,187.27	570,216.17	382,774.25	556,692.72	455,261.32
RECEIPTS OVER (UNDER) DISBURSEMENTS	85,736.00	212,105.55	(44,720.00)	108,435.60	(180,406.17)	34,204.72	(166,878.72)	(39,520.07)
CASH AND INVESTMENT BALANCES, JANUARY 1	591,828.81	591,828.81	483,393.21	483,393.21	770,231.26	770,231.26	809,751.33	809,751.33
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 677,564.81	\$ 803,934.36	\$ 438,673.21	\$ 591,828.81	\$ 589,825.09	\$ 804,435.98	\$ 642,872.61	\$ 770,231.26

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	JUDICIAL SALES TAX FUND				CAPITAL IMPROVEMENTS FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 388,867.00	\$ 389,453.55	\$ 387,000.00	\$ 391,080.58	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,000.00	7,028.50	-	3,403.14	-	-	-	-
Interest	5,000.00	13,978.77	7,000.00	6,008.04	-	2,811.89	-	-
Other	-	-	-	581.48	-	550.00	-	-
Transfers In	-	-	-	650.00	400,000.00	285,401.34	190,000.00	190,000.00
TOTAL RECEIPTS	396,867.00	410,460.82	394,000.00	401,723.24	400,000.00	288,763.23	190,000.00	190,000.00
DISBURSEMENTS								
Salaries	270,172.93	260,368.56	248,843.61	249,779.64	-	-	-	-
Benefits	70,190.00	54,719.18	44,932.09	60,907.92	-	-	-	-
Capital Improvements	-	-	-	-	342,150.00	186,355.60	135,000.00	30,955.13
Supplies and Services	20,000.00	8,897.89	20,000.00	18,926.72	-	-	-	-
Office	23,700.00	22,212.83	9,700.00	22,102.50	-	-	-	-
Repairs and Upkeep	305,000.00	196,217.78	424,000.00	201,993.15	-	-	-	-
911	-	-	84,933.80	84,933.80	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	689,062.93	542,416.24	832,409.50	638,643.73	342,150.00	186,355.60	135,000.00	30,955.13
RECEIPTS OVER (UNDER) DISBURSEMENTS	(292,195.93)	(131,955.42)	(438,409.50)	(236,920.49)	57,850.00	102,407.63	55,000.00	159,044.87
CASH AND INVESTMENT BALANCES, JANUARY 1	1,389,656.60	1,389,656.60	1,626,577.09	1,626,577.09	351,533.96	351,533.96	192,489.09	192,489.09
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 1,097,460.67	\$ 1,257,701.18	\$ 1,188,167.59	\$ 1,389,656.60	\$ 409,383.96	\$ 453,941.59	\$ 247,489.09	\$ 351,533.96

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	COMMON I FUND				COMMON II FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 72,903.55	\$ 82,837.49	\$ 72,903.55	\$ 78,910.38	\$ 28,134.31	\$ 29,698.39	\$ 28,134.31	\$ 27,898.16
Intergovernmental	20,226.00	30,163.17	20,226.00	23,211.98	9,438.07	11,155.85	9,438.07	7,921.88
Interest	-	2,670.91	-	-	-	3,095.12	-	-
Other	-	368.43	-	7,805.40	-	17,198.56	95,000.00	46,058.25
Transfers In	354,286.42	342,706.49	354,286.42	362,440.12	258,995.76	250,530.50	258,995.76	264,956.45
TOTAL RECEIPTS	447,415.97	458,746.49	447,415.97	472,367.88	296,568.14	311,678.42	391,568.14	346,834.74
DISBURSEMENTS								
Salaries	130,000.00	98,872.75	100,000.00	93,481.00	75,000.00	68,691.00	71,000.00	61,663.50
Employee Fringe Benefits	39,250.00	33,220.46	31,100.00	36,041.93	26,010.00	20,769.20	22,500.00	22,122.56
Materials and Supplies	499,000.00	387,769.07	472,000.00	253,331.28	347,000.00	118,902.86	286,000.00	136,780.23
Equipment	85,000.00	31,282.62	80,000.00	54,791.05	62,000.00	42,642.36	51,750.70	28,820.08
Office	4,200.00	4,188.25	5,657.08	5,482.53	5,400.00	2,182.20	5,784.06	3,966.22
Insurance	17,300.00	17,266.88	16,200.00	16,907.70	6,500.00	5,337.80	6,500.00	5,728.18
Professional Services	7,000.00	-	7,000.00	-	5,000.00	10,902.55	2,000.00	11,198.45
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	781,750.00	572,600.03	711,957.08	460,035.49	526,910.00	269,427.97	445,534.76	270,279.22
RECEIPTS OVER (UNDER) DISBURSEMENTS	(334,334.03)	(113,853.54)	(264,541.11)	12,332.39	(230,341.86)	42,250.45	(53,966.62)	76,555.52
CASH AND INVESTMENT BALANCES, JANUARY 1	387,429.80	387,429.80	375,097.41	375,097.41	249,135.19	249,135.19	172,579.67	172,579.67
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 53,095.77</u>	<u>\$ 273,576.26</u>	<u>\$ 110,556.30</u>	<u>\$ 387,429.80</u>	<u>\$ 18,793.33</u>	<u>\$ 291,385.64</u>	<u>\$ 118,613.05</u>	<u>\$ 249,135.19</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	PROSECUTING ATTORNEY ADMIN COST HANDLING FUND				SHERIFF SPECIAL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ 2,305.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	6,500.00	7,089.00	10,000.00	10,170.08	50,000.00	33,944.20	50,000.00	35,162.04
Interest	150.00	19.13	150.00	12.34	500.00	1,721.43	600.00	688.77
Other	2,300.00	-	-	1,026.71	-	7,595.98	17,000.00	10,030.31
Transfers In	-	-	-	-	1,200.00	1,925.00	1,200.00	1,600.00
TOTAL RECEIPTS	8,950.00	9,413.89	10,150.00	11,209.13	51,700.00	45,186.61	68,800.00	47,481.12
DISBURSEMENTS								
Materials and Supplies	6,800.00	7,153.52	10,000.00	9,170.60	200,000.00	41,355.41	205,000.00	43,839.89
Services and Other	4,685.00	3,759.22	4,706.98	3,745.48	-	-	-	-
Transfers Out	-	-	-	225.00	-	-	-	4,262.00
TOTAL DISBURSEMENTS	11,485.00	10,912.74	14,706.98	13,141.08	200,000.00	41,355.41	205,000.00	48,101.89
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,535.00)	(1,498.85)	(4,556.98)	(1,931.95)	(148,300.00)	3,831.20	(136,200.00)	(620.77)
CASH AND INVESTMENT BALANCES, JANUARY 1	2,627.50	2,627.50	4,559.45	4,559.45	164,364.95	164,364.95	164,985.72	164,985.72
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 92.50	\$ 1,128.65	\$ 2.47	\$ 2,627.50	\$ 16,064.95	\$ 168,196.15	\$ 28,785.72	\$ 164,364.95

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT RESTITUTION FUND				PROSECUTING ATTORNEY TRAINING FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 20,000.00	\$ 25,012.35	\$ 18,000.00	\$ 21,727.72	\$ 800.00	\$ 804.51	\$ 800.00	\$ 567.72
Interest	-	203.80	-	-	-	5.00	-	-
Transfers In	-	-	-	-	-	-	-	225.00
TOTAL RECEIPTS	20,000.00	25,216.15	18,000.00	21,727.72	800.00	809.51	800.00	792.72
DISBURSEMENTS								
Office	3,500.00	4,065.67	3,500.00	2,562.99	-	-	-	-
Training	1,500.00	-	1,500.00	70.95	1,111.17	692.11	1,171.84	1,078.37
Services and Other	36,500.00	22,371.24	37,500.00	24,933.59	-	-	-	-
Transfers Out	2,000.00	-	2,000.00	-	-	-	-	-
TOTAL DISBURSEMENTS	43,500.00	26,436.91	44,500.00	27,567.53	1,111.17	692.11	1,171.84	1,078.37
RECEIPTS OVER (UNDER) DISBURSEMENTS	(23,500.00)	(1,220.76)	(26,500.00)	(5,839.81)	(311.17)	117.40	(371.84)	(285.65)
CASH AND INVESTMENT BALANCES, JANUARY 1	24,015.10	24,015.10	29,854.91	29,854.91	437.06	437.06	722.71	722.71
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 515.10	\$ 22,794.34	\$ 3,354.91	\$ 24,015.10	\$ 125.89	\$ 554.46	\$ 350.87	\$ 437.06

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT TRAINING FUND				911 EMERGENCY FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 1,500.00	\$ 970.03	\$ 1,500.00	\$ 1,090.91	\$ -	\$ -	\$ -	\$ -
Charges for Services	3,000.00	1,520.04	3,000.00	2,200.00	160,000.00	137,977.73	208,000.00	181,698.57
Interest	-	78.50	-	-	-	560.77	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	150,000.00	150,000.00	40,000.00	40,000.00
TOTAL RECEIPTS	4,500.00	2,568.57	4,500.00	3,290.91	310,000.00	288,538.50	248,000.00	221,698.57
DISBURSEMENTS								
Training	5,500.00	2,692.87	5,500.00	2,313.67	-	-	-	-
Materials and Supplies	1,000.00	495.00	4,000.00	-	-	-	-	-
Service Contract with City of Monett	-	-	-	-	270,000.00	239,180.35	176,261.00	174,326.60
Telephone Network	-	-	-	-	42,000.00	30,481.53	41,000.00	40,463.33
Transfers Out	-	-	-	-	14,524.72	35,401.34	-	-
TOTAL DISBURSEMENTS	6,500.00	3,187.87	9,500.00	2,313.67	326,524.72	305,063.22	217,261.00	214,789.93
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,000.00)	(619.30)	(5,000.00)	977.24	(16,524.72)	(16,524.72)	30,739.00	6,908.64
CASH AND INVESTMENT BALANCES, JANUARY 1	7,920.55	7,920.55	6,943.31	6,943.31	16,524.72	16,524.72	9,616.08	9,616.08
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 5,920.55	\$ 7,301.25	\$ 1,943.31	\$ 7,920.55	\$ -	\$ -	\$ 40,355.08	\$ 16,524.72

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	INMATE SECURITY FUND				ELECTION SERVICES FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ 3,000.00	\$ 1,243.32	\$ 3,000.00	\$ 1,734.10	\$ 14,000.00	\$ 10,163.58	\$ 3,000.00	\$ 2,136.80
Charges for Services	38,000.00	33,980.93	40,000.00	41,841.06	4,000.00	2,054.51	4,000.00	4,618.42
Interest	-	341.62	-	-	100.00	299.13	100.00	108.73
Other	-	42.25	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	41,000.00	35,608.12	43,000.00	43,575.16	18,100.00	12,517.22	7,100.00	6,863.95
DISBURSEMENTS								
Materials and Supplies	15,000.00	11,455.24	2,000.00	13,800.49	10,000.00	781.58	20,000.00	10,500.00
Commissary	15,000.00	15,631.30	20,000.00	11,421.25	-	-	-	-
Phone Cards	15,000.00	2,080.95	20,000.00	9,000.00	-	-	-	-
Mileage and Training	-	-	-	-	6,000.00	2,216.78	8,000.00	1,124.91
Grants	-	-	-	-	12,000.00	-	13,000.00	9,501.31
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	45,000.00	29,167.49	42,000.00	34,221.74	28,000.00	2,998.36	41,000.00	21,126.22
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,000.00)	6,440.63	1,000.00	9,353.42	(9,900.00)	9,518.86	(33,900.00)	(14,262.27)
CASH AND INVESTMENT BALANCES, JANUARY 1	37,960.33	37,960.33	28,606.91	28,606.91	20,114.49	20,114.49	34,376.76	34,376.76
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 33,960.33</u>	<u>\$ 44,400.96</u>	<u>\$ 29,606.91</u>	<u>\$ 37,960.33</u>	<u>\$ 10,214.49</u>	<u>\$ 29,633.35</u>	<u>\$ 476.76</u>	<u>\$ 20,114.49</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	COLLECTOR'S TAX MAINTENANCE FUND				RECORDER SPECIAL FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Charges for Services	\$ 49,000.00	\$ 57,159.11	\$ 49,000.00	\$ 51,688.09	\$ 30,000.00	\$ 49,635.00	\$ 20,000.00	\$ 50,600.35
Interest	-	708.94	-	-	500.00	1,612.50	500.00	521.97
Other	-	-	-	-	-	1,085.00	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	49,000.00	57,868.05	49,000.00	51,688.09	30,500.00	52,332.50	20,500.00	51,122.32
DISBURSEMENTS								
Office	54,250.00	15,494.84	65,000.00	17,274.70	30,500.00	20,140.94	26,500.00	20,280.39
Equipment	37,000.00	30,140.79	29,000.00	36,104.34	50,000.00	2,614.94	53,000.00	3,719.34
Mileage and Training	3,250.00	1,429.60	3,250.00	1,318.35	1,700.00	1,536.16	1,700.00	1,041.20
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	94,500.00	47,065.23	97,250.00	54,697.39	82,200.00	24,292.04	81,200.00	25,040.93
RECEIPTS OVER (UNDER) DISBURSEMENTS	(45,500.00)	10,802.82	(48,250.00)	(3,009.30)	(51,700.00)	28,040.46	(60,700.00)	26,081.39
CASH AND INVESTMENT BALANCES, JANUARY 1	47,996.17	47,996.17	51,005.47	51,005.47	137,548.47	137,548.47	111,467.08	111,467.08
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 2,496.17</u>	<u>\$ 58,798.99</u>	<u>\$ 2,755.47</u>	<u>\$ 47,996.17</u>	<u>\$ 85,848.47</u>	<u>\$ 165,588.93</u>	<u>\$ 50,767.08</u>	<u>\$ 137,548.47</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SHERIFF REVOLVING FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00	\$ 4,256.38	\$ 4,700.00	\$ 4,322.97
Charges for Services	11,000.00	27,772.00	10,600.00	15,015.00	-	-	-	-
Interest	400.00	1,242.92	400.00	487.60	-	186.95	-	-
Other	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	11,400.00	29,014.92	11,000.00	15,502.60	4,500.00	4,443.33	4,700.00	4,322.97
DISBURSEMENTS								
Salaries	6,000.00	6,000.00	10,000.00	7,633.80	1,800.00	-	1,800.00	-
Benefits	1,600.00	884.02	2,400.00	1,385.45	-	-	-	-
Conceal Carry Background	12,000.00	13,075.81	20,000.00	12,892.14	-	-	-	-
Supplies	100,000.00	-	99,523.00	-	1,325.00	5,458.16	2,325.00	6,897.96
Mileage and Meetings	-	-	-	-	7,800.00	502.94	6,300.00	665.11
Training	-	-	-	-	10,400.00	-	1,200.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	119,600.00	19,959.83	131,923.00	21,911.39	21,325.00	5,961.10	11,625.00	7,563.07
RECEIPTS OVER (UNDER) DISBURSEMENTS	(108,200.00)	9,055.09	(120,923.00)	(6,408.79)	(16,825.00)	(1,517.77)	(6,925.00)	(3,240.10)
CASH AND INVESTMENT BALANCES, JANUARY 1	114,557.82	114,557.82	120,966.61	120,966.61	20,244.75	20,244.75	23,484.85	23,484.85
CASH AND INVESTMENT BALANCES, DECEMBER 31	<u>\$ 6,357.82</u>	<u>\$ 123,612.91</u>	<u>\$ 43.61</u>	<u>\$ 114,557.82</u>	<u>\$ 3,419.75</u>	<u>\$ 18,726.98</u>	<u>\$ 16,559.85</u>	<u>\$ 20,244.75</u>

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	DOMESTIC VIOLENCE FUND				DOMESTIC CANNABIS ERADICATION FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 353,486.40	\$ 354,738.32	\$ 311,785.00	\$ 236,907.66
Charges for Services	8,000.00	4,490.74	8,000.00	5,738.62	-	-	-	-
Other	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	8,000.00	4,490.74	8,000.00	5,738.62	353,486.40	354,738.32	311,785.00	236,907.66
DISBURSEMENTS								
Lafayette House	10,882.28	7,173.02	8,000.00	3,078.34	-	-	-	-
Grant	-	-	-	-	75,300.00	58,019.71	75,300.00	104,525.22
Task Force Expenses	-	-	-	-	251,500.00	265,050.54	233,285.00	129,182.44
Forfeitures	-	-	-	-	23,486.40	5,754.00	-	-
Transfers Out	-	-	-	-	3,200.00	6,196.39	3,200.00	3,200.00
TOTAL DISBURSEMENTS	10,882.28	7,173.02	8,000.00	3,078.34	353,486.40	335,020.64	311,785.00	236,907.66
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,882.28)	(2,682.28)	-	2,660.28	-	19,717.68	-	-
CASH AND INVESTMENTS BALANCES, JANUARY 1	2,882.28	2,882.28	222.00	222.00	-	-	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 200.00	\$ 222.00	\$ 2,882.28	\$ -	\$ 19,717.68	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	LAW ENFORCEMENT SALES TAX FUND				GENERAL REVENUE RESERVE FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Sales Taxes	\$ 1,705,000.00	\$ 1,724,555.41	\$ 1,689,590.00	\$ 1,674,242.94	\$ 275,740.00	\$ 339,224.26	\$ 220,000.00	\$ 351,534.03
Intergovernmental	451,400.00	549,533.40	482,097.00	473,984.69	-	-	-	-
Charges for Services	34,500.00	33,176.17	40,500.00	38,921.39	-	-	-	-
Interest	950.00	7,969.17	800.00	994.63	-	8,438.07	-	-
Other	1,000.00	3,492.50	12,986.71	17,722.67	-	-	-	-
Transfers In	-	2,671.39	3,612.00	3,612.00	125,000.00	125,000.00	125,000.00	125,000.00
TOTAL RECEIPTS	2,192,850.00	2,321,398.04	2,229,585.71	2,209,478.32	400,740.00	472,662.33	345,000.00	476,534.03
DISBURSEMENTS								
Salaries	706,487.35	666,205.24	608,379.00	590,125.73	-	-	-	-
Benefits	357,575.00	288,144.07	268,415.79	316,298.24	-	-	-	-
Sheriff	286,460.00	245,373.50	243,517.00	250,662.85	-	-	-	-
Jail	1,057,150.52	938,660.06	905,143.86	900,119.67	-	-	-	-
Insurance	4,600.00	-	103,873.24	4,552.47	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	2,412,272.87	2,138,382.87	2,129,328.89	2,061,758.96	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(219,422.87)	183,015.17	100,256.82	147,719.36	400,740.00	472,662.33	345,000.00	476,534.03
CASH AND INVESTMENT BALANCES, JANUARY 1	264,505.25	264,505.25	116,785.89	116,785.89	476,534.03	476,534.03	-	-
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ 45,082.38	\$ 447,520.42	\$ 217,042.71	\$ 264,505.25	\$ 877,274.03	\$ 949,196.36	\$ 345,000.00	\$ 476,534.03

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH AND INVESTMENT BALANCES
BUDGET AND ACTUAL - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	SENIOR CITIZENS SERVICE BOARD FUND				DEVELOPMENTALLY DISABLED BOARD FUND			
	2019		2018		2019		2018	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
RECEIPTS								
Property Taxes	\$ 234,000.00	\$ 226,903.00	\$ 228,500.00	\$ 234,081.00	\$ 437,500.00	\$ 422,342.00	\$ 416,000.00	\$ 436,256.00
Sales Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	99.00	500.00	453.00	480,500.00	491,441.00	448,400.00	480,006.00
Charges for Services	-	-	-	-	-	-	-	-
Interest	300.00	260.00	150.00	294.00	2,400.00	3,650.00	600.00	2,445.00
Other	-	-	-	-	-	1,501.00	-	8,808.00
Transfers In	-	-	-	-	-	-	-	-
TOTAL RECEIPTS	234,300.00	227,262.00	229,150.00	234,828.00	920,400.00	918,934.00	865,000.00	927,515.00
DISBURSEMENTS								
Grants	300,000.00	273,569.00	255,150.00	206,643.00	500,000.00	373,721.00	425,000.00	264,362.00
Administrative	3,000.00	1,298.00	4,000.00	2,424.00	183,000.00	171,836.00	180,000.00	152,907.00
Emergency	70,531.00	303.00	60,000.00	-	75,400.00	-	72,000.00	-
Targeted Case Management	-	-	-	-	468,000.00	427,279.00	468,000.00	418,347.00
Savings	-	-	-	-	298,062.00	-	88,096.00	-
Transfers Out	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS	373,531.00	275,170.00	319,150.00	209,067.00	1,524,462.00	972,836.00	1,233,096.00	835,616.00
RECEIPTS OVER (UNDER) DISBURSEMENTS	(139,231.00)	(47,908.00)	(90,000.00)	25,761.00	(604,062.00)	(53,902.00)	(368,096.00)	91,899.00
CASH AND INVESTMENT BALANCES, JANUARY 1	139,231.00	139,231.00	113,470.00	113,470.00	604,062.00	604,062.00	512,163.00	512,163.00
CASH AND INVESTMENT BALANCES, DECEMBER 31	\$ -	\$ 91,323.00	\$ 23,470.00	\$ 139,231.00	\$ -	\$ 550,160.00	\$ 144,067.00	\$ 604,062.00

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2019

	Collector Funds	Prosecuting Attorney	Recorder of Deeds Funds	Sheriff Funds	CERF
ASSETS					
Cash and Cash Equivalents	\$ 12,492,485.59	\$ 200.08	\$ 21,489.10	\$ 15,426.26	\$ 0.49
Total Assets	12,492,485.59	200.08	21,489.10	15,426.26	0.49
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	12,492,485.59	200.08	21,489.10	15,426.26	0.49
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,492,485.59</u>	<u>\$ 200.08</u>	<u>\$ 21,489.10</u>	<u>\$ 15,426.26</u>	<u>\$ 0.49</u>
	Courthouse Employee Funds	School Fines	Other Tax Entities	Schools	Special Road District
ASSETS					
Cash and Cash Equivalents	\$ 5,592.53	\$ 10,035.56	\$ 15,514.71	\$ 9,184.88	\$ 691.77
Total Assets	5,592.53	10,035.56	15,514.71	9,184.88	691.77
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	5,592.53	10,035.56	15,514.71	9,184.88	691.77
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,592.53</u>	<u>\$ 10,035.56</u>	<u>\$ 15,514.71</u>	<u>\$ 9,184.88</u>	<u>\$ 691.77</u>
	Tax Sales Surplus	Unclaimed Fees	Woodsland Cemetery	Grand Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 27,015.16	\$ 469.31	\$ 14,052.86	\$ 12,612,158.30	
Total Assets	27,015.16	469.31	14,052.86	12,612,158.30	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	27,015.16	469.31	14,052.86	12,612,158.30	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,015.16</u>	<u>\$ 469.31</u>	<u>\$ 14,052.86</u>	<u>\$ 12,612,158.30</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
STATEMENTS OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
AGENCY FUNDS - REGULATORY BASIS
AS OF DECEMBER 31, 2018

	Collector Funds	Prosecuting Attorney	Recorder of Deeds Funds	Sheriff Funds	CERF
ASSETS					
Cash and Cash Equivalents	\$ 10,611,832.83	\$ 6,588.39	\$ 17,303.60	\$ 9,814.82	\$ 0.12
Total Assets	10,611,832.83	6,588.39	17,303.60	9,814.82	0.12
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	10,611,832.83	6,588.39	17,303.60	9,814.82	0.12
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 10,611,832.83</u>	<u>\$ 6,588.39</u>	<u>\$ 17,303.60</u>	<u>\$ 9,814.82</u>	<u>\$ 0.12</u>
	Courthouse Employee Funds	School Fines	Other Tax Entities	Schools	Special Road District
ASSETS					
Cash and Cash Equivalents	\$ 5,334.22	\$ 5,983.39	\$ 1,602.04	\$ 7,263.95	\$ 540.29
Total Assets	5,334.22	5,983.39	1,602.04	7,263.95	540.29
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	5,334.22	5,983.39	1,602.04	7,263.95	540.29
UNRESERVED FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,334.22</u>	<u>\$ 5,983.39</u>	<u>\$ 1,602.04</u>	<u>\$ 7,263.95</u>	<u>\$ 540.29</u>
	Tax Sales Surplus	Unclaimed Fees	Woodsland Cemetery	Grand Total Agency Funds	
ASSETS					
Cash and Cash Equivalents	\$ 40,137.81	\$ 363.16	\$ 13,365.78	\$ 10,720,130.40	
Total Assets	40,137.81	363.16	13,365.78	10,720,130.40	
LIABILITIES AND FUND BALANCES					
TOTAL LIABILITIES	40,137.81	363.16	13,365.78	10,720,130.40	
UNRESERVED FUND BALANCES	-	-	-	-	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 40,137.81</u>	<u>\$ 363.16</u>	<u>\$ 13,365.78</u>	<u>\$ 10,720,130.40</u>	

The accompanying notes to the financial statements are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Lawrence, Missouri (“County”), which is governed by a three-member board of commissioners, was established in 1845 by an Act of the Missouri Territory. In addition to the three Commissioners, there are ten elected Constitutional Officers: County Clerk, Collector, Treasurer, Circuit Clerk and ex officio Recorder of Deeds, Sheriff, Assessor, Coroner, Public Administrator and Prosecuting Attorney.

As discussed further in Note I, these financial statements are presented on the regulatory basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP).

A. Reporting Entity

As required by generally accepted accounting principles, as applicable to the regulatory basis of accounting, these financial statements present financial accountability of the County.

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, transportation, economic development, and social and recreation services.

The financial statements referred to above include only the County of Lawrence County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the County’s legal entity.

B. Basis of Presentation

The financial statements are presented using accounting practices prescribed or permitted by Missouri law, which include a Statement of Receipts, Disbursements and Changes in Cash Balances – All Governmental Funds, a Comparative Statement of Receipts, Disbursements and Changes in Cash and Investment Balances – Budget and Actual – All Governmental Funds, and a Statement of Assets and Liabilities Arising from Cash Transactions – Agency Funds.

Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts. The following fund types are used by the County:

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (concluded)

Governmental Fund Types

Governmental funds are those through which most governmental functions are financed. The County's expendable financial resources are accounted for through governmental funds. The measurement focus is upon determination of and changes in financial position rather than upon net income.

Fiduciary Fund Types

Agency – Agency funds are used to account for assets held by the County in a trustee capacity as an agent of individuals, private organizations, other funds or other governmental units. Agency funds are accounted for and reported similar to the governmental funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. These funds account for activities of collections for other taxing units by the Collector of Revenue and other officeholders.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

The financial statements are prepared on the regulatory basis of accounting. This basis of accounting recognizes amounts when received or disbursed in cash and differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

As a result of the use of this regulatory basis of accounting, certain assets (such as accounts receivable and capital assets), certain revenues (such as revenue for billed or provided services not yet collected), certain liabilities (such as accounts payable, certificates of participation bonds and obligations under capital leases) and certain expenditures (such as expenditures for goods or services received but not yet paid) are not recorded in these financial statements.

If the County utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types, if applicable, would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budget and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County adopts a budget for each governmental fund.
2. On or before January 15th, each elected officer and department director will transmit to the County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated unencumbered fund balance at the beginning of the year as well as estimated revenues to be received. The budget to actual comparisons in these financial statements, however, do not present encumbered fund balances, but only compare budgeted and actual revenues and expenditures.
4. A public hearing is conducted to obtain public comment. Prior to its approval by the County Commission, the budget document is available for public inspection.
5. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
6. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by formal vote of the Commission. Adjustments made during the year are reflected in the budget information in the financial statements.

Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year. Individual amendments were not material in relation to the original appropriations which were adopted.

7. Budgets are prepared and adopted on the cash basis of accounting.

State law requires that budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. Section 50.740 RSMo prohibits expenditures in excess of the approved budgets.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1, of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation, was:

	2019	2018
Real Estate	\$ 324,491,160	\$ 323,276,200
Personal Property	114,791,847	112,396,611
Railroad and Utilities	65,360,325	53,218,545
	<u>\$ 504,643,332</u>	<u>\$ 488,891,356</u>

During 2019 and 2018, the County Commission approved a \$.7826 and \$.7857, respectively, tax levy per \$100 of assessed valuation of tangible taxable, for purposes of County taxation, as follows:

	2019	2018
General Revenue Fund	\$ 0.1249	\$ 0.1205
Special Road and Bridge Fund	0.1000	0.1000
Common I Fund	0.2178	0.2196
Common II Fund	0.2055	0.2112
Senior Citizens Service Board Fund	0.0477	0.0477
Developmentally Disabled Board Fund	0.0867	0.0867
	<u>\$ 0.7826</u>	<u>\$ 0.7857</u>

F. Cash Deposits and Investments

Cash deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer Funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on a weighted average of cash balance. Cash equivalents include any instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, provided, however, that no such investment shall be purchased at a price in excess of par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note II.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

G. Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if applicable, are eliminated due to reporting the financial statements on the regulatory basis of accounting.

Legally required transfers are reported as “transfers in” by the recipient fund and as “transfers out” by the disbursing fund.

II. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed as "Cash" under each fund's caption. Deposits with maturities greater than three months are considered investments. In addition, cash balances are separately held by several of the County's funds.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019, and 2018, the carrying amounts of the County's deposits and investments were \$7,546,664.97 and \$6,520,159.12, respectively, and the bank balances were \$20,341,839.09 and \$17,379,074.11, respectively. As of December 31, 2019, and 2018, the County's deposits were insured through the Federal Deposit Insurance Corporation and securities set by the County's financial institutions.

SUMMARY OF CARRYING VALUES

The carrying values of deposits shown above are included in the financial statements at December 31, 2019, as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash and
Investment Balances – Governmental Funds:

Deposits	\$ 7,546,664.97
Investments	<u>-</u>
Total Governmental Funds	7,546,664.97

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits and cash equivalents	<u>12,612,158.30</u>
Total Agency Funds	<u>12,612,158.30</u>
Total Deposits and Investments as of December 31, 2019	\$ <u><u>20,158,823.27</u></u>

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

II. DEPOSITS (concluded)

The carrying values of deposits at December 31, 2018, are as follows:

Included in the following fund financial statement captions:

Statement of Receipts, Disbursements and Changes in Cash
and Investment Balances – Governmental Funds:

Deposits	\$ 6,319,660.48
Investments	200,498.64
Total Governmental Funds	<u>6,520,159.12</u>

Statement of Assets and Liabilities Arising From Cash
Transactions – Agency Funds:

Deposits and cash equivalents	<u>10,720,130.40</u>
Total Agency Funds	<u>10,720,130.40</u>

Total Deposits and Investments as of December 31, 2018	\$ <u><u>17,240,289.52</u></u>
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Custodial Credit Risk – Deposits

For a deposit, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy does not include custodial credit risk requirements. The County's deposits were not exposed to custodial credit risk for the years ended December 31, 2019, and 2018.

Custodial Credit Risk – Investments

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by the party who sold the security to the County or its agent but not in the government's name. The County does not have a policy for custodial credit risk relating to investments. All investments, evidenced by individual securities, are registered in the name of the County or of a type that are not exposed to custodial credit risk.

Investment Interest Rate Risk

Investment interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Investment Credit Risk

Concentration of investment credit risk is required to be disclosed by the County for any single investment that represents 5% or more of total investments (excluding investments issued by or explicitly guaranteed by the U.S. Government, investments in mutual funds, investments in external investment pools and investments in other pooled investments). The County has no policy in place to minimize the risk of loss resulting from over concentration of assets in specific maturity, specific issuer or specific class of securities. The County's investments were not exposed to concentration of investment credit risk for the years ended December 31, 2019, and 2018.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT

CAPITAL LEASES:

On August 20, 2015, the County entered into a lease purchase agreement to finance the purchase of a tractor at a total cost of \$100,770 with 3.0% interest. The agreement requires annual payments of \$21,751 through 2019. The lease was paid off during the 2019 fiscal year.

The following is a schedule of payments made under the agreement as of December 31, 2019.

<u>Description</u>	<u>Balance</u>		<u>Retirements</u>	<u>Balance</u>	
	<u>12/31/2018</u>	<u>Additions</u>		<u>12/31/2019</u>	<u>Interest Paid</u>
John Deere Tractor	\$ 21,109.61	\$ -	\$ 21,109.61	\$ -	\$ 642.09
TOTAL	\$ 21,109.61	\$ -	\$ 21,109.61	\$ -	\$ 642.09

The following is a schedule of payments made under the agreement as of December 31, 2018.

<u>Description</u>	<u>Balance</u>		<u>Retirements</u>	<u>Balance</u>	
	<u>12/31/2017</u>	<u>Additions</u>		<u>12/31/2018</u>	<u>Interest Paid</u>
John Deere Tractor	\$ 41,595.15	\$ -	\$ 20,485.54	\$ 21,109.61	\$ 1,265.16
TOTAL	\$ 41,595.15	\$ -	\$ 20,485.54	\$ 21,109.61	\$ 1,265.16

2018 AMORTIZATIONS

<u>YEARS</u> <u>ENDING</u> <u>DECEMBER 31,</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2019	\$ 21,109.61	\$ 642.09	\$ 21,751.70
	\$ 21,109.61	\$ 642.09	\$ 21,751.70

OPERATING LEASES:

On January 1, 2016 the County entered into a lease maintenance agreement with Federal Protection, Inc for security services. The agreement begins January 1, 2016 and terminates on December 31, 2020. Payments are to be made quarterly in the amount of \$138.00.

On January 1, 2016 the County entered into a monitoring services agreement with Federal Protection, Inc. The agreement begins January 1, 2016 and terminates on December 31, 2020. Payments are to be made quarterly in the amount of \$88.50.

On August 21, 2016, the County entered into a lease of office space for the Public Defender. The lease is shared between Lawrence, Barry and Stone counties. The agreement begins October 1, 2016 and terminates September 30, 2019, in which monthly payments will be made in the amount of \$504.

On August 28, 2019, the County entered into a lease of office space for the Public Defender. The lease is shared between Lawrence, Barry and Stone counties. The agreement begins October 1, 2019 and terminates September 30, 2022, in which monthly payments will be made in the amount of \$504.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

III. LONG-TERM DEBT (concluded)

OPERATING LEASES: (concluded)

On January 4, 2018, The County entered into an operating lease with Cott Systems. The lease is effective for 60 months from July 1, 2018 through June 30, 2023. Payments will be made monthly in the amount of \$1,100.

The County entered into a lease of office space for the Prosecuting Attorney's child support division. Monthly payments are to be made in the amount of \$650. The agreement is renewed annually and will expire on July 31, 2020.

The County entered into a lease of office space for the Women, Infant and Children administration. The County is to make monthly payments of \$700. The lease is renewed annually and will expire on November 30, 2020.

2019 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2020	\$ 29,654.00	\$ 29,654.00
2021	19,248.00	19,248.00
2022	17,736.00	17,736.00
2023	6,600.00	6,600.00
	<u>\$ 73,238.00</u>	<u>\$ 73,238.00</u>

2018 AMORTIZATIONS

YEARS ENDING DECEMBER 31,	PAYMENT	TOTAL
2019	\$ 37,004.00	\$ 37,004.00
2020	29,654.00	29,654.00
2021	19,248.00	19,248.00
2022	17,736.00	17,736.00
2023	6,600.00	6,600.00
	<u>\$ 110,242.00</u>	<u>\$ 110,242.00</u>

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IV. INTERFUND TRANSFERS

Transfers between funds for the years ended December 31, 2019, and 2018 are as follows:

	2019		2018	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General Revenue Fund	\$ 31,600.00	\$ 525,000.00	\$ 31,600.00	\$ 415,000.00
Special Road and Bridge Fund	-	623,236.99	60,000.00	657,396.57
Assessment Fund	-	-	-	60,523.90
Judicial Sales Tax Fund	-	-	650.00	-
Capital Improvements Fund	285,401.34	-	190,000.00	-
Common I Fund	342,706.49	-	362,440.12	-
Common II Fund	250,530.50	-	264,956.45	-
Prosecuting Attorney Admin Cost Handling Fund	-	-	-	225.00
Sheriff Special Fund	1,925.00	-	1,600.00	4,262.00
Prosecuting Attorney Training Fund	-	-	225.00	-
911 Emergency Fund	150,000.00	35,401.34	40,000.00	-
Domestic Cannabis Eradication Fund	-	6,196.39	-	3,200.00
Law Enforcement Sales Tax Fund	2,671.39	-	3,612.00	-
General Revenue Reserve Fund	125,000.00	-	125,000.00	-
Agency Funds	-	-	60,523.90	-
TOTAL	\$ 1,189,834.72	\$ 1,189,834.72	\$ 1,140,607.47	\$ 1,140,607.47

Transfers are used to (1) move receipts from the fund that statute or budget requires to collect them to the fund that statute or budget requires to disburse them, and (2) use unrestricted receipts in the General Revenue Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS)

Plan Description

The Lawrence County's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. Lawrence County participates in the Missouri Local Government Employees Retirement System (LAGERS). LAGERS is an agent multiple-employer, statewide public employee pension plan established in 1967 and administered in accordance with Sections 70.600-70.755 RSMo. As such, it is LAGERS responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401(a) and is tax exempt. The responsibility for the operations and administration of LAGERS is vested in the LAGERS Board of Trustees consisting of seven persons. LAGERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the LAGERS website at www.molagers.org.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Benefits Provided

LAGERS provides retirement, death and disability benefits to employees of participating political subdivisions. All benefits vest after 5 years of credited service. Employees who retire on or after age 60 (55 for police and fire) with 5 or more years of service are entitled to an allowance for life based upon the benefit program then in effect for their political subdivision. Employees may retire with an early retirement benefit with a minimum of 5 years of credited service and after attaining age 55 (50 for police and fire) and receive a reduced allowance. The LAGERS Board of Trustees establishes the benefit plans and provisions that are available for adoption. The political subdivision's governing body adopts all benefits of the plan.

2019 Valuation

Benefit Multiplier:	1.50%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2019, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	46	19
Inactive employees entitled to but not yet receiving benefits	20	15
Active employees	<u>52</u>	<u>26</u>
	<u>118</u>	<u>60</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 5.6% (General) and 1.8% (Police) of annual covered payroll for 2019.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2019.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

2018 Valuation

Benefit Multiplier:	1.50%
Final Average Salary:	3 Years
Member Contributions:	4%

Benefit terms provide for annual post retirement adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustment is based on the increase in the Consumer Price Index and is limited to 4% per year.

Employees Covered By Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

	<u>General</u>	<u>Police</u>
Inactive employees or beneficiaries currently receiving benefits	41	17
Inactive employees entitled to but not yet receiving benefits	18	15
Active employees	55	25
	<u>114</u>	<u>57</u>

Contributions

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by LAGERS. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance an unfunded accrued liability. Full-time employees of the employer contribute 4% of their gross pay to the pension plan. Employer contribution rates are 5.5% (General) and 1.5% (Police) of annual covered payroll for 2018.

Net Pension Liability

The employer's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of February 28, 2018.

Actuarial Assumptions

The total pension liability in the February 28, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25% wage inflation; 2.50% price inflation
Salary Increase	3.25% to 6.55% including wage inflation
Investment rate of return	7.25%, net of investment expenses

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

The healthy retiree mortality tables, for post-retirement mortality, were the RP-2014 Healthy Annuitant mortality table for males and females. The disabled retiree mortality tables, for post-retirement mortality, were RP-2014 disabled mortality table for males and females. The pre-retirement mortality tables used were the RP-2014 employees mortality table for males and females.

Both the post-retirement and pre-retirement tables were adjusted for mortality improvement back to the observation period base year of 2006. The base year for males was then established to be 2017. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to the above described tables.

The actuarial assumptions used in the February 28, 2019, valuation were based on the results of an actuarial experience study for the period March 1, 2010, through February 28, 2015.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Alpha	15.00%	3.67%
Equity	35.00%	4.78%
Fixed Income	31.00%	1.41%
Real Assets	36.00%	3.29%
Strategic Assets	8.00%	5.25%
Cash	10.00%	0.00%
Leverage	-35.00%	-0.51%

Discount rate. The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the total pension liability.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Changes in the Net Pension Liability

Schedule of Changes in Net Pension Liability and Related Ratios

	General Division	Police Division
A. Total Pension Liability		
1 Service Cost	\$ 181,908	\$ 86,627
2 Interest on Total Pension Liability	487,101	172,567
3 Changes of Benefit Terms	-	-
4 Difference between expected and actual experience of the Total Pension Liability	72,012	(33,642)
5 Changes of Assumptions	-	-
6 Benefit payments, including refunds of employee contributions	(356,920)	(115,259)
7 Net change in total pension liability	384,101	110,293
8 Total pension liability - beginning	6,804,612	2,394,305
9 Total pension liability - ending	<u>\$ 7,188,713</u>	<u>\$ 2,504,598</u>
B. Plan Fiduciary Net Position		
1 Contributions - employer	\$ 107,128	\$ 19,995
2 Contributions - employee	77,209	39,404
3 Net investment income	503,925	199,168
4 Benefit payments, including refunds of employee contributions	(356,920)	(115,259)
5 Pension plan administrative expense	(13,280)	(6,762)
6 Other (net transfer)	43,746	4,626
7 Net change in plan fiduciary net position	361,808	141,172
8 Plan fiduciary net position - beginning	7,632,472	3,035,775
9 Plan fiduciary net position - ending	<u>\$ 7,994,280</u>	<u>\$ 3,176,947</u>
C. Net Pension Liability / (Asset)	<u>\$ (805,567)</u>	<u>\$ (672,349)</u>
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	111.21%	126.84%
E. Covered-Employee Payroll	\$ 1,801,700	\$ 960,265
F. Net Pension Liability as a Percentage of Covered Employee Payroll	-44.71%	-70.02%

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (continued)

Sensitivity of the Net Position Liability to Changes in the Discount Rate

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer's Net Pension Liability would be using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate.

Sensitivity of Net Pension Liability to the Single Discount Rate

	1% Decrease 6.25%	Current Single Discount Rate Assumption 7.25%	1% Increase 8.25%
General Division:			
Total Pension Liability (TPL)	\$ 8,139,135	\$ 7,188,713	\$ 6,400,636
Plan Fiduciary Net Position	7,994,280	7,994,280	7,994,280
Net Pension Liability / (Asset) (NPL)	\$ 144,855	\$ (805,567)	\$ (1,593,644)
Police Division:			
Total Pension Liability (TPL)	\$ 2,929,123	\$ 2,504,598	\$ 2,160,092
Plan Fiduciary Net Position	3,176,947	3,176,947	3,176,947
Net Pension Liability / (Asset) (NPL)	\$ (247,824)	\$ (672,349)	\$ (1,016,855)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2019, the employer recognized pension expense of \$134,850 (General) and \$5,442 (Police). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	General		Police	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 54,406	\$ (7,455)	\$ -	\$ (96,220)
Changes in assumptions	48,737	-	21,745	-
Net difference between projected and actual earnings on pension plan investments	-	(195,757)	-	(72,403)
Employer contributions subsequent to the measurement date	-	-	-	-
Total	<u>\$ 103,143</u>	<u>\$ (203,212)</u>	<u>\$ 21,745</u>	<u>\$ (168,623)</u>

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

V. LOCAL GOVERNMENT EMPLOYEES RETIREMENT SYSTEM (LAGERS) (concluded)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the Net Pension Liability for the year ending June 30, 2019.

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Net Deferred Outflows of Resources - General	Net Deferred Outflows of Resources - Police
2020	\$ 34,011	\$ (24,512)
2021	(102,512)	(66,147)
2022	(42,028)	(49,595)
2023	10,460	(5,277)
2024	-	(1,347)
Thereafter	-	-
Total	<u>\$ (100,069)</u>	<u>\$ (146,878)</u>

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF)

A. Plan Description

CERF was established by an act of the Missouri General Assembly effective August 28, 1994. Laws governing the retirement fund are found in Sections 50.1000-50.1300 of the Missouri Revised Statutes (RSMo). The Board of Directors consists of eleven members, nine of whom are county employee participants. Two members, who have no beneficiary interest in CERF, are appointed by the Governor of Missouri. The Board of Directors has the authority to adopt rules and regulations for administering the system.

CERF is a mandatory cost-sharing multiple employer retirement system for each county in the state of Missouri, except any city not within a county (which excludes the City of St. Louis) and counties of the first classification with a charter form of government. CERF covers county elective or appointive officers or employees whose position requires the actual performance of duties not less than 1,000 hours per year; including employees of circuit courts located in a first class, non-charter county which is not participating in the Local Government Employees Retirement System (LAGERS); and does not cover circuit clerks, deputy circuit clerks, county prosecuting attorneys, and county sheriffs.

Until January 1, 2000, employees hired before January 1, 2000, could opt out of the system. CERF is a defined benefit plan providing retirement and death benefits to its members. All benefits vest after 8 years of creditable service. Employees who retire on or after age 62 are entitled to an allowance for life based on the form of payment selected. The normal form of

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

VI. COUNTY EMPLOYEES' RETIREMENT FUND (CERF) (concluded)

payment is a single life annuity. Optional joint and survivor annuity and 10-year certain and life annuity payments are also offered to members in order to provide benefits to a named survivor annuitant after their death. Employees who have a minimum of 8 years of creditable service may retire with an early retirement benefit and receive a reduced allowance after attaining age 55.

Annual cost-of-living adjustments, not to exceed 1%, are provided for eligible retirees and survivor annuitants, up to a lifetime maximum of 50% of the initial benefit which the member received upon retirement. Benefit provisions are fixed by state statute and may be amended only by action of the Missouri Legislature. Administrative expenses for the operation of CERF are paid out of the funds of the system.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, or by calling 1-573-632-9203.

B. Contributions

Prior to January 1, 2003, participating county employees, except for those who participated in LAGERS, were required to make contributions equal to 2% of gross compensation. Effective January 1, 2003, participating county employees hired on or after February 25, 2002, are required to make contributions of 4% if they are in a LAGERS county and contributions of 6% if they are in a non-LAGERS county. If an employee leaves covered employment before attaining 8 years of creditable service, accumulated employee contributions are refunded to the employee. The contribution rate is set by state statute and may be amended only by action of the Missouri Legislature. During 2019 and 2018, the County collected and remitted to CERF, employee contributions of approximately \$58,510.30 and \$72,773.39, respectively, for the years then ended.

VII. PROSECUTING ATTORNEY RETIREMENT FUND

In accordance with state statute Section 56.807 RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County has contributed \$11,628 and \$11,628, respectively, for the years ended December 31, 2019, and 2018.

VIII. POST-EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County. There were two participants at December 31, 2019 and December 31, 2018, with contributions of \$10,502.56 and \$7,775.07.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

IX. CLAIMS COMMITMENTS AND CONTINGENCIES

A. Litigation

The County is not involved in pending litigation as of the audit report date.

B. Compensated Absences

Each full-time regular employee shall accrue vacation leave credit as follows: One week vacation after one year of service. Two weeks' vacation after two years of service. Three weeks' vacation after ten years of service. Comp time must be depleted before vacation time is used. All Part-time employees shall be subject to all the provisions of this section, except that vacation shall be credited at the same rate shown for full-time employees, based on percentage of days worked. Vacation time not taken will be forfeited. Employees may not accrue vacation leave unless they have prior permission from the Department head and the County Commission. No vacation leave will accumulate while an employee is taking paid or unpaid sick leave but may be added to their account after returning to normal duties. Any employee with benefits leaving the County service due to resignation, death or termination shall be compensated for vacation credit unused to the date of termination. To be eligible for such compensation, employees resigning from the County service must comply with the provisions of Article 12 of these rules governing resignations. In the event of separation due to death of the employee, compensation shall be made to the employee's beneficiary. No accrual shall occur after the date of termination.

C. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as inappropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial. No provision has been made in the accompanying financial statements for the potential refund of grant monies.

X. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body created pursuant to state statute (Section 537.700 RSMo). The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

XI. PRIOR PERIOD ADJUSTMENT

The prior audit cash balances at December 31, 2017, has been adjusted to \$5,194,174.59 for a net adjustment of (\$14,703.41). The details of the cash adjustments to the funds are as follows:

General Revenue Fund	\$ (14,705.96)
Rounding of Other Funds	<u>2.55</u>
	<u><u>\$ (14,703.41)</u></u>

XII. SUBSEQUENT EVENTS

As of the date of the audit report, there are no subsequent events to report.

SUPPLEMENTARY SCHEDULES AND AUDITOR'S REPORT

STATE COMPLIANCE SECTION

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF STATE FINDINGS
YEARS ENDED DECEMBER 31, 2019 AND 2018

SCHEDULE OF STATE FINDINGS

There were no state findings for the years ended December 31, 2019 and December 31, 2018.

FEDERAL COMPLIANCE SECTION



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the County Commission
The County of Lawrence, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Lawrence ("County") as of and for the years ended December 31, 2019, and 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2019-001 and 2019-002]

Compliance and Other Matters

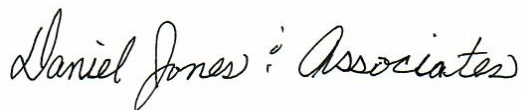
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Daniel Jones & Associates".

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 14, 2020



**Daniel Jones
& Associates**
CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To The County Commission
The County of Lawrence, Missouri

Report on Compliance for Each Major Federal Program

We have audited the County of Lawrence's ("County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the years ended December 31, 2019, and 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2019, and 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as items 2019-003 and 2019-004, that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Daniel Jones & Associates

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

August 14, 2020

**THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019 AND 2018**

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	DECEMBER 31, 2019 FEDERAL EXPENDITURES	PROVIDED TO SUBRECIPIENTS	DECEMBER 31, 2018 FEDERAL EXPENDITURES	TOTAL FEDERAL EXPENDITURES
U.S. Department of Agriculture							
Passed Through Missouri Department of Health and Senior Services							
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04518040	\$ -	\$ -	\$ -	\$ 134,591.97	\$ 134,591.97
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04519051	-	142,904.33	-	42,253.37	185,157.70
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	ERS04520051	-	43,733.23	-	-	43,733.23
Total CFDA# 10.557			-	186,637.56	-	176,845.34	363,482.90
Summer Food Service Program for Children	10.559	ERS219-18551	-	-	-	125.00	125.00
Summer Food Service Program for Children	10.559	ERS219-19055	-	215.00	-	-	215.00
Total CFDA# 10.559			-	215.00	-	125.00	340.00
Total U.S. Department of Agriculture			-	186,852.56	-	176,970.34	363,822.90
U.S. Department of Justice							
Direct Program:							
Domestic Cannabis Eradication/Suppression Program	16.000	2018-75	-	-	-	80,000.00	80,000.00
Domestic Cannabis Eradication/Suppression Program	16.000	2019-79	-	59,572.64	-	-	59,572.64
Total CFDA# 16.000			-	59,572.64	-	80,000.00	139,572.64
Equitable Sharing of Seized and Forfeited Property	16.922		-	20,232.40	-	-	20,232.40
Passed Through Missouri Association of Prosecuting Attorneys							
Crime Victim Assistance	16.575	ER130200072	-	37,734.86	-	33,467.86	71,202.72
Passed Through Missouri Department of Public Safety							
Crime Victim Assistance	16.575	2016-VA-GX-4056	-	-	-	13,626.43	13,626.43
Crime Victim Assistance	16.575	2017-VA-GX-0079	-	27,640.66	-	13,993.78	41,634.44
Total CFDA# 16.575			-	65,375.52	-	61,088.07	126,463.59
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-JAG-023	-	-	-	90,405.47	90,405.47
Edward Byrne Memorial Justice Assistance Grant	16.738	2017-JAG-012	-	115,688.83	-	115,810.64	231,499.47
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-JAG-012	-	105,483.85	-	-	105,483.85
Total CFDA# 16.738			-	221,172.68	-	206,216.11	427,388.79
Total U.S. Department of Justice			-	366,353.24	-	347,304.18	713,657.42
U.S. Department of Transportation							
Passed Through Missouri Highway and Transportation Commission							
Highway Planning and Construction	20.205	BRO-B055(27)	-	31,729.86	-	18,941.24	50,671.10
Highway Planning and Construction	20.205	BRO-B055(28)	-	10,588.75	-	-	10,588.75
Total CFDA# 20.205			-	42,318.61	-	18,941.24	61,259.85
Passed Through Missouri Department of Transportation							
Alcohol Open Container Requirements	20.607	18-154AL-062	-	-	-	5,378.83	5,378.83
Alcohol Open Container Requirements	20.607	19-154-AL-060	-	6,257.52	-	-	6,257.52
Passed Through University of Central Missouri							
Alcohol Open Container Requirements	20.607	18-154-AL-154	-	-	-	4,383.08	4,383.08
Alcohol Open Container Requirements	20.607	19-154-AL-019	-	957.34	-	-	957.34
Total CFDA# 20.607			-	7,214.86	-	9,761.91	16,976.77
Highway Safety Cluster:							
Passed Through Missouri Department of Transportation							
State and Community Highway Safety	20.600	18-PT-02-121	-	-	-	4,128.85	4,128.85
State and Community Highway Safety	20.600	19-PT-02-056	-	3,541.29	-	630.14	4,171.43
Passed Through University of Central Missouri							
State and Community Highway Safety	20.600	19-PT-02-067	-	1,830.04	-	-	1,830.04
Total CFDA# 20.600			-	5,371.33	-	4,758.99	10,130.32
Passed Through the University of Central Missouri							
National Priority Safety Programs	20.616	18-M20P-05-020	-	-	-	1,724.14	1,724.14
Total Highway Safety Cluster			-	5,371.33	-	6,483.13	11,854.46
Total U.S. Department of Transportation			-	54,904.80	-	35,186.28	90,091.08
U.S. Department of Health and Human Services							
Passed Through Missouri Department of Health and Senior Services							
Public Health Emergency Preparedness	93.069		-	33,968.51	-	32,325.31	66,293.82
Cancer Prevention and Control Programs	93.898	ERS16118058	-	-	-	2,489.89	2,489.89
Cancer Prevention and Control Programs	93.898	ERS16119042	-	1,299.24	-	2,350.40	3,649.64
Cancer Prevention and Control Programs	93.898	ERS16120035	-	3,788.41	-	-	3,788.41
Total CFDA# 93.898			-	5,087.65	-	4,840.29	9,927.94
Child Care and Development Block Grant	93.575	ERS220-11056	-	2,480.00	-	2,835.00	5,315.00
Child Care and Development Block Grant	93.575	DH190013066	-	6,090.58	-	3,670.05	9,760.63
Child Care and Development Block Grant	93.575	DH200048139	-	5,788.14	-	-	5,788.14
Child Care and Development Block Grant	93.575	ERS22020056	-	240.00	-	-	240.00
Total CFDA# 93.575			-	14,598.72	-	6,505.05	21,103.77
Children's Health Insurance Program	93.767		-	79,911.00	-	83,114.31	163,025.31
Maternal and Child Health Services Block Grant to States	93.994	1804MC32553-01	-	20,628.26	-	8,119.55	28,747.81
Maternal and Child Health Services Block Grant to States	93.994	1804MC31498-01	-	-	-	19,512.83	19,512.83
Maternal and Child Health Services Block Grant to States	93.994	DH180015055	-	-	-	2,902.97	2,902.97
Maternal and Child Health Services Block Grant to States	93.994	1804MC33849-01	-	9,107.06	-	-	9,107.06
Total CFDA# 93.994			-	29,735.32	-	30,535.35	60,270.67
Passed Through Missouri Department of Social Services							
Medical Assistance Program	93.778		-	1,817.62	-	1,939.69	3,757.31
Child Support Enforcement Program	93.563		-	173,622.24	-	169,200.24	342,822.48
Total U.S. Department of Health and Human Services			-	338,741.06	-	328,460.24	667,201.30
U.S. Department of Homeland Security							
Passed through the State Department of Public Safety							
Disaster Grants - Public Assistance Grants (Presidentially declared disasters)	97.036	Falcon Road	-	75,781.50	-	-	75,781.50
Emergency Management Performance Grants	97.042	EMK-2019-EP-00001-063	-	18,131.89	-	-	18,131.89
Emergency Management Performance Grants	97.042	EMK-2018-EP-00003-060	-	-	-	18,904.03	18,904.03
Emergency Management Performance Grants	97.042	EMK-2018-EP-00003-SL09	-	3,691.00	-	-	3,691.00
Total CFDA# 97.042			-	21,822.89	-	18,904.03	40,726.92
Total U.S. Department of Homeland Security			-	97,604.39	-	18,904.03	116,508.42
TOTAL FEDERAL EXPENDITURES			\$ -	\$ 1,044,456.05	\$ -	\$ 906,825.07	\$ 1,951,281.12

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this statement.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2019 AND 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the County of Lawrence under programs of the federal government for the years ended December 31, 2019, and 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Lawrence, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County of Lawrence.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – INDIRECT COST RATE

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – SUBRECIPIENTS

The County provided no federal awards to subrecipients during the years ended of December 31, 2019, and 2018.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. SUMMARY OF AUDITOR'S RESULTS

A. Financial Statements

1. Type of auditor's report issued: Unmodified – Regulatory Basis
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
3. Noncompliance material to financial statements noted? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No

B. Federal Awards

1. Internal control over major federal programs:
 - a. Material weakness(es) identified? 2019 ☐ Yes ☒ No
2018 ☐ Yes ☒ No
 - b. Significant deficiency(ies) identified? 2019 ☒ Yes ☐ None Reported
2018 ☒ Yes ☐ None Reported
2. Type of auditor's report issued on compliance for major federal programs: 2019 - Unmodified
2018 - Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? 2019 ☒ Yes ☐ No
2018 ☒ Yes ☐ No

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. SUMMARY OF AUDITOR'S RESULTS (concluded)

B. Federal Awards (concluded)

4. Identification of major federal program:

Year	CFDA Number(s)	Name of Federal Program or Cluster
2019/2018	93.563	Child Support Enforcement Program
2019/2018	16.738	Edward Byrne Memorial Justice Assistance Grant
2019	16.922	Equitable Sharing of Seized and Forfeited Property

5. Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

6. Auditee qualified as low-risk auditee? 2019 Yes X No

2018 Yes X No

II. FINANCIAL STATEMENT FINDINGS

2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Condition: Documentation of the County's internal controls has not been prepared.

Context: During discussions with management, we noted that internal control documentation has not been prepared.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Cause: The County did not prepare the required documentation. This is a repeat finding of 2016-001/2017-001.

Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. FINANCIAL STATEMENT FINDINGS (concluded)

2019-001 Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (417) 466-3666.

2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls. This is a repeat finding of 2016-002/2017-002.

Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

Views of responsible officials and planned corrective actions: The County will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (417) 466-3666.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

2019-003	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All
	Program Title:	All
	Pass- Through Entity	
	Identification Number:	All
	Award Year:	2019 and 2018
	Type of Finding:	Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over federal awards, regulation and the terms and conditions of the federal awards.

Criteria: Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to document risk assessment over each federal award.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of this required assessment under the Uniform Guidance for the 2019 and 2018 audit years.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: Each federal program director will be implementing internal controls for each individual grant and will be completed by the next audit period. The Commission's phone number is (417) 466-3666.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018 (concluded)

2019-004	Federal Grantor:	All
	Pass-Through Grantor:	All
	Federal CFDA Number:	All except 10.559 and 20.616
	Program Title:	All except Summer Food Service Program for Children and National Priority Safety Programs
	Pass-Through Entity	
	Identifying Number:	All except 18-M2OP-05-020
	Award year	2019 and 2018
	Type of Finding	Other Information – Significant Deficiency

Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards. Prior to these corrections, the Schedule of Expenditures of Federal Awards was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards.

Effect: No control monitoring or control over federal expenditures reporting, as required by Governmental Accounting and Financial Reporting Standards.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

Recommendation: The County should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

Views of responsible officials and planned corrective actions: The County will be implementing a tracking system for monitoring each grant individually and continue in its efforts to prepare a schedule of expenditures of federal awards with correct information. The Commission's phone number is (417) 466-3666.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS

Section II – Financial Statement Findings

2016-001

2017-001

Condition: Documentation of the County's internal controls has not been prepared for the County.

Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.

Cause: The County did not prepare the required documentation.

Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.

Recommendation: We recommend the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.

County Response: Lawrence County will work on developing the required documentation of internal controls in the offices of the County. The County Clerk is Gary Emerson, and his office phone number is (417) 466-4348.

Status: This finding is repeated in the current audit period as 2019-001.

2016-002

2017-002

Condition: During our audit, we noted there is no formal fraud risk assessment in place.

Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

I. PRIOR YEAR FINANCIAL STATEMENT FINDINGS (concluded)

2016-002
2017-002 (continued)

Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.

Recommendation: We recommend the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.

County Response: Lawrence County will work on developing the required risk assessments of the offices of the County. The County Clerk is Gary Emerson, and his office phone number is (417) 466-4348.

Status: This finding is repeated in the current audit period as 2019-002.

2016-003
2017-003

Condition: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria: Duties should be segregated so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Cause: Because of a limited number of available personnel, it is not always possible to adequately segregate certain incompatible duties.

Effect: Risk is present that errors or irregularities in amounts that would be material to the basic financial statements may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Recommendation: We realize that because of limited resources and personnel, management may not be able to achieve a proper segregation of duties; however, our professional standards require that we bring this lack of segregation of duties to your attention in the report.

County Response: Lawrence County will continue to monitor the separation of duties with the limited resources available to the County.

Status: This finding has been resolved in the current audit period.

THE COUNTY OF LAWRENCE
MT. VERNON, MISSOURI
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2019 AND 2018

II. PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no prior year federal award findings or questioned costs reported.



Daniel Jones & Associates

MEMBERS OF
MISSOURI SOCIETY OF CPA'S
AMERICAN INSTITUTE OF CPA'S

CERTIFIED PUBLIC ACCOUNTANTS

August 14, 2020

To the County Commission
The County of Lawrence, Missouri

In planning and performing our audit of the regulatory based financial statements of the County of Lawrence (the "County") as of and for the years ended December 31, 2019 and December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be a significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in County's internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in the County's internal control to be a significant deficiency as noted in section I.

Our comments concerning internal control and other significant matters are presented as follows:

- I. Deficiency Considered to be Significant
- II. Information Required by Professional Standards

The County's management has provided written responses to the findings in this report that were identified in our audit. This response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of the County Commission, County Office Holders, the Missouri State Auditor and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DANIEL JONES & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
ARNOLD, MISSOURI

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT

- 2019-001 Criteria: Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, which is effective for periods ending on or after December 15, 2009, as amended by SAS No. 122, *Statements on Auditing Standards: Clarification and Recodification*, considers inadequate documentation of the components of internal control to be at least a significant deficiency.
- Condition: Documentation of the County's internal controls has not been prepared.
- Context: During discussions with management, we noted that internal control documentation has not been prepared.
- Effect: SAS 122 considers inadequate documentation of the components of internal control to be at least a significant deficiency. Without documented internal controls, the County may not be able to ensure that controls are in place, communicated and operating effectively.
- Cause: The County did not prepare the required documentation. This is a repeat finding of 2016-001/2017-001.
- Recommendation: We recommend that the County develop the required internal control documentation. In addition, we recommend studying the COSO internal control guidance and tools as a means to begin the process. Once this documentation is complete, those charged with governance have a responsibility to understand the controls and ensure they are operating effectively.
- Views of responsible officials and planned corrective actions: The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office. The County Commission's office phone number is (417) 466-3666.
- 2019-002 Criteria: Antifraud programs and controls are the policies and procedures put in place by an organization to help ensure that management directives are carried out. They are part of the overall system of internal control established to achieve reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.
- Condition: During our audit, we noted there is no formal fraud risk assessment in place.
- Context: During discussions with management, we noted there was no formal fraud risk assessments implemented.
- Effect: Lack of an appropriate risk assessment process may result in certain risks not being identified by County's management. Opportunities to commit and conceal a fraud or irregularity may go undetected by management without proper assessment procedures.
- Cause: Management has not prepared documentation of risk assessments, including identified risks and mitigating controls. This is a repeat finding of 2016-002/2017-002.
- Recommendation: We recommend that the County address various risks in the environment, including risk of fraud occurring by performing assessments to identify, analyze and manage these risks.
- Views of responsible officials and planned corrective actions: The County will address fraud risk assessment and work on preparing in all of the offices. The County Commission's office phone number is (417) 466-3666.

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (continued)

2019-003 Federal Grantor: All
Pass-Through Grantor: All
Federal CFDA Number: All
Program Title: All
Pass- Through Entity
Identification Number: All
Award Year: 2019 and 2018
Type of Finding: Other Information – Significant Deficiency

Information on the federal program: The County must establish and maintain effective risk assessment over federal awards, regulation and the terms and conditions of the federal awards.

Criteria: Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* requires the auditee to document risk assessment over each federal award.

Condition: Through auditing procedures, we identified that the County has not prepared the required risk assessment over federal awards.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered that the County has not prepared the required risk assessment over federal awards.

Effect: No risk assessment over federal awards.

Cause: The County was not aware of this required assessment under the Uniform Guidance for the 2019 and 2018 audit years.

Recommendation: The County should implement procedures to ensure that the risk assessment over federal awards are addressed going forward.

Views of responsible officials and planned corrective actions: Each federal program director will be implementing internal controls for each individual grant and will be completed by the next audit period. The Commission's phone number is (417) 466-3666.

2019-004 Federal Grantor: All
Pass-Through Grantor: All
Federal CFDA Number: All except 10.559 and 20.616
Program Title: All except Summer Food Service Program for Children and
National Priority Safety Programs
Pass-Through Entity
Identifying Number: All except 18-M2OP-05-020
Award year 2019 and 2018
Type of Finding Other Information – Significant Deficiency

I. DEFICIENCIES CONSIDERED TO BE SIGNIFICANT (concluded)

2019-004 Information on the federal program: The Schedule of Expenditures of Federal Awards contained errors.

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) requires the auditee to prepare the Schedule of Expenditures of Federal Awards.

Condition: Through auditing procedures, we were able to correct and support the amounts reported on the Schedule of Expenditures of Federal Awards. Prior to these corrections, the Schedule of Expenditures of Federal Awards was prepared with incorrect financial information.

Questioned Costs: Not applicable

Context: During the audit of federal programs, we discovered a number of errors related to the Schedule of Expenditures of Federal Awards.

Effect: No control monitoring or control over federal expenditures reporting, as required by *Governmental Accounting and Financial Reporting Standards*.

Cause: Adequate emphasis was not placed on the preparation of the Schedule of Expenditures of Federal Awards.

Recommendation: The County should implement procedures to ensure that the Schedule of Expenditures of Federal Awards is prepared in accordance with federal requirements. The County should continue in its efforts to establish an accounting system that will capture grant transactions in a manner sufficient to readily report the necessary information required on the Schedule of Expenditures of Federal Awards.

Views of responsible officials and planned corrective actions: The County will be implementing a tracking system for monitoring each grant individually and continue in its efforts to prepare a schedule of expenditures of federal awards with correct information. The Commission's phone number is (417) 466-3666.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards and the Uniform Guidance*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 1, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note I to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2019 and 2018 fiscal years. We noted no transactions entered into by the County during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. Due to the County applying the regulatory basis of accounting, no estimates are made during the preparation of financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 14, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We were engaged to report the schedule of expenditure of federal awards, which accompanies the financial statements but is not RSI (required supplementary information). With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the regulatory basis of accounting, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

II. INFORMATION REQUIRED BY PROFESSIONAL STANDARDS (concluded)

We noted during our audit certain matters that were not considered to be significant deficiencies or material weaknesses. Several county offices have limited numbers of staff which inherently increases the risk of misstatement. Office holders appear to have mitigating controls in place to lower these risks to an acceptable level but the commission does need to be aware of these risks and offices need to remain vigilant in deterring the potential for erroneous or fraudulent activity.

LAWRENCE COUNTY
LAWRENCE COUNTY COURTHOUSE
1 E. COURTHOUSE SQ
MT. VERNON MO 65712

CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
12/31/2019 AND 12/31/2018

FINDING NUMBER	PLANNED CORRECTIVE ACTION	ANTICIPATED COMPLETION DATE	RESPONSIBLE CONTACT PERSON
2019-001	The County has started researching the COSO internal control guidance and will begin the process of internal control documentation in the County Commission's office.	12/31/2020	COUNTY COMMISSION
2019-002	The County will address fraud risk assessment and work on preparing in all of the offices.	12/31/2020	COUNTY COMMISSION
2019-003	The Federal Program Directors are in the process of preparing the risk assessment over federal awards.	12/31/2020	COUNTY COMMISSION
2019-004	The County will work more closely with the grant administrators to ensure the SEFA is correctly prepared going forward.	12/31/2020	COUNTY COMMISSION



NICOLE GALLOWAY, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Caldwell County, Missouri

The Office of the State Auditor contracted for an audit of Caldwell County's financial statements for the 2 years ended December 31, 2019, through the state Office of Administration, Division of Purchasing and Materials Management. The audit includes an audit of each county officer in fulfillment of our duties under Section 29.230.1, RSMo. A copy of this audit, performed by McBride, Lock & Associates, LLC, Certified Public Accountants, is attached.

Nicole R. Galloway, CPA
State Auditor

August 2020
Report No. 2020-054

ANNUAL FINANCIAL REPORT

CALDWELL COUNTY, MISSOURI

For the Years Ended
December 31, 2019 and 2018

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS
KANSAS CITY

CALDWELL COUNTY, MISSOURI

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
List of Elected Officials 2018 – 2019	i
FINANCIAL SECTION	
Independent Auditor's Report	ii
BASIC FINANCIAL STATEMENTS:	
Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis	1
Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis – All Governmental Funds	2
Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis	16
Notes to the Financial Statements	17
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	26
Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance	28
Schedule of Expenditures of Federal Awards	30
Notes to the Schedule of Expenditures of Federal Awards	31
Schedule of Findings and Questioned Costs	32
Management's Response to Auditor's Findings	38
• Summary Schedule of Prior Audit Findings	
• Corrective Action Plan	

INTRODUCTORY SECTION

CALDWELL COUNTY, MISSOURI
List of Elected Officials 2018-2019

County Commission

Presiding Commissioner – C.R. (Bud) Motsinger
Commissioner, Western District – Rex J. Hibler
Commissioner, Eastern District – Jonathan Abbott

Other Elected Officials

Assessor – Beverly Alden
Circuit Clerk – Carrie Miller
Collector/Treasurer – June Grooms
County Clerk – Christine Owen
Coroner – Dana Brown
Prosecuting Attorney – Brady C. Kopek
Public Administrator – Richard Lee
Recorder – Julie Hill
Sheriff – Jerry Galloway

FINANCIAL SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the County Commission and
Officeholders of Caldwell County, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Caldwell County, Missouri, which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018 and 2019, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed or permitted by Missouri law, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Caldwell County, Missouri on the basis of the financial reporting provisions prescribed or permitted by Missouri Law, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Caldwell County, Missouri, as of December 31, 2018 and 2019, or the changes in financial position thereof for the years then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of each fund of Caldwell County, Missouri, as of December 31, 2018 and 2019, and their respective cash receipts and disbursements, and budgetary results for the years then ended, in accordance with the financial reporting provisions prescribed or permitted by Missouri Law as described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Caldwell County, Missouri’s basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also have issued our report dated July 14, 2020, on our consideration of Caldwell County, Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Caldwell County, Missouri's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "McBride, Lock & Associates, LLC". The signature is written in a cursive, flowing style.

McBride, Lock & Associates, LLC
Kansas City, Missouri
July 14, 2020

CALDWELL COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund	Cash and Investments January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Investments December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Investments December 31, 2019
General Revenue	\$ 1,965,878	\$ 1,344,642	\$ 1,580,312	\$ 1,730,208	\$ 1,498,790	\$ 1,149,518	\$ 2,079,480
Special Road and Bridge	625,043	1,342,159	1,226,896	740,306	737,517	720,484	757,339
Assessment	23,071	226,893	199,087	50,877	242,413	209,219	84,071
Road and Bridge Sales Tax	180,898	284,102	247,547	217,453	300,735	373,476	144,712
Law Enforcement Sales Tax	302,641	3,383,840	3,594,174	92,307	3,580,603	3,670,870	2,040
Tax Maintenance	43,934	17,398	13,532	47,800	18,240	24,003	42,037
Election Services	2,041	780	1,925	896	996	462	1,430
Prosecuting Attorney Training	614	1,592	700	1,506	32	599	939
Peace Officer Training	8,652	4,454	1,105	12,001	3,004	3,244	11,761
Domestic Violence	2,217	602	2,000	819	708	-	1,527
Prosecuting Attorney Collection	1,299	-	-	1,299	-	-	1,299
Sheriff Civil Fees	56,446	15,535	3,682	68,299	12,130	34,874	45,555
Record Storage	18,431	5,589	6,259	17,761	5,553	1,266	22,048
Administrative Handling Cost	13,056	1,077	85	14,048	594	2,035	12,607
Sheriff Revolving	51,670	7,848	535	58,983	5,026	636	63,373
Senior Citizens Services	10,302	74,151	75,634	8,819	77,426	77,523	8,722
Local Emergency Planning Committee	-	2,763	2,763	-	2,802	2,802	-
Little Otter Creek	2,107,116	958,670	616,585	2,449,201	917,701	751,414	2,615,488
Law Enforcement Restitution	6,737	956	-	7,693	2,119	-	9,812
Inmate Prisoner Detainee	210,562	277,919	243,814	244,667	285,895	355,585	174,977
Election	5,792	90,613	66,720	29,685	22,236	45,385	6,536
Anderson Park Operating	15,856	13,014	20,320	8,550	20,552	23,902	5,200
Anderson Park Memorial	2,488	-	637	1,851	-	-	1,851
Little Otter Creek NRCS Grant	14,947	85,079	100,026	-	-	-	-
License Office	-	-	-	-	49,400	44,393	5,007
Caldwell County Detention Center Building	-	-	-	-	400,000	346,291	53,709
Law Library	2,882	6,020	3,817	5,085	4,346	5,165	4,266
Total	<u>\$ 5,672,573</u>	<u>\$ 8,145,696</u>	<u>\$ 8,008,155</u>	<u>\$ 5,810,114</u>	<u>\$ 8,188,818</u>	<u>\$ 7,843,146</u>	<u>\$ 6,155,786</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND Year Ended December 31,				
	2018		2019	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
RECEIPTS				
Property taxes	\$ 409,600	\$ 379,945	\$ 379,500	\$ 394,645
Sales taxes	475,000	462,548	450,000	493,753
Intergovernmental	10,000	10,527	20,000	45,788
Charges for services	387,600	402,142	398,000	415,873
Interest	25,000	29,384	29,000	40,940
Other	57,050	60,096	58,000	61,972
Transfers in	25,819	-	45,819	45,819
Total Receipts	<u>\$ 1,390,069</u>	<u>\$ 1,344,642</u>	<u>\$ 1,380,319</u>	<u>\$ 1,498,790</u>
DISBURSEMENTS				
County Commission	\$ 124,331	\$ 112,653	\$ 121,281	\$ 121,197
County Clerk	172,117	150,198	163,717	158,885
Buildings and grounds	228,800	140,028	214,600	136,870
Treasurer	41,617	41,617	110,777	101,731
Collector	64,830	64,820	-	-
Recorder of Deeds	124,917	114,769	123,817	117,289
Public Administrator	61,360	37,895	49,310	41,015
Other County government	248,240	190,874	193,500	154,532
Health and welfare	48,000	31,917	77,700	76,999
Debt service	600,000	570,541	-	-
Transfers out	192,933	125,000	372,000	241,000
Emergency fund	100,000	-	100,000	-
Total Disbursements	<u>\$ 2,007,145</u>	<u>\$ 1,580,312</u>	<u>\$ 1,526,702</u>	<u>\$ 1,149,518</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	\$ (617,076)	\$ (235,670)	\$ (146,383)	\$ 349,272
CASH AND INVESTMENTS, JANUARY 1	<u>1,965,878</u>	<u>1,965,878</u>	<u>1,730,208</u>	<u>1,730,208</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 1,348,802</u></u>	<u><u>\$ 1,730,208</u></u>	<u><u>\$ 1,583,825</u></u>	<u><u>\$ 2,079,480</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI

COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,207,400	1,124,754	653,500	612,101	-	-	-	-
Charges for services	75,000	76,007	76,000	78,657	172,000	171,066	170,118	180,770
Interest	9,000	13,850	7,500	15,231	1,100	1,024	1,000	2,492
Other	73,000	127,548	67,400	31,528	4,400	4,803	4,300	3,151
Transfers in	-	-	-	-	56,000	50,000	56,000	56,000
Total Receipts	<u>\$ 1,364,400</u>	<u>\$ 1,342,159</u>	<u>\$ 804,400</u>	<u>\$ 737,517</u>	<u>\$ 233,500</u>	<u>\$ 226,893</u>	<u>\$ 231,418</u>	<u>\$ 242,413</u>
DISBURSEMENTS								
Salaries	\$ 157,000	\$ 129,262	\$ 158,000	\$ 137,781	\$ 116,617	\$ 105,775	\$ 139,647	\$ 115,408
Employee fringe benefits	52,830	40,509	40,000	33,686	35,000	28,351	40,000	30,172
Materials and supplies	291,400	240,866	299,950	279,148	11,916	6,808	10,400	4,914
Services and other	78,700	79,168	142,700	26,263	69,092	58,153	67,851	58,725
Capital outlay	220,000	189,276	120,000	13,841	-	-	-	-
Construction	899,800	547,815	323,000	189,765	-	-	-	-
Transfers out	20,000	-	20,000	40,000	-	-	-	-
Total Disbursements	<u>\$ 1,719,730</u>	<u>\$ 1,226,896</u>	<u>\$ 1,103,650</u>	<u>\$ 720,484</u>	<u>\$ 232,625</u>	<u>\$ 199,087</u>	<u>\$ 257,898</u>	<u>\$ 209,219</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (355,330)	\$ 115,263	\$ (299,250)	\$ 17,033	\$ 875	\$ 27,806	\$ (26,480)	\$ 33,194
CASH AND INVESTMENTS, JANUARY 1	<u>625,043</u>	<u>625,043</u>	<u>740,306</u>	<u>740,306</u>	<u>23,071</u>	<u>23,071</u>	<u>50,877</u>	<u>50,877</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 269,713</u>	<u>\$ 740,306</u>	<u>\$ 441,056</u>	<u>\$ 757,339</u>	<u>\$ 23,946</u>	<u>\$ 50,877</u>	<u>\$ 24,397</u>	<u>\$ 84,071</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ROAD AND BRIDGE SALES TAX FUND				LAW ENFORCEMENT SALES TAX FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	290,000	280,654	280,000	297,216	290,000	280,647	275,000	297,216
Intergovernmental	-	-	-	-	186,000	183,140	190,197	181,760
Charges for services	-	-	-	-	2,972,900	2,894,113	2,922,500	2,889,940
Interest	2,000	3,442	2,500	3,519	5,000	3,513	3,500	4,835
Other	-	6	-	-	10,000	22,427	20,000	26,852
Transfers in	-	-	-	-	56,934	-	286,000	180,000
Total Receipts	<u>\$ 292,000</u>	<u>\$ 284,102</u>	<u>\$ 282,500</u>	<u>\$ 300,735</u>	<u>\$ 3,520,834</u>	<u>\$ 3,383,840</u>	<u>\$ 3,697,197</u>	<u>\$ 3,580,603</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 1,845,162	\$ 1,772,032	\$ 1,957,763	\$ 1,893,370
Employee fringe benefits	-	-	-	-	424,543	422,960	419,200	426,012
Materials and supplies	269,000	247,547	482,276	373,476	138,000	117,757	121,660	135,155
Services and other	-	-	-	-	1,232,694	1,153,044	1,221,077	1,145,655
Capital outlay	-	-	-	-	132,500	127,423	70,000	70,678
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	958	-	-
Total Disbursements	<u>\$ 269,000</u>	<u>\$ 247,547</u>	<u>\$ 482,276</u>	<u>\$ 373,476</u>	<u>\$ 3,772,899</u>	<u>\$ 3,594,174</u>	<u>\$ 3,789,700</u>	<u>\$ 3,670,870</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 23,000	\$ 36,555	\$ (199,776)	\$ (72,741)	\$ (252,065)	\$ (210,334)	\$ (92,503)	\$ (90,267)
CASH AND INVESTMENTS, JANUARY 1	<u>180,898</u>	<u>180,898</u>	<u>217,453</u>	<u>217,453</u>	<u>302,641</u>	<u>302,641</u>	<u>92,307</u>	<u>92,307</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 203,898</u>	<u>\$ 217,453</u>	<u>\$ 17,677</u>	<u>\$ 144,712</u>	<u>\$ 50,576</u>	<u>\$ 92,307</u>	<u>\$ (196)</u>	<u>\$ 2,040</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				ELECTION SERVICES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	16,000	16,456	17,000	17,243	-	-	-	-
Interest	500	942	500	997	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,200	780	600	996
Total Receipts	<u>\$ 16,500</u>	<u>\$ 17,398</u>	<u>\$ 17,500</u>	<u>\$ 18,240</u>	<u>\$ 1,200</u>	<u>\$ 780</u>	<u>\$ 600</u>	<u>\$ 996</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	1,600	1,608	600	-
Services and other	18,136	8,462	24,286	18,184	400	317	400	462
Capital outlay	-	5,070	5,000	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	5,819	-	5,819	5,819	-	-	-	-
Total Disbursements	<u>\$ 23,955</u>	<u>\$ 13,532</u>	<u>\$ 35,105</u>	<u>\$ 24,003</u>	<u>\$ 2,000</u>	<u>\$ 1,925</u>	<u>\$ 1,000</u>	<u>\$ 462</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (7,455)	\$ 3,866	\$ (17,605)	\$ (5,763)	\$ (800)	\$ (1,145)	\$ (400)	\$ 534
CASH AND INVESTMENTS, JANUARY 1	<u>43,934</u>	<u>43,934</u>	<u>47,800</u>	<u>47,800</u>	<u>2,041</u>	<u>2,041</u>	<u>896</u>	<u>896</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 36,479</u>	<u>\$ 47,800</u>	<u>\$ 30,195</u>	<u>\$ 42,037</u>	<u>\$ 1,241</u>	<u>\$ 896</u>	<u>\$ 496</u>	<u>\$ 1,430</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY TRAINING FUND				PEACE OFFICER TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	700	634	600	32	3,850	4,454	4,050	3,004
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	958	-	-	-	-	-	-
Total Receipts	<u>\$ 700</u>	<u>\$ 1,592</u>	<u>\$ 600</u>	<u>\$ 32</u>	<u>\$ 3,850</u>	<u>\$ 4,454</u>	<u>\$ 4,050</u>	<u>\$ 3,004</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	700	700	650	599	10,000	1,105	10,000	3,244
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 700</u>	<u>\$ 700</u>	<u>\$ 650</u>	<u>\$ 599</u>	<u>\$ 10,000</u>	<u>\$ 1,105</u>	<u>\$ 10,000</u>	<u>\$ 3,244</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ 892	\$ (50)	\$ (567)	\$ (6,150)	\$ 3,349	\$ (5,950)	\$ (240)
CASH AND INVESTMENTS, JANUARY 1	<u>614</u>	<u>614</u>	<u>1,506</u>	<u>1,506</u>	<u>8,652</u>	<u>8,652</u>	<u>12,001</u>	<u>12,001</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 614</u>	<u>\$ 1,506</u>	<u>\$ 1,456</u>	<u>\$ 939</u>	<u>\$ 2,502</u>	<u>\$ 12,001</u>	<u>\$ 6,051</u>	<u>\$ 11,761</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	DOMESTIC VIOLENCE FUND				PROSECUTING ATTORNEY COLLECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	600	602	600	708	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 600</u>	<u>\$ 602</u>	<u>\$ 600</u>	<u>\$ 708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	2,000	2,000	1,000	-	1,200	-	1,200	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ -</u>	<u>\$ 1,200</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (1,400)	\$ (1,398)	\$ (400)	\$ 708	\$ (1,200)	\$ -	\$ (1,200)	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>2,217</u>	<u>2,217</u>	<u>819</u>	<u>819</u>	<u>1,299</u>	<u>1,299</u>	<u>1,299</u>	<u>1,299</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 817</u>	<u>\$ 819</u>	<u>\$ 419</u>	<u>\$ 1,527</u>	<u>\$ 99</u>	<u>\$ 1,299</u>	<u>\$ 99</u>	<u>\$ 1,299</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SHERIFF CIVIL FEES FUND				RECORD STORAGE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	11,500	14,348	14,000	11,317	5,075	5,265	4,750	5,160
Interest	-	-	-	-	150	324	300	393
Other	600	1,187	1,000	813	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 12,100</u>	<u>\$ 15,535</u>	<u>\$ 15,000</u>	<u>\$ 12,130</u>	<u>\$ 5,225</u>	<u>\$ 5,589</u>	<u>\$ 5,050</u>	<u>\$ 5,553</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	11,500	1,682	12,000	1,955	10,000	2,337	12,000	1,266
Capital outlay	32,000	2,000	40,000	32,919	-	3,922	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 43,500</u>	<u>\$ 3,682</u>	<u>\$ 52,000</u>	<u>\$ 34,874</u>	<u>\$ 10,000</u>	<u>\$ 6,259</u>	<u>\$ 12,000</u>	<u>\$ 1,266</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (31,400)	\$ 11,853	\$ (37,000)	\$ (22,744)	\$ (4,775)	\$ (670)	\$ (6,950)	\$ 4,287
CASH AND INVESTMENTS, JANUARY 1	<u>56,446</u>	<u>56,446</u>	<u>68,299</u>	<u>68,299</u>	<u>18,431</u>	<u>18,431</u>	<u>17,761</u>	<u>17,761</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 25,046</u>	<u>\$ 68,299</u>	<u>\$ 31,299</u>	<u>\$ 45,555</u>	<u>\$ 13,656</u>	<u>\$ 17,761</u>	<u>\$ 10,811</u>	<u>\$ 22,048</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ADMINISTRATIVE HANDLING COST FUND				SHERIFF REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,540	835	600	335	1,500	2,948	2,500	5,026
Interest	140	242	150	259	-	-	-	-
Other	-	-	-	-	-	4,900	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 1,680</u>	<u>\$ 1,077</u>	<u>\$ 750</u>	<u>\$ 594</u>	<u>\$ 1,500</u>	<u>\$ 7,848</u>	<u>\$ 2,500</u>	<u>\$ 5,026</u>
DISBURSEMENTS								
Salaries	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	180	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	10,000	85	10,000	2,035	40,000	535	50,000	636
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 10,580</u>	<u>\$ 85</u>	<u>\$ 10,000</u>	<u>\$ 2,035</u>	<u>\$ 40,000</u>	<u>\$ 535</u>	<u>\$ 50,000</u>	<u>\$ 636</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (8,900)	\$ 992	\$ (9,250)	\$ (1,441)	\$ (38,500)	\$ 7,313	\$ (47,500)	\$ 4,390
CASH AND INVESTMENTS, JANUARY 1	<u>13,056</u>	<u>13,056</u>	<u>14,048</u>	<u>14,048</u>	<u>51,670</u>	<u>51,670</u>	<u>58,983</u>	<u>58,983</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 4,156</u>	<u>\$ 14,048</u>	<u>\$ 4,798</u>	<u>\$ 12,607</u>	<u>\$ 13,170</u>	<u>\$ 58,983</u>	<u>\$ 11,483</u>	<u>\$ 63,373</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENIOR CITIZENS SERVICES FUND				LOCAL EMERGENCY PLANNING COMMITTEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ 89,700	\$ 72,956	\$ 71,900	\$ 76,288	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	3,000	2,763	3,000	2,802
Charges for services	-	-	-	-	-	-	-	-
Interest	300	231	200	500	-	-	-	-
Other	-	964	3,500	638	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 90,000</u>	<u>\$ 74,151</u>	<u>\$ 75,600</u>	<u>\$ 77,426</u>	<u>\$ 3,000</u>	<u>\$ 2,763</u>	<u>\$ 3,000</u>	<u>\$ 2,802</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	100,200	75,634	77,600	77,523	3,000	2,763	3,000	2,802
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 100,200</u>	<u>\$ 75,634</u>	<u>\$ 77,600</u>	<u>\$ 77,523</u>	<u>\$ 3,000</u>	<u>\$ 2,763</u>	<u>\$ 3,000</u>	<u>\$ 2,802</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,200)	\$ (1,483)	\$ (2,000)	\$ (97)	\$ -	\$ -	\$ -	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>10,302</u>	<u>10,302</u>	<u>8,819</u>	<u>8,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 102</u>	<u>\$ 8,819</u>	<u>\$ 6,819</u>	<u>\$ 8,722</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LITTLE OTTER CREEK FUND				LAW ENFORCEMENT RESTITUTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	290,000	280,645	275,000	297,216	-	-	-	-
Intergovernmental	-	603,352	2,469,000	525,170	-	-	-	-
Charges for services	44,000	39,378	32,400	47,038	900	956	900	2,119
Interest	8,000	35,270	10,000	48,277	-	-	-	-
Other	900	25	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 342,900</u>	<u>\$ 958,670</u>	<u>\$ 2,786,400</u>	<u>\$ 917,701</u>	<u>\$ 900</u>	<u>\$ 956</u>	<u>\$ 900</u>	<u>\$ 2,119</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	-	-	-	-
Services and other	607,600	242,777	608,600	751,414	6,000	-	6,000	-
Capital outlay	300,000	288,804	360,000	-	-	-	-	-
Construction	103,000	-	285,000	-	-	-	-	-
Transfers out	44,500	85,004	44,500	-	-	-	-	-
Total Disbursements	<u>\$ 1,055,100</u>	<u>\$ 616,585</u>	<u>\$ 1,298,100</u>	<u>\$ 751,414</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (712,200)	\$ 342,085	\$ 1,488,300	\$ 166,287	\$ (5,100)	\$ 956	\$ (5,100)	\$ 2,119
CASH AND INVESTMENTS, JANUARY 1	<u>2,107,116</u>	<u>2,107,116</u>	<u>2,449,201</u>	<u>2,449,201</u>	<u>6,737</u>	<u>6,737</u>	<u>7,693</u>	<u>7,693</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 1,394,916</u>	<u>\$ 2,449,201</u>	<u>\$ 3,937,501</u>	<u>\$ 2,615,488</u>	<u>\$ 1,637</u>	<u>\$ 7,693</u>	<u>\$ 2,593</u>	<u>\$ 9,812</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	INMATE PRISONER DETAINEE FUND				ELECTION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	301,000	277,919	275,700	285,895	16,000	15,613	14,000	22,236
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	80,000	75,000	20,000	-
Total Receipts	<u>\$ 301,000</u>	<u>\$ 277,919</u>	<u>\$ 275,700</u>	<u>\$ 285,895</u>	<u>\$ 96,000</u>	<u>\$ 90,613</u>	<u>\$ 34,000</u>	<u>\$ 22,236</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	25,000	45,989	30,000	61,591	50,000	30,991	16,000	24,161
Services and other	251,678	163,355	222,578	138,994	46,800	34,949	32,900	20,228
Capital outlay	34,470	34,470	155,000	55,000	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	100,000	-	780	-	996
Total Disbursements	<u>\$ 311,148</u>	<u>\$ 243,814</u>	<u>\$ 407,578</u>	<u>\$ 355,585</u>	<u>\$ 96,800</u>	<u>\$ 66,720</u>	<u>\$ 48,900</u>	<u>\$ 45,385</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ (10,148)	\$ 34,105	\$ (131,878)	\$ (69,690)	\$ (800)	\$ 23,893	\$ (14,900)	\$ (23,149)
CASH AND INVESTMENTS, JANUARY 1	<u>210,562</u>	<u>210,562</u>	<u>244,667</u>	<u>244,667</u>	<u>5,792</u>	<u>5,792</u>	<u>29,685</u>	<u>29,685</u>
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ 200,414</u>	<u>\$ 244,667</u>	<u>\$ 112,789</u>	<u>\$ 174,977</u>	<u>\$ 4,992</u>	<u>\$ 29,685</u>	<u>\$ 14,785</u>	<u>\$ 6,536</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ANDERSON PARK OPERATING FUND				ANDERSON PARK MEMORIAL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	25,000	13,014	22,600	20,552	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	900	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	<u>\$ 25,000</u>	<u>\$ 13,014</u>	<u>\$ 22,600</u>	<u>\$ 20,552</u>	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	10,200	15,464	11,500	9,241	-	-	-	-
Services and other	10,150	4,856	12,450	14,661	-	-	-	-
Capital outlay	-	-	-	-	2,000	637	1,500	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 20,350</u>	<u>\$ 20,320</u>	<u>\$ 23,950</u>	<u>\$ 23,902</u>	<u>\$ 2,000</u>	<u>\$ 637</u>	<u>\$ 1,500</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ 4,650	\$ (7,306)	\$ (1,350)	\$ (3,350)	\$ (1,100)	\$ (637)	\$ (1,500)	\$ -
CASH AND INVESTMENTS, JANUARY 1	<u>15,856</u>	<u>15,856</u>	<u>8,550</u>	<u>8,550</u>	<u>2,488</u>	<u>2,488</u>	<u>1,851</u>	<u>1,851</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ 20,506</u></u>	<u><u>\$ 8,550</u></u>	<u><u>\$ 7,200</u></u>	<u><u>\$ 5,200</u></u>	<u><u>\$ 1,388</u></u>	<u><u>\$ 1,851</u></u>	<u><u>\$ 351</u></u>	<u><u>\$ 1,851</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LITTLE OTTER CREEK NRCS GRANT FUND				LICENSE OFFICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	51,500	44,400
Interest	977	75	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	44,500	85,004	-	-	-	-	-	5,000
Total Receipts	<u>\$ 45,477</u>	<u>\$ 85,079</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,500</u>	<u>\$ 49,400</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,600	\$ 36,270
Employee fringe benefits	-	-	-	-	-	-	4,200	3,776
Materials and supplies	-	-	-	-	-	-	1,000	619
Services and other	100,026	100,026	-	-	-	-	8,275	3,728
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ 100,026</u>	<u>\$ 100,026</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,075</u>	<u>\$ 44,393</u>
RECEIPTS OVER (UNDER)								
DISBURSEMENTS	\$ (54,549)	\$ (14,947)	\$ -	\$ -	\$ -	\$ -	\$ 425	\$ 5,007
CASH AND INVESTMENTS, JANUARY 1	<u>14,947</u>	<u>14,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH AND INVESTMENTS, DECEMBER 31	<u><u>\$ (39,602)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 425</u></u>	<u><u>\$ 5,007</u></u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
COMPARATIVE STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	CALDWELL COUNTY DETENTION CENTER BUILDING FUND				LAW LIBRARY FUND			
	Year Ended December 31,				Year Ended December 31,			
	2018		2019		2018		2019	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	4,000	6,020	5,000	4,346
Interest	-	-	-	-	-	-	-	-
Other	-	-	300,000	300,000	-	-	-	-
Transfers in	-	-	100,000	100,000	-	-	-	-
Total Receipts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 4,000</u>	<u>\$ 6,020</u>	<u>\$ 5,000</u>	<u>\$ 4,346</u>
DISBURSEMENTS								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and supplies	-	-	-	-	4,000	3,817	5,200	5,165
Services and other	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Construction	-	-	350,000	346,291	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 346,291</u>	<u>\$ 4,000</u>	<u>\$ 3,817</u>	<u>\$ 5,200</u>	<u>\$ 5,165</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	\$ -	\$ -	\$ 50,000	\$ 53,709	\$ -	\$ 2,203	\$ (200)	\$ (819)
CASH AND INVESTMENTS, JANUARY 1	-	-	-	-	2,882	2,882	5,085	5,085
CASH AND INVESTMENTS, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 53,709</u>	<u>\$ 2,882</u>	<u>\$ 5,085</u>	<u>\$ 4,885</u>	<u>\$ 4,266</u>

The accompanying Notes to the Financial Statements are an integral part of these statements.

CALDWELL COUNTY, MISSOURI
STATEMENT OF FIDUCIARY RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2018 AND 2019

Fund/Account	Cash and Cash Equivalents January 1, 2018	Receipts 2018	Disbursements 2018	Cash and Cash Equivalents December 31, 2018	Receipts 2019	Disbursements 2019	Cash and Cash Equivalents December 31, 2019
Treasurer Surplus Tax Sale	\$ 5,908	\$ 2,030	\$ 5,246	\$ 2,692	\$ 197	\$ 814	\$ 2,075
Treasurer Fines	71,154	159,159	153,517	76,796	136,772	136,828	76,740
Treasurer Deputy Sheriff Salary	-	4,525	4,525	-	3,765	3,765	-
Treasurer Unclaimed Fees	118	92	25	185	99	46	238
Treasurer Time Payment	2,346	808	-	3,154	836	-	3,990
Treasurer Charitable	335	-	-	335	-	-	335
Treasurer CERF	-	77,865	77,865	-	83,556	83,555	1
Collector Protest	7,698	7,241	-	14,939	10,334	-	25,273
Collector Bankruptcy	-	1,036	-	1,036	1,918	54	2,900
Collector Main	3,874,148	10,373,235	9,992,064	4,255,319	11,077,182	10,549,579	4,782,922
Public Administrator	236,309	217,410	211,958	241,761	214,978	221,357	235,382
Recorder	-	63,617	63,617	-	66,606	66,606	-
License Office	-	7,857	3,685	4,172	185,356	181,582	7,946
Prosecuting Attorney	5,316	18,086	20,691	2,711	10,596	10,235	3,072
Sheriff Trust Account	6,548	51,565	55,283	2,830	53,034	52,779	3,085
Sheriff Board Bill Account	-	-	-	-	28,645	27,885	760
Sheriff Detention Center	16,197	671,610	670,372	17,435	762,919	751,380	28,974
Total	<u>\$ 4,226,077</u>	<u>\$ 11,656,136</u>	<u>\$ 11,258,848</u>	<u>\$ 4,623,365</u>	<u>\$ 12,636,793</u>	<u>\$ 12,086,465</u>	<u>\$ 5,173,693</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

CALDWELL COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Caldwell County, Missouri (“County”) is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Circuit Clerk, Collector/Treasurer, Coroner, County Clerk, Prosecuting Attorney, Public Administrator, Recorder and Sheriff.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by Missouri Law, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County’s operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Caldwell County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered to comprise the County’s legal entity.

In accordance with the regulatory basis of accounting, the financial statements of the County do not include the activity of the Circuit Court, which is part of the Missouri court system and is considered to be a state function, including the operations of the Circuit Clerk and all funds under their control.

B. Basis of Presentation

Governmental Funds – Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County’s funds are governmental funds. Governmental funds are those through which most governmental functions are financed. The County’s expendable financial resources are accounted for through governmental funds.

Fiduciary Funds – Fiduciary funds consist of custodial funds. Custodial funds account for assets held by the County as an agent of individuals, private organizations, taxing units, other governments and/or funds. Budgets are not adopted for the County’s custodial funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50, RSMo, the County's policy is to adopt a budget for each governmental fund.
2. On or before January 15, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.
3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.
4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance. However, the County budgeted a negative ending fund balance for the Little Otter Creek NRCS Grant Fund in 2018 and the Law Enforcement Sales Tax Fund in 2019.
5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.
6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.
7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.
8. Budgets are prepared and adopted on the cash basis of accounting.
9. Adoption of a formal budget is required by law.
10. Section 50.740, RSMo prohibits expenditures in excess of the approved budgets.

- E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuations of the tangible taxable property, included within the County's boundaries for the calendar year 2019 and 2018, for purposes of taxation were:

	2019	2018
Real Estate	\$ 81,137,470	\$ 73,665,820
Personal Property	31,805,720	31,806,860
Railroad and Utilities	58,918,238	51,924,942
Total	<u>\$ 171,861,428</u>	<u>\$ 157,397,622</u>

For calendar years 2019 and 2018, the County Commission approved a tax levy per \$100 of assessed valuation of tangible taxable property as follows:

	2019	2018
General Revenue	\$ 0.2451	\$ 0.2578
Senior Citizens Services	0.0500	0.0495

F. Cash Deposits and Investments

Deposits and cash investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from these balances is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash and cash investment balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing. Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2. CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements within the "Cash and Investments" caption. Investments consist of certificates of deposit with original maturities that are greater than ninety days.

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2019 and 2018, the carrying amounts of the County's deposits were \$6,155,786 and \$5,810,114, respectively, and the bank balances were \$5,483,943 and \$5,004,694, respectively. Of the bank balances, \$504,266 and \$505,456 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

In addition to the bank balances noted above, the County held assets in a Certificates of Participation Project Fund held by Security Bank of Kansas City in the amount of \$1,364,001 and \$1,338,271 as of December 31, 2019 and 2018. Of these balances, \$150,000 each year was held in an FDIC insured money market account, while \$1,214,001 and \$1,188,271 at December 31, 2019 and 2018, respectively, was held in non-FDIC insured money market funds that invest in U.S. Treasury and government securities.

At December 31, 2019 and 2018, County officeholders held, in addition to the cash and investments listed above, cash and cash equivalents held in a fiduciary capacity on behalf of individuals, private organizations, taxing units, other governments and/or funds. At December 31, 2019 and 2018, the carrying amounts of the County's custodial funds were \$5,173,693, and \$4,623,365, respectively, and the bank balances were \$5,337,989 and \$4,665,385, respectively. Of the bank balances, \$619,676 and \$573,354 were covered by federal depository insurance at December 31, 2019 and December 31, 2018, respectively. The remainder of the balances at December 31, 2019 and December 31, 2018 were covered by collateral held at the Federal Reserve Bank and the County's safekeeping bank agent in the County's name or by a line of credit held by the County or by its agent in the County's name.

3. COUNTY EMPLOYEES' RETIREMENT PLANS

A. Missouri Local Government Employees Retirement System (LAGERS)

1) Plan Description

Caldwell County participates in the Missouri Local Government Employees Retirement System (LAGERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local government entities in Missouri. LAGERS is a defined benefit pension plan which provides retirement, disability, and death benefits to plan members and beneficiaries. LAGERS was created and is governed by statute, Section 70.600-70.755, RSMo. As such, it is the system's

responsibility to administer the law in accordance with the expressed intent of the General Assembly. The plan is qualified under the Internal Revenue Code Section 401 (a) and is tax exempt.

The Missouri Local Government Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to LAGERS, P.O. Box 1665, Jefferson City, Missouri 65102 or by calling 1-800-447-4334, or by the following website, www.molagers.org.

2) Pension Benefits

Benefits are available to all full-time employees working in a LAGERS covered department. Benefits vest when an employee earns five years (60 months) of service credit in the system. Normal retirement age is 60 (General) or 55 (Police), and early retirement is 55 (General) and 50 (Police). Benefits are paid out using a formula that is based on the employee's final average salary and amount of credited service time.

3) Funding Policy

Full-time employees of Caldwell County contribute 4% to the pension plan. The January 1st statutorily required contribution rates were 2.9% and 2.7% (General), and 5.4% and 4.7% (Police) of annual covered payroll for 2019 and 2018 respectively. The contribution requirements of plan members are determined by the governing body of the political subdivision. The contribution provisions of the political subdivision are established by state statute. For the years ended December 31, 2019 and 2018, full time employees of the County contributed \$91,770 and \$83,991. For the years ended December 31, 2019 and 2018, the County contributed \$75,451 and \$63,324 to LAGERS.

B. County Employees' Retirement Fund (CERF)

The County Employees' Retirement Fund was established by the State of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the Fund and the investment of the Fund are vested in a board of directors of eleven persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of \$10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age fifty-five. Any member with less than eight years of creditable service forfeits all rights in the Fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, 2121 Schotthill Woods Drive, Jefferson City, MO 65101, by calling 1-877-632-2373, or by the following website, www.mocerf.org.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, all participants hired on or after February 24, 2002 are required to contribute an additional 4% of their gross compensation to CERF, starting January 1, 2003. An active LAGERS participant who was employed with the County prior to February 24, 2002, is not required to make contributions. The County has elected not to make contributions on behalf of employees. During 2019 and 2018, the County collected and remitted to CERF employee withholdings of \$90,556 and \$86,510, respectively, for the years then ended.

C. Prosecuting Attorney Retirement Fund

In accordance with Section 56.807, RSMo, the County contributes monthly to the Missouri Office of Prosecution Services for deposit to the credit of the Missouri Prosecuting Attorneys and Circuit Attorney Retirement System Fund. Once remitted, the State of Missouri is responsible for administration of this plan. The County contributed \$11,628 and \$3,366, respectively, for the years ended December 31, 2019 and 2018.

D. Other Retirement Plan

Caldwell County has a voluntary 457(b) plan which is paid by a deduction from employee's salary. These contributions qualify under the Internal Revenue Code and are tax exempt. Employee contributions collected and remitted by the County for the years ended December 31, 2019 and 2018 were \$28,844 and \$21,198, respectively.

4. POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5. CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full-time employees with eight hours of sick leave for each completed calendar month of employment, up to a maximum of 360 hours. Upon termination, employees will not be compensated for any unused sick time.

Vacation time is made available in whole on the employee's anniversary date. Vacation time is five days for employees with one year of service; ten days for employees with two to nine years of service; 15 days for employees with ten to nineteen years of service; and 15 days for employees with 20 or more years of service. Employees are not allowed to carry over vacation into a new employment year, unless permitted. Upon termination, employees are compensated for any unused vacation time.

Full-time employees earn overtime or compensatory time credits based on department assignment. Overtime and Compensatory Time credits are earned at 1.5 times the regular hourly rate of the employee for work hours accumulated over 40 hours in a work week and 80 hours in a two-week pay period. Upon termination, employees are compensated for any compensatory time credits.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

6. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to

make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is a member of the Missouri Association of Counties Self-Insured Workers' Compensation Trust. The County purchases workers' compensation insurance through this fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to \$2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7. LONG-TERM DEBT

The County had the following long-term debt outstanding as of December 31, 2019:

- A. In 2007, Certificates of Participation (COPS) in the amount of \$2,500,000 were issued by First Bank of Missouri on behalf of the County for the Little Otter Creek Watershed Project with a 25 year maturity. The debt is repaid through annual principal payments and semi-annual interest payments. The interest rate varies between 4.625% and 4.875%.

Fiscal Year Ending December 31,	Principal	Interest	Total
2020	\$ 95,000	\$ 80,801	\$ 175,801
2021	100,000	76,408	176,408
2022	105,000	71,783	176,783
2023	110,000	66,795	176,795
2024	115,000	61,570	176,570
2025-2029	665,000	220,175	885,175
2030-2032	495,000	40,706	535,706
Totals	<u>\$ 1,685,000</u>	<u>\$ 618,238</u>	<u>\$ 2,303,238</u>

- B. In April 2011, the County entered into a \$1,940,291, 15-year capital lease with Caldwell County Development Company related to the Detention Center. The lease had an interest rate of 4.95% and a maturity date April 18, 2026. The first addendum to the lease was entered on January 14, 2013 which increased the funds by \$56,000 for the purpose of building repairs. A payment of \$590,541 was made in January 2018 leaving a remaining balance under this lease of \$1,000.

In 2019, the County entered into an agreement with Bank Northwest for up to \$500,000 in loans to construct an outdoor recreation area at the Detention Center, which was added to the \$1,000 remaining balance on the old debt. As of December 31, 2019, the County had been advanced \$300,000. Interest-only payments were made on the advances in 2019. Once the construction is complete and the total amount borrowed is determined, a schedule for repayment will be created.

The following schedule shows changes in long-term debt during the year ended December 31, 2018:

Description	Balance 12/31/2017	Additions	Payments	Balance 12/31/2018	Interest Paid
Certificates of Participation	\$ 1,865,000	\$ -	\$ (90,000)	\$ 1,775,000	\$ 89,126
Detention Center	603,537	-	(602,537)	1,000	3,372

The following schedule shows changes in long-term debt during the year ended December 31, 2019:

Description	Balance 12/31/2018	Additions	Payments	Balance 12/31/2019	Interest Paid
Certificates of Participation	\$ 1,775,000	\$ -	\$ (90,000)	\$ 1,685,000	\$ 84,964
Detention Center	1,000	300,000	-	301,000	2,517

8. OPERATING LEASES

At December 31, 2019, the County has three non-cancellable 60-month leases for copiers. The Recorder's office has a 60-month lease through March 15, 2024 with a monthly payment of \$94. The County Clerk's office has a 60-month copier lease through January 8, 2022 with a monthly payment of \$141. The County also has a 60 month copier lease for the Assessor, Treasurer, Sheriff and Detention Center through June 29, 2021 with a monthly payment of \$875.

Fiscal Year Ending December 31,	Amount
2020	\$ 13,328
2021	8,076
2022	1,272
2023	1,131
2024	283

9. CHANGE IN REPORTING ENTITY

The County has changed the definition of the reporting entity at January 1, 2018 to include the Law Library Fund. The Law Library Fund is under the control of the Prosecuting Attorney and therefore will be included in the County's financial statements. This change had the effect of increasing the County's cash balances at January 1, 2018 by \$2,882.

10. SUBSEQUENT EVENTS

The County has evaluated events subsequent to December 31, 2019 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through July 14, 2020, the date the financial statements were available to be issued.

Subsequent to December 31, 2019, the County has been impacted by the coronavirus pandemic in the United States. This event led to a decrease in business and consumer activity within the County and could have a negative impact on sales and other tax revenues in 2020, as well as potentially affecting the availability of grants and other assistance from the state and federal governments.

COMPLIANCE SECTION

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission and
Officeholders of Caldwell County, Missouri

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Caldwell County, Missouri which comprise the Statement of Receipts, Disbursements and Changes in Cash – All Governmental Funds – Regulatory Basis and the Statement of Fiduciary Receipts, Disbursements and Changes in Cash – Regulatory Basis as of December 31, 2018 and 2019, and the related Comparative Statements of Receipts, Disbursements and Changes in Cash – Budget and Actual – Regulatory Basis for the years then ended, and the related notes to the financial statements, which collectively comprise Caldwell County, Missouri's basic financial statements and have issued our report thereon dated July 14, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Caldwell County, Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Caldwell County, Missouri's internal control. Accordingly, we do not express an opinion on the effectiveness of Caldwell County, Missouri's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as items 2019-001, 2019-002, and 2019-003 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caldwell County, Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2019-004.

Caldwell County, Missouri's Response to Findings

Caldwell County, Missouri's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Caldwell County, Missouri's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 14, 2020

McBRIDE, LOCK & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the County Commission and
Officeholders of Caldwell County, Missouri

Report on Compliance for Each Major Federal Program

We have audited Caldwell County, Missouri's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Caldwell County, Missouri's major federal programs for the years ended December 31, 2018 and 2019. Caldwell County, Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Caldwell County, Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caldwell County, Missouri's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Caldwell County, Missouri's compliance.

Opinion on Each Major Federal Program

In our opinion, Caldwell County, Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the years ended December 31, 2018 and 2019.

Report on Internal Control over Compliance

Management of Caldwell County, Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Caldwell County, Missouri's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Caldwell County, Missouri's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2019-005, that we consider to be a significant deficiency.

Caldwell County, Missouri's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Caldwell County, Missouri's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.



McBride, Lock & Associates, LLC
Kansas City, Missouri
July 14, 2020

CALDWELL COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2018	2019
	U.S. DEPARTMENT OF AGRICULTURE			
	Direct Project:			
10.902	Soil and Water Conservation	69-6424-13-001	\$ 593,387	\$ 569,814
	U.S. DEPARTMENT OF JUSTICE			
	Passed through Missouri Department of Public Safety:			
16.575	Crime Victim Assistance	2016VOCA006NO	\$ 41,564	41,956
	U. S. DEPARTMENT OF TRANSPORTATION			
	Passed through Missouri Department of Transportation:			
20.205	Highway Planning and Construction	BRO - 36	119,524	-
		BRO - 38	238,437	-
	Total 20.205 / Highway Planning and Construction Cluster		<u>\$ 357,961</u>	<u>\$ -</u>
	U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Passed through Missouri Department of Social Services:			
93.563	Child Support Enforcement	ER10214C009	\$ 119,138	\$ 121,107
	U. S. DEPARTMENT OF HOMELAND SECURITY			
	Passed through Missouri Department of Public Safety:			
97.042	Emergency Management Performance Grants	EMK-2018-EP-00003-016	12,949	-
		EMK-2018-EP-0003-SL02	-	25,388
		EMK-2019-EP-00001-018	-	22,100
	Total 97.042 / Emergency Management Performance Grants Cluster		<u>\$ 12,949</u>	<u>\$ 47,488</u>
	Total Expenditures of Federal Awards		<u>\$ 1,124,999</u>	<u>\$ 780,365</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

CALDWELL COUNTY, MISSOURI
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARS ENDED DECEMBER 31, 2018 AND 2019

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of Caldwell County, Missouri for the years ended December 31, 2019 and 2018. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowed or are limited as to reimbursement. The County has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

The SEFA in 2018 included \$136,330 of costs for CFDA 10.902 that were incurred by the County during 2013 and 2014 but were not reported on the SEFA's for those years. These costs were requested for and reimbursed by the grant in 2018.

NOTE C – SUBRECIPIENTS

The County did not pass any federal awards through to subrecipients during the years ended December 31, 2019 and 2018.

CALDWELL COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEARS ENDED DECEMBER 31, 2018 AND 2019

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

Type of Auditor’s Report Issued: Unmodified

Internal Control Over Financial Reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported
- Noncompliance material to financial statements noted? X Yes No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) identified? Yes X No
- Significant deficiencies identified that are not considered to be material weaknesses? X Yes None Reported

Type of Auditor’s Report Issued on Compliance For Major Programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance section 200.516? X Yes No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.902	Soil and Water Conservation

Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000

Auditee Qualified as low-risk: Yes X No

SECTION II – FINANCIAL STATEMENTS FINDINGS

MATERIAL WEAKNESSES IN INTERNAL CONTROL

None

SIGNIFICANT INTERNAL CONTROL DEFICIENCIES

2019-001: Pay Rate Approval and Documentation

Criteria: A proper system of internal controls dictates that rates of pay, and any changes to the rate of pay, be properly documented and approved by an appropriate official.

Condition: The County does not maintain documentation to support the current pay rates of some full-time and all part-time employees and does not maintain documentation of approval of changes in pay rates for part-time employees in personnel files. The salaries for elected officials and their deputies are approved through the annual budget documents, and annual raises for full-time employees are approved in the Commission minutes. Raises for part-time employees are left to the discretion of the elected official, however, these new rates of pay for the part-time employees were not adequately documented. The County Clerk's office maintains an informal list of salaries and wage levels for all full-time and part-time employees to use as reference for payroll. In our testing of individual payroll transactions, we could not verify the employee's rate of pay to an approved document for 14 out of 20 transactions.

Cause: The part-time employee's pay rate changes were decided by each elected official but not formally documented.

Effect: The lack of documented approved rates of pay could lead to unauthorized changes in employee pay rates.

Recommendation: We recommend that the county improve the documentation of employee pay rates and ensure that pay rate changes for part-time employees are approved and documented.

County's Response: The County has prepared a new policy form called a "Pay Rate Form", this will be filled out for all full-time and part-time employees and then subsequently formally approved.

Auditor's Evaluation: The response is appropriate to correct the concern.

2019-002: Fraud Risk Assessment

Criteria: An overall system of internal controls that ensures the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations requires the County to perform an assessment of the risks of fraud within the County and implement policies and procedures to mitigate these risks.

Condition: A formal assessment of the risks of fraud within the County has not been performed.

Cause: Management did not perform a documented risk assessment in response to the finding in the prior audit report.

Effect: The lack of a formal process to identify and respond to the risks of fraud within the County could lead to fraud going undetected.

Recommendation: We recommend that the County perform and document an assessment of the risks of fraud within the County and implement any necessary policies and procedures to respond to the risks identified.

County Response: The County will adopt both Investment and Fraud Risk Assessment policies.

Auditor's Evaluation: The response is appropriate to correct the concern.

2019-003: Bank Reconciliations

Criteria: Bank reconciliations are a key internal control to assist in the prevention and detection of misstatements, whether due to fraud or error.

Condition: The County does not prepare or document formal bank reconciliations for the License Office bank account. The County has been contracted to operate a license office in Kingston, MO which maintains its own bank account for collecting payments and distributing the funds to the State and the County.

Cause: The County took control of the license office in late 2018 with new employees who were unaware that a bank reconciliation needed to be prepared in addition to maintaining a checkbook register.

Effect: The lack of formal reconciliations of bank account statements to recorded book or register balances increases the likelihood that misstatements will not be prevented or detected in a timely manner.

Recommendation: We recommend that the License Office prepare and document formal bank reconciliations on a monthly basis.

County's Response: The License Office will begin preparing bank reconciliations.

Auditor's Evaluation: The response is appropriate to correct the concern.

ITEMS OF NONCOMPLIANCE

2019-004: Absence of Investment Policy

Criteria: Section 30.950, RSMo, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy.

Condition: The County has not adopted an investment policy as required by state statute.

Cause: The County was unaware of the requirement to adopt a written investment policy.

Effect: Adoption of a written investment policy commits a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend that the County adopt an investment policy and review compliance with this policy at least annually as required by state statute.

County's Response: The County will adopt both Investment and Fraud Risk Assessment policies.

Auditor's Evaluation: The response is appropriate to correct the concern.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2019-005: Incorrect Schedule of Expenditures of Federal Awards

Federal Grantor: U.S. Department of Agriculture, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security

Pass-Through Grantor: Missouri Department of Public Safety, Missouri Department of Social Services, and Missouri Department of Transportation

Federal CFDA Number: 10.902, 16.575, 20.205, 93.563 and 97.042

Program Title: Soil and Water Conservation, Crime Victim Assistance, Highway Planning and Construction, Child Support Enforcement and Emergency Management Performance Grants

Pass-through Entity Identifying Number: 69-6424-13-001, 2016VOCA006NO, BRO-36, BRO-38, ER10214C009, and EMK-2018-EP-00003-016

Award Year: 2018 and 2019

Questioned Costs: None

Criteria: 2 CFR 200.510(b) requires auditees to prepare a schedule of expenditures of federal awards which must report total federal awards expended during the audit period. At a minimum, the schedule must include: expenditures by individual federal program, name of the pass-through entity and identifying number for awards not received directly from the federal government, and the total amount provided to subrecipients from each federal program. The County has not implemented proper internal controls to ensure the completeness and accuracy of the SEFA.

This finding was noted in the prior audit for the years ended December 31, 2017 and 2016 as item 2107-003.

Condition: The schedules of expenditures of federal awards (SEFA) reported by the County in the 2018 and 2019 annual budget documents contained errors in amounts of federal expenditures reported. Expenditures by the county were understated by \$559,116 in 2019 and overstated by \$208,582 in 2018.

The 2019 SEFA did not report \$569,814 of expenditures for CFDA 10.902.

The 2019 SEFA reported expenditures of \$49,264 for CFDA 16.575, however, based on supporting documentation, actual expenditures were \$41,956.

The 2019 SEFA reported expenditures of \$124,497 for CFDA 93.563, however, based on supporting documentation, actual expenditures were \$121,107.

The 2018 SEFA reported expenditures of \$603,352 for CFDA 10.902, however, based on supporting documentation, actual expenditures were \$593,387.

The 2018 SEFA reported expenditures of \$71,072 for CFDA 16.575, however, based on supporting documentation, actual expenditures were \$41,564.

The 2018 SEFA reported expenditures of \$509,639 for CFDA 20.205, however, based on supporting documentation, actual expenditures were \$357,961.

The 2018 SEFA reported expenditures of \$30,380 for CFDA 97.042, however, based on supporting documentation, actual expenditures were \$12,949.

Cause: The County Clerk did not prepare an accurate SEFA for the years ending December 31, 2019 and 2018. In most cases, this was caused by reporting the receipts of federal funds rather than the amount expended.

Effect: The SEFA presented for audit did not accurately reflect the County's actual expenditures of federal awards for both the years ended December 31, 2019 and 2018.

Recommendation: We recommend that the County implement internal controls to ensure that the SEFA completely and accurately states the expenditures of federal awards of the County each year. Federal reimbursement grants should be reported on the SEFA based on reimbursable expenditures made during the year.

County's Response: I will start with the fact that I was elected into the Clerk position in 2018 and had no training from my predecessor when I took office January 1, 2019. Previously, I was an assistant branch manager for our local bank. I had never worked in county government, but I had experience with city government from serving on the city council. I had to hire a new deputy clerk because the previous deputy clerk took a new position in the county's license office. To say the least, I did not have anyone to show me how to do certain things in my office. I reached out to other county clerks to ask questions and thankfully they helped me out, but the SEFA was an area that I never got a good feel for what I needed to do or how important it was. The commissioners were not familiar with what needed to be reported on the SEFA and what numbers to use either.

As 2020 started I became more familiar with getting the award letters for the grants as the Presiding Commissioner signed them, so that I would have them in preparation of the SEFA for the year.

On the 2018 SEFA, I taught myself to do the budget from studying the 2018 budget and reports that were used to prepare it. Then I did the 2019 budget with what I learned. I used the CFDA numbers from the previous year and tried to sort out what figures we needed to report there. When the 2020 budget rolled around, I had figured out some things but still I didn't have a good grasp on it. Through this audit of 2018-2019 I have learned more about the SEFA as I worked with the auditors. It is a learning process and I think I will be better equipped in preparing the SEFA.

Auditor's Evaluation: The response is appropriate to correct the concern.

MANAGEMENT'S RESPONSE TO AUDITOR'S FINDINGS:

- **Summary Schedule of Prior Audit Findings**
 - **Corrective Action Plan**

C.R.BUD MOTSINGER
Presiding Commissioner
Hamilton, MO 64644

JONATHAN ABBOTT
Eastern District Commissioner
Cowgill, MO 64637

REX HIBLER
Western District Commissioner
Cameron, MO 64429



Regular terms of Commission meeting:
First Monday in January, April,
July and October

Christine Owen
Clerk to the Commission

Regular meeting: Mondays

CALDWELL COUNTY COMMISSION

49 East Main, PO Box 67
Kingston, Missouri 64650
816.586.2571 * 816.586.3001 (fax)

CALDWELL COUNTY, MISSOURI SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

In accordance with the Uniform Guidance, this section reports the follow-up on action taken by Caldwell County, Missouri on the applicable findings in the prior audit report issued for the two years ended December 31, 2017 and 2016.

2017-001: It was noted that the County was not in compliance with Missouri budgetary state statute Chapter 50 RSMo. The following fund did not have a budget prepared for 2017 and 2016: Little Otter Creek NRCS Grant Fund.

Status: Resolved.

2017-002: There is no formal fraud risk assessment in place.

Status: Not resolved, see finding 2019-002.

2017-003: Management has not implemented internal controls related to the preparation of the Schedule of Expenditures of Federal Awards (SEFA). The SEFA contained errors.

Status: Not resolved, see finding 2019-005.

2017-004: The County did not ensure all invoices for expenditures related to the Highway Planning and Construction Cluster were paid in accordance with the "Cash Management" requirements.

Status: Resolved.

C.R.BUD MOTSINGER
Presiding Commissioner
Hamilton, MO 64644

JONATHAN ABBOTT
Eastern District Commissioner
Cowgill, MO 64637

REX HIBLER
Western District Commissioner
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CALDWELL COUNTY COMMISSION

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CALDWELL COUNTY, MISSOURI CORRECTIVE ACTION PLAN

Finding Reference Number: 2019-001

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Christine Owen, County Clerk

Views of Responsible Individuals: The County clerk has prepared a new policy form called a "Pay Rate Form", this will be filled out for all full-time and part-time employees and then subsequently formally signed and approved by the employee, supervisor and elected official. The form will remain in the employee file for documentation.

Finding Reference Number: 2019-002

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: County Commission

Views of Responsible Individuals: The County will adopt both Investment and Fraud Risk Assessment policies.

Finding Reference Number: 2019-003

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: Kingston License Office, County Commission

Views of Responsible Individuals: The License Office will begin preparing bank reconciliations.

Finding Reference Number: 2019-004

Federal Agency: N/A

Program Name: N/A

CFDA Number: N/A

Responsible Official: County Commission

Views of Responsible Individuals: The County will adopt both Investment and Fraud Risk Assessment policies.

Finding Reference Number: 2019-005

Federal Agency: U.S. Department of Agriculture, U.S. Department of Justice, U.S. Department of Transportation, U.S. Department of Health and Human Services, and U.S. Department of Homeland Security

Program Name: Soil and Water Conservation, Crime Victim Assistance Grant, Highway Planning and Construction, Child Support Enforcement, and Emergency Management Performance Grants

CFDA Number: 10.902, 16.575, 20.205, 93.563 and 97.042

Responsible Official: Christine Owen, County Clerk

Views of Responsible Individuals:

I will start with the fact that I was elected into the Clerk position in 2018 and had no training from my predecessor when I took office January 1, 2019. Previously, I was an assistant branch manager for our local bank. I had never worked in county government, but I had experience with city government from serving on the city council. I had to hire a new deputy clerk because the previous deputy clerk took a new position in the county's license office. To say the least, I did not have

anyone to show me how to do certain things in my office. I reached out to other county clerks to ask questions and thankfully they helped me out, but the SEFA was an area that I never got a good feel for what I needed to do or how important it was. The commissioners were not familiar with what needed to be reported on the SEFA and what numbers to use either.

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Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Office of Collector of Revenue

Report No. 2020-053

August 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of the City of St. Louis Office of Collector of Revenue

Procurement Procedures, Contracts, and Disbursements	Controls and procedures over procurement and contracts for professional services and department disbursements need improvement. The Collector of Revenue did not solicit proposals or conduct a competitive selection process for various professional services, such as legal and consulting services. A relative of a high ranking office employee was hired without documenting the reason why, creating the appearance of a conflict of interest. On some out-of-state trips, office personnel used the office's credit card to purchase alcohol and did not provide detailed support for meals purchased.
Payroll Controls and Procedures	The office did not properly report the total value of personal and commuting mileage for the Chief of Staff's use of a city vehicle on his W-2 form. Timesheets are not maintained for employees of the Collector's office. The office does not submit employee leave records to the Comptroller's office to maintain and reconcile with the city's centralized leave records.
Receipt and Deposit Controls and Procedures	The office needs to improve verifications of receipts and deposits. Daily batch reports are not consistently signed to document employees' verification of payments received. Office personnel did not obtain customer acknowledgment documentation for 3 of 6 prepayment void motor vehicle and license transactions tested.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Office of Collector of Revenue

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Procurement Procedures, Contracts, and Disbursements4 2. Payroll Controls and Procedures9 3. Receipt and Deposit Controls and Procedures12
---	---

Organization and Statistical Information	15
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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Gregory F. X. Daly,
Collector of Revenue
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Office of Collector of Revenue in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2018. Additionally, the City of St. Louis Office of Collector of Revenue engaged KPMG LLP, to audit the office's financial statements for the year ended March 3, 2019. To minimize duplication of effort, we reviewed the CPA firm's report for the year ended March 3, 2019. The scope of our audit included, but was not necessarily limited to, the year ended March 3, 2019. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

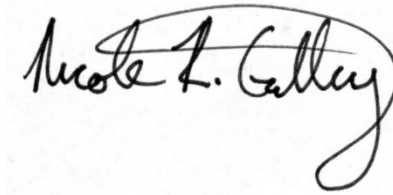
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Office of Collector of Revenue.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Chris Vetter, CPA, CGAP, CFE
In-Charge Auditor:	Troy Royer
Audit Staff:	Misty Bowen, MSED
	Emma Hogrebe
	Morgan Alexander

City of St. Louis - Office of Collector of Revenue

Management Advisory Report

State Auditor's Findings

1. Procurement Procedures, Contracts, and Disbursements

Controls and procedures over procurement and contracts for professional services and department disbursements need improvement. The Collector of Revenue expended approximately \$8.7 million during the year ended March 3, 2019.

1.1 Professional services and contracts

The Collector of Revenue did not solicit proposals or conduct a competitive selection process for various professional services, such as legal and consulting services. The Collector of Revenue also did not always enter into contracts with the providers selected. While the Collector of Revenue has a written bidding policy, it is vague regarding professional services. The policy only requires bids if a purchase request is greater than \$5,000.

During the 2 years ended March 3, 2019 and 2018, the Collector of Revenue used the services of 5 private attorneys and 1 law firm to handle all court cases pertaining to real estate and personal property taxes, city earnings and payroll expense taxes, and civil litigation. Requests for proposals were not solicited for any of these legal services. Payments for legal services are listed in the following table:

Vendor	Year Ended March 3,		Competitively Procured	Written Contract
	2019	2018		
Attorney #1 (1)	\$ 244,751	\$ 0	No	No
Attorney #2 (2)	126,495	142,103	No	Yes
Attorney #3 (2)	65,368	79,606	No	No
Attorney #4 (2)	38,203	40,112	No	No
Attorney #5 (1)	0	211,156	No	No
Law Firm (3)	33,150	107,978	No	No
Totals	\$ 507,967	\$ 580,955		

- (1) Each attorney was paid a 10 percent fee in accordance with state law for personal property cases. Attorney 1 worked as an intern for attorney 5 and then replaced attorney 5 when he retired.
- (2) Each attorney was paid a 6 percent fee in accordance with state law for real property cases. In addition, attorney 2 was also paid a retainer of \$6,000 per month for earnings tax matters and general matters.
- (3) The firm was paid an hourly rate for earnings tax cases and civil litigation.

The Collector of Revenue did not enter into formal written contracts with any of these attorneys or the law firm except for Attorney #2. In addition, the law firm was paid on an hourly rate from monthly billings.

The Collector of Revenue also has not bid consulting services for human resources and public relations since at least 2010. The contract with the current vendor began on March 1, 2010.



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the Collector of Revenue to make better-informed decisions to ensure necessary services are obtained from the best qualified provider taking expertise and experience into consideration. Written procedures should be established and followed to ensure consistency when soliciting proposals. In addition, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities and to prevent misunderstandings.

1.2 Conflict of interest

Attorney #1 noted in section 1.1, is the daughter of the Collector of Revenue's Chief of Staff. Business relationships that impair independence reduce the effectiveness of controls and decision making and harm public confidence. If a relative is selected as a vendor, documenting why that person was selected could help reduce the appearance of a conflict of interest.

1.3 Inappropriate or unsupported credit card purchases

On some out-of-state trips, office personnel used the office's credit card to purchase alcohol and did not provide detailed support for meals charged. The office also does not have policies detailing what can or cannot be purchased with the card or when traveling.

The Chief of Staff and 2 other employees attended a conference in Chicago, Illinois. Detailed restaurant charge slips showed the purchase of alcohol on at least two occasions during this trip. On the first night of the trip, dinner for the Chief of Staff and the 2 employees totaled \$119, which included alcohol purchases totaling \$36. On the second night of the trip, they purchased alcohol totaling \$61 at the same restaurant prior to eating dinner at another restaurant. For the dinner purchase, only a restaurant charge slip showing the total amount of \$89 charged was submitted rather than a detailed restaurant invoice or receipt slip. On another occasion, the Chief of Staff and 2 other employees took a trip to Cleveland, Ohio. The documentation for meal costs only showed \$79 charged rather than the detailed restaurant receipt or invoice. Without the detailed invoice or receipt, it is unclear what was purchased. While the Collector of Revenue's office is not required to follow the city's travel policy, that policy limits dinner meals to \$25 per person while traveling for city business.

Public funds should be spent only on items necessary and beneficial to the city. City residents have placed a fiduciary trust in their public officials to spend tax monies in a prudent and necessary manner. In addition, detailed supporting documentation improves the Collector of Revenue's ability to review charges and provides better documentation of the items purchased to ensure charges are reasonable and a prudent use of taxpayer funds. Also, a comprehensive policy establishing appropriate purchases and travel expenses would provide a more effective framework for economical management of city resources.



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

Recommendations

The Collector of Revenue:

- 1.1 Solicit proposals for professional services and update the bidding policy to address professional services. In addition, enter into written agreements for those services as required by state law.
- 1.2 Document explanations for why certain vendors were selected to avoid appearances of a conflict of interest.
- 1.3 Ensure all disbursements are a necessary and prudent use of public funds and are supported by proper detailed documentation. In addition, the Collector of Revenue should establish a more detailed purchasing policy.

Auditee's Response

- 1.1 *The Collector of Revenue's (COR) office is completely compliant with Missouri law in its employment of professional services and department disbursements.*

The COR hires lawyers according to the Revised Missouri State Statute (RSMo) 92.770. Based upon the auditor's own numbers, the COR spent a total of \$1,088,922 on legal services in the years 2018 and 2019. Only \$141,128 was paid by the COR for legal fees, as the remaining \$947,194 in legal fees was paid by the individual taxpayers who violated Missouri tax laws.

Hiring Attorneys

Under Missouri State Statute 92.770.1, the Collector of Revenue "may employ such attorneys as he deems necessary to collect taxes and prosecute suits for [unpaid] taxes." The auditor may not understand that the legal fees related to tax collection and prosecution are established by state statute and are not negotiable by an individual attorney or law firm. Attorneys are paid by the number of cases they manage, not by fees they set. Specifically, the statute provides:

Such attorneys shall receive as total compensation a sum, not to exceed six percent of the amount of taxes actually collected and paid into the treasury, and an additional sum not to exceed two dollars for each suit filed when publication is not necessary and not to exceed five dollars where publication is necessary, as may be agreed upon in writing and approved by the collector, before such services are rendered.



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

The attorney fees shall be taxed as costs in the suit and collected as other costs.

RSMo 92.770(2) and (3)

Given this state statute, there is no financial benefit to the taxpayer to undergo the costs of a competitive selection process or to secure a contract for attorneys who collect back taxes.

The Collector of Revenue chooses attorneys with the specific legal expertise and knowledge required to properly serve the people of the City of St. Louis. The attorneys we hire treat taxpayers with integrity and respect, which is an important factor in retaining legal counsel.

St. Louis taxpayers deserve to have qualified, knowledgeable legal representation. The COR has one attorney that is paid an hourly rate for civil litigation. This attorney has had a relationship with the office for more than 10 years. He provides a competitive government rate, which is 25 percent below his regular hourly rate. In the last 10 years, this lawyer has successfully prosecuted or defended multiple taxpayer lawsuits, some of which challenged the constitutionality of the earnings tax and/or the payroll tax while others involved interpretations of these laws advanced by taxpayers to avoid paying the taxes. These two sources of revenue are a tremendous portion of the revenue to the city relies on for operations. This successful litigation has saved taxpayers hundreds of millions of dollars in potentially lost taxes. The loss of this litigation could have bankrupted the City of St. Louis.

Hiring a Consultant

The contract with the public relations and human resources professional remains a valid contract, despite the longevity of her service to the office. This consultant was hired by the previous Collector of Revenue and has been retained for over a decade because she does an excellent job and has valuable historical knowledge of the office, of the city and of the local media. Since she has been working with the office, she has not increased her fee.

While there is no Missouri law that requires this action, if the need arises to replace a professional services provider, the COR will consider putting the project out for bid and ensure there is a current contract in place.

Finally, the Collector of Revenue's office does have a detailed purchasing policy and has followed this policy to the letter. There



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

was no legitimate issue found in the portion of the audit that would require an improvement in this area.

- 1.2 *Section 105.452, RSMo, defines "nepotism" as relatives of the elected official and not relatives of employees of the office. Unless the Collector is hiring his own relatives, which he has not done, there is no nepotism.*

There is no conflict of interest violation under the law, nor has any business relationship impaired the independence or reduced the effective controls in decision making due to the business decision to continue to utilize a law firm that employs the daughter of the Collector of Revenue's Chief of Staff.

The Collector of Revenue has been using the same law firm for more than 40 years to collect unpaid earnings, payroll, and property taxes. When the principal lawyer from the law firm retired, a new attorney was chosen to be the lead contact at that firm by the COR from among other firm lawyers because she had previous experience and extensive knowledge in the tax collection arena. As noted above, this attorney's fees are fixed pursuant to state statute and are non-negotiable. The benefits of utilizing a law firm and lawyers with extensive experience in this area far outweigh the concerns brought forward by the auditor.

While there is no conflict of interest or nepotism in the office, the COR will document the reasons for choosing specific lawyers.

- 1.3 *The use of the Collector of Revenue credit card to purchase \$97.00 in alcohol was an oversight. The staff member who purchased the alcohol believed he had paid the bill on a different credit card. Once it was brought to the attention of the office, it was reimbursed. Collector of Revenue employees rarely travel on office business. As an independent office, the COR is not required to follow city policy limiting dinner to \$25 per person. We believe the amount of \$89.00 spent on dinner for three people is not excessive.*

While there has been no impropriety, to aid in the future, the COR will establish a written travel expense policy.

Auditor's Comment

- 1.1 *While Section 92.770, RSMo does not require soliciting proposals for legal services for the collection of taxes, soliciting proposals for all services remains a good business practice and allows for better, informed decisions. In addition, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.*



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

The purchasing policy provided by the Collector of Revenue's office does not specifically address soliciting proposals for all professional services. The policy states 3 vendors will be contacted to obtain bids if the request is over \$5,000 and 1 individual is responsible for goods and the other for services.

- 1.2 The finding does not indicate the contracting with the Chief of Staff's daughter as an attorney is a violation of Chapter 105, RSMo. Rather, the contracting with a staff member's relative gives the appearance a conflict may exist, particularly given that there was no competitive selection, as noted in section 1.1. Documentation supporting vendor selection would help reduce the appearance of conflicts of interest.

2. Payroll Controls and Procedures

Improvement over payroll controls and procedures is needed. The Collector of Revenue's payroll expenses totaled approximately \$6.2 million for the year ended March 3, 2019.

2.1 Commuting miles

The Collector of Revenue's office did not properly report the total value of personal and commuting mileage for the Chief of Staff's use of a city vehicle on his 2018 W-2 form. In addition, a vehicle usage log to document business, commuting, and personal use of the vehicle was not maintained.

The office maintains a Ford Explorer assigned to the Chief of Staff. Office personnel indicated this is a multiple-user vehicle for office business, but due to the lack of secure overnight parking, it is removed from city property each night by the Chief of Staff and used for commuting to and from his home. The Chief of Staff reports personal and commuting mileage to the city for inclusion on his W-2.

The Chief of Staff only reported 1,125 personal miles and 120 commuting miles to the city for calendar year 2018. However, the round trip distance between city hall and the Chief of Staff's residence is approximately 18 miles. If the vehicle was used for daily commuting as indicated, the estimated commuting mileage for calendar year 2018 was likely significantly underreported by thousands of miles and the fringe benefit also underreported on his W-2. Without a vehicle log to document additional business usage, it is unclear whether the vehicle is necessary.

IRS reporting guidelines in Publication 15-B indicate personal and commuting mileage is a reportable fringe benefit and require the value for all use of the provided vehicle to be reported if the employer does not require submission of detailed logs that distinguish between business and personal use. In addition, because the fringe benefit was underreported, the city may be subject to penalties and/or fines for failure to report all of the taxable benefit. A vehicle log would help document that all personal and commuting



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

mileage is properly reported and would provide information to determine if the vehicle's business usage supports its continued retention.

2.2 Time records

Timesheets are not maintained for office employees. Instead, employees are required to sign and note the time on a sign-in sheet upon arrival to work each morning. Midday, these sheets are collected and signed by each department supervisor and then forwarded to human resources for processing. If an employee does not sign in, an absentee report is filled out by the supervisor for that day. A sign-out sheet is not completed to note when employees leave for the day; therefore, total hours worked for the day cannot be determined.

To adequately account for all payroll expenses and ensure the accuracy of hours worked, employees should prepare and sign timesheets, and timesheets should contain documented supervisory or independent reviews. In addition, the Fair Labor Standards Act under 29 CFR Section 516.2(a) requires records of actual time worked by employees be maintained.

2.3 Centralized leave records

The Collector of Revenue does not submit employee leave records to the Comptroller's office to maintain and reconcile with the city's centralized leave records. While records of vacation leave, medical/sick leave, and compensatory time earned, taken, or accumulated are prepared and maintained by the Collector of Revenue, they are not submitted to the Comptroller's office to be properly accounted for by the city.

By not submitting complete leave records to the Comptroller's office, city officials cannot ensure the compensatory time and leave usage and balances for Collector of Revenue employees are accurate and properly accounted for. Centralized records also aid in ensuring equitable treatment of employees, and help demonstrate compliance with the Fair Labor Standards Act.

Recommendations

The Collector of Revenue:

- 2.1 Comply with IRS guidelines for reporting fringe benefits related to personal and commuting mileage and require logs that distinguish between business and personal/commuting use. In addition, the Collector of Revenue should evaluate whether a city-owned vehicle is necessary for the Chief of Staff.
- 2.2 Maintain sufficient documentation of actual time worked that is prepared and signed by employees and reviewed and approved by the supervisor.
- 2.3 Ensure records of vacation leave, medical/sick leave, and compensatory time are forwarded to the Comptroller's office.



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 2.1 *The Chief of Staff transposed his commuting mileage on his W-2 forms to the benefit of the city and to his own detriment. He overstated his personal miles and understated his commuting miles, which means he paid more income tax than he should have for his personal miles and taxpayers paid less. There are a few things that need to be clarified in the mileage calculation by the auditor. 1) The Chief of Staff takes a different route to the office that has fewer miles than the auditors calculated. (10 miles versus 18 miles). 2) The Chief of Staff regularly visits banks and other businesses on official business on the way into the office in the morning or on the way home. 3) The Chief of Staff is regularly on the phone with local businesses or solving problems at the office on his way into or home from work. Those miles are not calculated in his personal miles. 4) The Chief of Staff has a personal car, and drives that in the evenings and on weekends when doing personal business.*

The office has already completed an evaluation as to the number of cars the office needs to conduct business. Over the last several years, the COR has reduced the number of office cars from seven cars to three cars. Each of these vehicles is properly dedicated to office use and mileage records are retained.

The Chief of Staff will rectify the mileage log and record his personal miles for IRS reporting.

- 2.2 *Evening timesheets are not necessary to ensure people are working efficiently on behalf of taxpayers. Right now, the office goes above and beyond the recommendations of the auditor to maintain documentation of the actual time worked for all employees. The COR has an effective process in place to document every employee's hours. The COR utilizes its trained managers to keep proper track of the hours employees work each day. These hours are recorded and managed by the Human Resources Manager, who has extensive experience in this area. Then these hours are reviewed by supervisors for accuracy and reflected on the employees pay stub. There are sufficient checks and balances in place today to ensure employees are working proper hours. Adding another step to the process provides no additional benefit to the checks and balances in the office.*

- 2.3 *There is no policy, ordinance, or state statute that requires the COR to report employee leave records to the Comptroller. The auditors are working under the misconception that the Comptroller's Office reconciles payroll time for every COR employee. They do not. In fact, the COR conducts more checks and balances than the Comptroller's Office does related to our staff.*



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

The COR has exceptional procedures in place to ensure payroll expenses are accurate, calculated properly and with sufficient oversight by management and each employee. The COR Human Resources Manager creates a report each pay period for all levels of managers to review with a summary of each employee's hours worked, time accrued, and time utilized. The employee also gets a copy of his/her own documentation so it's reviewed by the employee and several levels of management.

The office regularly conducts salary reviews for all employees to ensure the office is in compliance with all laws and ordinances.

Auditor's Comment

- 2.1 As discussed in the finding, the route calculated is 18 miles round trip from the Chief of Staff's residence to city hall. The 10 mile route mentioned in the auditee's response is for a one-way trip. In addition, maintaining a vehicle usage log to document business, commuting, and personal use of the vehicle would help reduce uncertainty about the use of the vehicle.
- 2.2 Failing to obtain time records documenting the time in and out and/or total hours worked per day that are verified by the employee and supervisor, such as a timesheets, prevents the Collector of Revenue's office from adequately accounting for the actual number of employee hours worked and the accuracy of payroll expenses.
- 2.3 Submitting employee leave records to the Comptroller's office allows someone independent of the Collector of Revenue's office to ensure the leave balances are accurate and properly accounted for.

3. Receipt and Deposit Controls and Procedures

The Collector of Revenue does not require employees to document verifications of receipts and deposits.

During the year ended March 3, 2019, the Collector of Revenue processed receipts of property taxes, earnings taxes, water and sewer and trash billings, motor vehicle sales taxes and registration fees, and driver's license fees totaling approximately \$734 million.

3.1 Receipts and deposits

Daily batch reports are not consistently signed to document employees' verification of receipts and deposits of payments received. In addition, the numerical sequence of receipt slips issued is not accounted for.

Employees in the Collector of Revenue's Finance Department and the Motor Vehicle and Driver's License Department receive payments at their respective collection windows. As payments are received and entered into the system, a receipt slip is generated. At the end of the day, a daily batch report is printed and turned over to the finance department along with the collections received to be verified and processed for deposit. Staff in both departments indicated



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

they verify the daily batch reports of collections with the monies remitted for deposit. Established procedures require staff performing the verification to initial or sign the batch reports and deposit records to document the review. We noted this procedure is not consistently applied. In addition, the numerical sequence of receipts issued is not accounted for and the composition of receipts is not reconciled with the composition of the deposits and, as a result, there is less assurance all monies received are deposited.

To ensure receipts have been properly processed, collection reports should be verified with monies received. These procedures should be consistently documented with the reviewing employee's signature on the related collection report to provide assurance to management the procedure was completed. In addition, the numerical sequence of all receipt slips issued should be accounted for and the composition of receipts should be reconciled to the composition of the deposits.

A similar condition was noted in our prior audit report. In the *Follow-Up Report on Audit Findings City of St. Louis Office of Collector of Revenue*, Report No. 2018-091, released in September 2018, the office reported this previous recommendation had been implemented; however, we found that the corrective action is not consistently applied and problems continue to exist.

3.2 Prepayment void transactions

The Motor Vehicle and Driver's License Department personnel did not obtain customer acknowledgment documentation for 3 of 6 (50 percent) applicable prepayment void transactions that occurred on February 22, 2019.

A prepayment void transaction occurs when a transaction is entered in the Missouri Department of Revenue (DOR) Titling and Registration Intranet Processing System but is voided before payment is made. Valid reasons for prepayment void transactions include when customers lack sufficient funds to pay for the transaction and entries with incorrect information.

DOR official procedures require customer acknowledgment of a void transaction if a new one is not completed or is completed for a lesser amount. In addition, obtaining a customer's acknowledgement helps ensure the transaction was voided for a valid reason.

Recommendations

The Collector of Revenue:

- 3.1 Require documentation of deposit verification procedures for deposits made by office departments. In addition, the Collector of Revenue should ensure personnel are accounting for the numerical sequence of receipts issued and reconciling the composition of receipts to the composition of deposits.
- 3.2 Ensure all prepayment void transactions are supported by customer acknowledgement of the void, when applicable.



City of St. Louis - Office of Collector of Revenue
Management Advisory Report - State Auditor's Findings

Auditee's Response

3.1 *The COR has been signing water/refuse deposit vouchers daily and the vouchers are verified by two water department and three finance employees to ensure accuracy. DOR deposits are counted, verified and signed off by a finance department employee in the presence of a DOR supervisor and by the employee daily.*

While the audit team was on site, the COR was advised that cashiers needed to verify daily collections (employees verified only discrepancies). The COR immediately implemented a step that would include each cashier signing off on collections after balancing a drawer. Earnings tax deposits are verified by both an earning tax employee and by the finance department.

The auditor is requesting that the COR should account for the numerical sequence of receipts issued and reconcile the composition of the receipts to the composition of the deposits. The process to conduct this numerical sequencing as suggested by the auditor was investigated to determine the feasibility. Transaction numbers are randomly generated by the main frame computer. A reprogramming of the system by an outside party would be required to fulfill this recommendation. The cost to create a specific report to address number sequencing would be about \$5,280.

Given the fact that no money was found to be missing and there were no financial errors found after the office collected taxes of \$800 million, the Collector of Revenue will determine whether cost/benefit of spending additional dollars is a value to the citizens of the city.

3.2 *The requirement for customer-signed documentation acknowledging a void has been implemented. There is no evidence that any void made by employees was improper.*

City of St. Louis - Office of Collector of Revenue

Organization and Statistical Information

The Office of Collector of Revenue is an elective office. The Collector of Revenue's duties are defined in Missouri statutes and the City of St. Louis Revised Code. These duties include collecting taxes and fees through the real estate and personal property taxes section; the city earnings taxes and payroll expense taxes section; and the water, sewer, and refuse section of the office. Additionally, the Collector of Revenue collects motor vehicle sales taxes and registration fees and drivers' license fees under a contract with the Missouri Department of Revenue.

Gregory F.X. Daly currently serves as the Collector of Revenue for the City of St. Louis. He has served in that capacity since he was elected to the position and took office on March 5, 2007. His current term expires March 3, 2023. Office functions are performed and supervised by the Collector of Revenue's appointed staff. The Collector of Revenue had 91 full-time and 2 performance employees as of March 3, 2019.



Nicole Galloway, CPA

Missouri State Auditor

Monroe County

Report No. 2020-052

August 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Monroe County

Personal Property Tax Statements of Non-Assessment	The County Assessor has not established proper controls or procedures for the issuance of statements of non-assessment, commonly referred to as personal property tax waivers, and some waivers were issued in violation of state law.
Public Administrator's Annual Settlements	The Public Administrator does not always file annual settlements timely in compliance with state law.
Senate Bill 40 Board's Budgets	The Senate Bill 40 Board does not prepare adequate budgets as required by state law.
County Controls and Procedures	The county does not collect retail sales tax on sales of rock and culverts for private purposes. The County Commission does not adequately review court orders for property tax abatements.
County Assessor's Accounting Controls	The County Assessor's office has not established proper controls or procedures for receipting, recording, and transmitting payments received.
County Collector's Bank Reconciliations	The County Collector does not properly maintain a running checkbook balance or prepare adequate bank reconciliations for 2 of the 5 bank accounts.
Electronic Data Security	The County Assessor, Recorder of Deeds, and County Clerk have not established adequate password controls to reduce the risk of unauthorized access to computers and data. The County Assessor and Recorder of Deeds do not have security controls in place to lock computers after a specified number of incorrect logon attempts and/or after a certain period of inactivity.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Monroe County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Personal Property Tax Statements of Non-Assessment4 2. Public Administrator's Annual Settlements.....6 3. Senate Bill 40 Board's Budgets7 4. County Controls and Procedures8 5. County Assessor's Accounting Controls9 6. County Collector's Bank Reconciliations.....10 7. Electronic Data Security.....11
---	--

Organization and Statistical Information	13
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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Monroe County

We have audited certain operations of Monroe County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

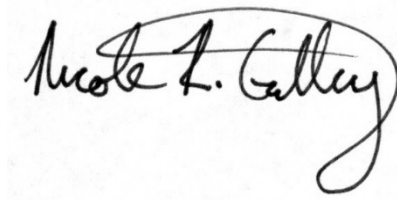
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Monroe County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Travis Owens, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Nicole Cash, MBA, CFE, CGAP
Audit Staff:	Sherrye Lesmes
	John J. Thompson

Monroe County Management Advisory Report State Auditor's Findings

1. Personal Property Tax Statements of Non-Assessment

The County Assessor has not established proper controls or procedures for the issuance of statements of non-assessment, commonly referred to as personal property tax waivers, and some waivers were issued in violation of state law. The County Assessor's office issued 626 waivers during the year ended December 31, 2019.

When a taxpayer requests a waiver, a County Assessor's office employee determines whether the request is valid based on their internal policies and, if so, generates the waiver statement from the property tax system. The practice of the County Assessor's office is to issue waivers without verification of records from the Missouri Department of Motor Vehicles (DMV). In some cases, DMV records demonstrated the taxpayer still had ownership of the vehicle and, as a result, waivers were issued in violation of state law. Also, despite having access to prior year records of assessment and waivers, office personnel do not adequately review the personal property tax assessment lists submitted annually by taxpayers to determine if the waived personal property items were added to the current year's personal property assessment list when applicable.

We reviewed 40 personal property tax waivers issued during the year ended December 31, 2019. Twelve of the 40 (30 percent) waivers were issued for personal property owned or held on January 1 of the year(s) waived. Examples of concerns include the following:

- A taxpayer received a waiver for tax year 2018 for a truck purchased and titled in 2008. The County Assessor indicated she believes her office properly issued the waiver because the taxpayer indicated the vehicle was inoperable for an extended period of time.
- A taxpayer received a waiver for tax years 2017 and 2018 for a recreational vehicle (motor home) purchased and titled in 2015. The County Assessor indicated she believes her office properly issued the waiver because the vehicle had not been licensed until 2019. However, this information conflicts with DMV records indicating the vehicle was licensed in Missouri and the vehicle's license plates expired in 2019.
- A taxpayer received a waiver for tax years 2017 and 2018 for a farm/utility trailer purchased and titled in 1996. The County Assessor indicated she believes her office properly issued the waiver because the trailer did not have much value due to its age.
- A taxpayer received a waiver for tax year 2018 for a car purchased and titled in 2017. The County Assessor indicated she believes her office properly issued the waiver because the taxpayer had not owned any vehicles licensed and registered in Monroe County until 2020.



Monroe County Management Advisory Report - State Auditor's Findings

State law does not allow issuance of waivers for personal property that is not properly licensed, is inoperable, or otherwise not used to travel on public roads. The improper issuance of waivers has resulted in the county and various political subdivisions including schools receiving less money than they were legally owed.

Section 301.025, RSMo, provides that a state registration license for a vehicle or trailer cannot be issued unless the applicant provides a tax receipt for the tax year immediately preceding the year of registration that shows all taxes but provides an exception when the applicant provides a statement certified by the county collector that no taxes were assessed or due.

No provision of law exempts taxes from being due on property that should have been assessed but was not assessed. Section 137.075, RSMo, states "Every person owning or holding real property or tangible personal property on the first day of January, including all such property purchased on that day, shall be liable for taxes thereon during the same calendar year." Section 137.130, RSMo, states the County Assessor "shall assess property based upon a physical inspection or on the best information the assessor can obtain." This section also provides that the County Assessor must assess and cause taxes to be imposed on taxable personal property that should have been assessed, but was omitted, for the current year and up to the three previous years. Also, Section 139.300, RSMo, states that a County Assessor who unlawfully exempts property from taxation may be held liable for double the amount of the loss, may be subject to a fine, and may be removed from office at the discretion of the court.

To ensure personal property tax waivers are issued appropriately and comply with all applicable state statutes, all personal property tax waivers should be supported by proper DMV purchase reports and/or other detailed documentation with a clearly documented reason for issuing the waiver.

Recommendation

The County Assessor and her staff review personal property tax waiver requests and ensure the requests are allowed by state law before granting the waivers.

Auditee's Response

In response to waivers given by my office, my office makes every effort to ensure that citizens of the county are given waivers for their appropriate non-licensed vehicles and to ensure that those vehicles are taxed for the appropriate year if the person resides in Monroe County.

One of the main discussions with auditors was the issue of unlicensed vehicles. It has always been a practice in the office that if an individual does not license a vehicle, we do not make the individuals report those vehicles to us until they update or renew the registration and license on that vehicle. I spoke with the State Tax Commission staff who stated that as long as I am



Monroe County
Management Advisory Report - State Auditor's Findings

consistent with my policy then I am within their recommendation. This has been a practice for my office for the last 34 years.

Another topic discussed with auditors was some waivers given on trailers. I believe our main problem with the trailers was for many years the local license bureau allowed citizens to renew license plates without proving they had paid any property taxes on the trailers. When the license bureau changed hands, the new staff sent them to us for waivers or a paid tax receipt. We established the policy to give waivers on the trailers and to make sure they paid taxes on trailers from that point forward. This has been a struggle to keep up with licensed and unlicensed trailers. There are still some that we are working on to bring them up to date, and I feel we are trying our best to get them on their yearly assessment list.

When I spoke to the auditors they were concerned that of the 40 waivers that were randomly pulled, 30 percent or 12 waivers, were given in error. When you deduct vehicles that were not licensed or inoperable and were granted a waiver, that number drops to 7, or 17.5 percent. When you factor in the trailers that we are trying to get placed on the taxpayers' assessment list, that number drops to 3, or 7.5 percent.

I agree that the remaining 3 vehicles should have been assessed and they slipped past our attention.

Auditor's Comment

Based on statutory provisions, the County Assessor has no legal authority to issue a property tax waiver unless the taxpayer did not own the vehicle or trailer on January 1st of the year(s) waived, or did not reside in Monroe County.

2. Public Administrator's Annual Settlements

The Public Administrator does not always file annual settlements timely in compliance with state law. The Public Administrator is the court appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The Public Administrator's office was responsible for the financial activity of 8 wards and estates during the year ended December 31, 2019.

During our review of 6 active cases, we noted 5 cases (83 percent) did not have annual settlements filed timely. Settlements filed (or still due) for these cases ranged from 35 to 167 days after the due date, as of May 31, 2020. In addition, the Public Administrator filed one annual settlement for a period of 18 months instead of 12 months as required by state law.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement with the court for each ward or estate annually on the anniversary date of the date of letters. Timely filing of settlements is necessary for the court to properly oversee the administration of cases and



Monroe County
Management Advisory Report - State Auditor's Findings

reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

Recommendation

The Public Administrator file annual settlements timely and ensure they are completed for a one year period as required by state law.

Auditee's Response

I will strive to ensure all annual settlements are submitted timely and for the correct time period. As I previously discussed with auditors, I have an attorney prepare the annual settlement for the ward with the largest amount of assets. The attorney had some unforeseen circumstances arise that delayed her completion of the annual settlement. Also, for another ward the Probate Judge and I informally discussed delaying the settlement because we had information that another individual would be filing for guardianship and conservatorship; however, this individual still has not filed those documents at this time. I understand that it is my responsibility to file the settlements on time.

3. Senate Bill 40 Board's Budgets

The Senate Bill 40 Board does not prepare adequate budgets as required by state law. The Board for Monroe County is known as the Monroe County Developmental Disabilities Resource Board (MCDDRB). The MCDDRB collected approximately \$129,000 in property tax revenues and interest during the year ended December 31, 2019.

The 2019 and 2020 MCDDRB budgets submitted to the State Auditor's Office did not include estimated revenues and appropriations, and only included the prior year's actual revenues and expenditures.

Budget documents are an essential tool for the efficient management of finances and should be prepared annually at the beginning of each year. Section 50.590, RSMo, requires county budgets to present a complete and detailed financial plan and include proposed expenditures and estimated revenues.

A similar condition was noted in our 3 prior audit reports.

Recommendation

The Monroe County Developmental Disabilities Resource Board prepare accurate and complete budgets.

Auditee's Response

We will implement a budget committee to ensure both revenues and expenditures are included in the budget, and the budget is in the format required by state law. The 2020 budget was just corrected and re-submitted to the State Auditor's Office in August 2020 after the Board's approval.



Monroe County
Management Advisory Report - State Auditor's Findings

4. County Controls and Procedures

Improvements are needed in the county's procedures over rock and culvert sales and abatements of property taxes.

4.1 Rock and culvert sales

The county does not collect retail sales tax on sales of rock and culverts for private purposes. Total receipts from rock and culvert sales (excluding sales to tax-exempt entities such as cities and road districts) were approximately \$22,000 for the year ended December 31, 2019.

Rock and culverts are sold to residents, cities, and road districts. The county is not charging residents sales tax for rock and culverts sold to them. As a result, residents avoided paying sales tax on these purchases. The county may have circumvented sales tax laws by selling rock and culverts for private purposes and not collecting and remitting retail sales tax to the state.

Section 144.080.1, RSMo, requires every person receiving any payment or consideration upon the sale of property or rendering of service to collect and remit sales tax. While sales to government entities are exempt from this tax, sales by Missouri political subdivisions are subject to tax.

A similar condition was noted in our prior audit report. At that time, the County Commission indicated the County Clerk would check into collecting retail sales tax with the Missouri Department of Revenue but the County Clerk indicated she did not contact the department.

4.2 Abatements

The County Commission does not adequately review court orders for property tax abatements. During the year ended February 29, 2020, abatements totaled approximately \$60,000.

The County Assessor and County Collector process abatements and print court orders for review and approval by the County Commission. The County Clerk and County Commission review the court orders and sign them to document approval. None of the 14 abatement court orders we reviewed indicated a reason for the abatement. As a result, current procedures are not adequate to verify the reasonableness of these court orders.

Sections 137.260 and 137.270, RSMo, assign responsibility to the County Clerk for making corrections to the tax books with the approval of the County Commission. To ensure changes made to the property tax system are proper, adequate review and approval of property tax abatements is necessary.

Recommendations

The County Commission:

- 4.1 Contact the Department of Revenue regarding the collection and remittance of retail sales tax on sales intended for private purposes.



Monroe County
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 4.2 And the County Clerk ensure the reason for the abatement is clearly documented prior to approving court orders to abate property taxes.
- 4.1 *We will implement collecting sales tax on all sales of rock and culverts as of January 1, 2021.*
- 4.2 *We along with the County Clerk have implemented a new practice of ensuring the reason for the court order for abatement is properly documented and is reasonable.*

5. County Assessor's Accounting Controls

The County Assessor's office has not established proper controls or procedures for receipting, recording, and transmitting payments received. The County Assessor's office receives payments for maps, copies, district reports, and data files. The County Assessor's office collected and transmitted approximately \$2,500 during the year ended December 31, 2019.

Office personnel do not issue receipt slips for payments received and the County Assessor has not established adequate procedures to ensure all money collected has been transmitted to the County Treasurer. Office personnel issue invoices at the time of sale. While some customers make immediate payment, many customers are allowed to make purchases on account and are subsequently billed for these purchases by mail or email. Paid invoices include the item(s) provided, amount, and date received and are filed in the order paid.

We reviewed the office's financial activity during December 2019. Invoice records indicated receipts totaled \$266 but \$275 was transmitted to the County Treasurer. When reviewing the County Treasurer's records, we determined the County Assessor had transmitted 2 receipts, totaling \$9, not supported by an invoice.

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk of loss, theft, or misuse of monies received going undetected.

Recommendation

The County Assessor issue prenumbered receipt slips for all money received and indicate the method of payment on all receipt slips, and maintain a receipts log. In addition, the numerical sequence of receipt slips should be accounted for and the composition of receipts should be reconciled to the composition of amounts transmitted.

Auditee's Response

Before the year 2017, we did not charge for copies, emails, or faxes. After I took office, we implemented a schedule for businesses to pay for our information. We make an invoice for those charges and normally email, fax, or mail those invoices to the customers. There were some cash payments that



Monroe County
Management Advisory Report - State Auditor's Findings

did not get invoiced. I believe that's where we are short on invoices compared to what was transmitted.

Since the auditors brought this to my attention, I have changed our policy to where we will no longer accept cash payments.

I believe this will allow us to better track the money received. We now take our copy of the invoice along with the check to the County Treasurer on a daily basis. Before this, I would keep the checks until I had several to take to the County Treasurer. This has been addressed by transmitting those checks as soon as they are received along with maintaining a receipt slip booklet for payments.

6. County Collector's Bank Reconciliations

The County Collector does not properly maintain a running checkbook balance or prepare adequate bank reconciliations for 2 of the 5 bank accounts. The County Collector's office collected approximately \$9 million in property taxes and other receipts during the year ended February 29, 2020.

For the Credit (used for depositing all credit/debit card payments) bank account and the Bankruptcy (used for depositing monies received from bankruptcy courts) bank account, the County Collector does not ensure all receipt and disbursement transactions are recorded in the checkbook balance in order to maintain an accurate book balance. The County Collector said checkbook entries are sometimes documented in the checkbook register on the date the transactions cleared the bank and not the date the transactions occurred.

The February 2020 bank reconciliation for the Credit bank account indicated the bank balance agreed to the checkbook balance of \$25,605; however, the County Collector had not updated the balance. Our review indicated the correct checkbook balance was \$29,343, resulting in a difference of \$3,738. The difference related to 4 credit card receipts (deposits in transit) not included in the bank reconciliation. The February 2020 bank reconciliation for the Bankruptcy bank account indicated the bank balance agreed to the checkbook balance of \$1,014; however, the checkbook balance had not been updated and the last recorded book balance was \$625, resulting in a difference of \$389. The difference was due to the County Collector not posting the last 3 months of interest earned on the account totaling \$5 and a deposit of \$384 to the checkbook balance. These items had already cleared the bank account prior to the end of February 2020.

Without preparing adequate monthly bank reconciliations and maintaining accurate cumulative checkbook balances there is less assurance receipts and disbursements have been properly handled and recorded. In addition, accounting and bank errors may not be detected and corrected timely.



Monroe County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Collector ensure monthly bank reconciliations are prepared and reconciled to the book balance, and maintain cumulative book balances for all bank accounts. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

All collections and distributions for each month and the year ending February 29, 2020, matched perfectly. Credit card payments received the last day of the month are posted to the bank account the following day. On-line payments are not visible until the next business day, and procedures will be updated to reflect "deposit in transits" to show payments on the last day of the month and not the date monies are received/deposited. Checkbook balances are monitored daily and checked multiple ways including by written, electronic and paper statement, that along with computer generated monthly reports assure all tax monies are properly accounted for and distributed each month.

7. Electronic Data Security

Controls over county computers are not sufficient. As a result, county records are not adequately protected and are susceptible to unauthorized access or loss of data.

7.1 User identification and passwords

The County Assessor, Recorder of Deeds, and County Clerk have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in the County Assessor's office share user identifications and passwords for the property tax system. As a result, there is no assurance that the user listed in the system for posting or deleting a transaction was the person who did it. In addition, employees in the County Assessor's office and the Recorder of Deeds' office are not required to change passwords periodically. Also, employees of the County Assessor's office and the County Clerk's office are not required to use passwords with a minimum number of characters.

Unique user identifications and passwords are necessary to identify activity performed by each individual. While user identifications and passwords are required to authenticate access to computers, the security of these logon credentials is dependent upon keeping them confidential. Allowing certain users to share logon credentials increases the risk of unauthorized access and/or changes to the system and records and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. Also, since passwords in certain offices are not required to be periodically changed or contain a minimum number of characters, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be confidential, changed periodically, and contain a minimum number of characters to reduce the risk of a compromised password and unauthorized access to and use of computers and data.



Monroe County
Management Advisory Report - State Auditor's Findings

7.2 Security controls

The County Assessor and Recorder of Deeds do not have security controls in place to lock computers after a specified number of incorrect logon attempts and/or after a certain period of inactivity.

Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files.

Recommendations

The County Commission work with other county officials to:

- 7.1 Require each employee to have a unique user identification and confidential password with a minimum number of characters that is periodically changed.
- 7.2 Require each county computer to have security controls in place to lock it after a specific number of incorrect logon attempts or after a certain period of inactivity.

Auditee's Response

The County Commission provided the following response:

We will implement these changes.

The County Assessor provided the following response:

Before the audit, one of my deputies had her own login and password but the other deputy shared my login and password. That has been corrected for the office and each computer/employee has its own login and password. It was also brought to my attention that we need to have a screen timeout if we are away from our desks. That will be implemented soon.

The County Clerk provided the following response:

I will implement a requirement to establish passwords with a minimum number of characters.

Monroe County

Organization and Statistical Information

Monroe County is a county-organized, third-class county. The county seat is Paris.

Monroe County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 34 full-time employees and 7 part-time employees on December 31, 2019.

In addition, county operations include a Senate Bill 40 Board (Monroe County Developmental Disabilities Resource Board), Mark Twain Reservoir Board, and Law Enforcement Restitution Fund Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Michael Minor, Presiding Commissioner	\$	28,400
Ron Staggs, Associate Commissioner		26,400
Mike Whelan, Associate Commissioner		26,400
Lori Decker, Recorder of Deeds		40,000
Christina Buie, County Clerk		40,000
Talley Smith, Prosecuting Attorney		47,000
J. David Hoffman, Sheriff		44,000
Sheila Jurgesmeyer, County Treasurer		40,000
James K. Reinhard, County Coroner		12,000
Marguerite Jones, Public Administrator		20,000
Chrissy Graupman, County Collector, year ended February 29,	40,000	
Angelia Baker, County Assessor, year ended August 31,		40,000



NICOLE GALLOWAY, CPA

Missouri State Auditor

August 20, 2020

Honorable Mike Parson, Governor
and
Members of the General Assembly

The State Auditor's Office reviewed state agency compliance with Section 536.175, RSMo. We determined that the Department of Commerce and Insurance and the Missouri Consolidated Health Care Plan met the requirements of Section 536.175, RSMo. These requirements include each agency reviewing its existing rules, completing and filing the periodic rule review report with the Joint Committee on Administrative Rules (JCAR), and ensuring the report is available on the agency's website.

Section 536.175, RSMo, requires a 5 year rolling review by all state agencies of their existing rules. The first group of agencies (Title 1 through 6 of the Code of State Regulations [CSR]) were required to begin their rule review no later than July 1, 2015, and to complete it by June 30, 2016. The second group of agencies (Title 7 through 10 of the CSR) were required to begin their rule review no later than July 1, 2016, and to complete it by June 30, 2017. The third group of agencies (Title 11 through 14 of the CSR) were required to begin their rule review no later than July 1, 2017, and complete it by July 30, 2018. The fourth group of agencies (Title 15 through 19 of the CSR) were required to begin their rule review no later than July 1, 2018, and complete it by July 30, 2019. The final group of agencies (Title 20 through 22 of the CSR) were required to begin their rule review no later than July 1, 2019, and complete it by June 30, 2020. Each agency must repeat this process every 5 years, and the first group of agencies began their second review process no later than July 1, 2020.

The JCAR publishes in the Missouri Register a notification of which rules are subject to review and the process for this review, including who the public may submit comments to at each agency. Each agency must prepare a report of the results of the agency's rule review with an attached appendix summarizing comments received and the agency's response. The agency must file the report and appendix electronically with the JCAR and the small business regulatory fairness board no later than June 30th after the JCAR publishes the notice. These reports also must be made available on the state agency's website.

Any rule not included in the agency review and report may become null and void. There is a process in place before nullification of a rule, including the ability of the agency to request an extension from the JCAR and a notice and opportunity for the agency to correct the delinquency.

On July 1, 2019, the JCAR published in the Missouri Register the notification of the agency rules (Title 20 and 22¹) subject to review and the process, as required by Section 536.175.2, RSMo.² The following agencies began their rule review on July 1, 2019, and completed the review process by June 30, 2020:

¹ Title 21 of the CSR has been rescinded.

² 44 Mo Reg. 1957 (July 1, 2019).

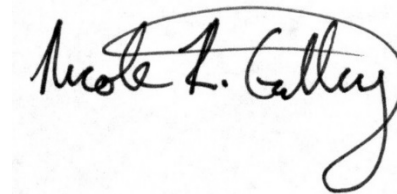
Title 20 - Department of Commerce and Insurance
Title 22 - Missouri Consolidated Health Care Plan

Based on a review of the JCAR's website, each agency timely completed and filed its periodic rule review report by June 30, 2020. These reports are available on that website. Each agency also posts its report on the agency's website.

On July 29, 2020, my office sent a letter to each agency to confirm the information from this review. Each agency provided a response. The table below provides a summary of the information determined from this review.

Department	Number of Rules Reviewed	Number of Comments Received	Rule Report Filed with the JCAR	Rule Report Available on Agency Website
Department of Commerce and Insurance	1,840	2	Yes	Yes
Missouri Consolidated Health Care Plan	47	0	Yes	Yes

Based on this review, these agencies timely completed their rule review process and report as required under Section 536.175, RSMo; and, no further action is necessary.



Nicole R. Galloway, CPA
State Auditor

cc: Waylene Hiles, Director, Joint Committee on Administrative Rules
Christie Kincannon, Deputy Director & General Counsel, Department of Commerce and Insurance
Jennifer Stilabower, Deputy Director & General Counsel, Missouri Consolidated Health Care Plan



Nicole Galloway, CPA

Missouri State Auditor

Greene County

Report No. 2020-050

August 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Greene County

Disbursements	The county disbursed \$15,125 during the year ended December 31, 2018, for employee appreciation and employee recognition that was questionable and/or an unnecessary use of county resources. The Highway department gave gift cards to employees in violation of the Missouri Constitution.
Prosecuting Attorney's Accounting Controls and Procedures	The Prosecuting Attorney has not adequately segregated accounting duties and does not perform supervisory reviews of accounting and transmittal records for delinquent tax payments. The cashiers do not transmit monies received timely and intact in accordance with office policy. Checks and money orders made payable to Greene County are not restrictively endorsed upon receipt. The Prosecuting Attorney does not account for the numerical sequence of receipt slips issued for delinquent tax receipts.
County Clerk's Liquor Licenses	The County Clerk does not issue receipt slips for liquor licenses and does not account for the numerical sequence of liquor licenses issued.
County Treasurer's Controls and Procedures	The County Treasurer does not deposit receipts intact, does not maintain the change fund at a constant amount, and uses the change fund for petty cash purchases and to replenish petty cash funds for other county offices and departments. The County Treasurer does not require the Building Maintenance department to limit petty cash purchases to \$25 as stated in the county's purchasing guide.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Greene County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Disbursements	4
2. Prosecuting Attorney's Controls and Procedures	5
3. County Clerk's Liquor Licenses	8
4. County Treasurer's Controls and Procedures	9

Organization and Statistical	11
Information	



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Greene County

The State Auditor was requested under Section 50.057, RSMo, to audit Greene County. In addition, KPM CPA & Advisors, Certified Public Accountants, was engaged to audit the financial statements of Greene County for the year ended December 31, 2018. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

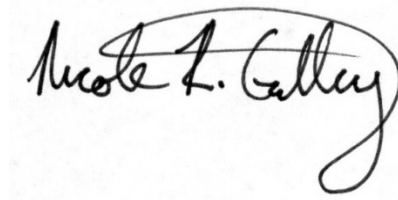
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Greene County.

Additional work related to the operations of the Sheriff's office and the County Commission are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Joy Stevens, MAcc, CFE, CGAP
Audit Staff:	Misty Bowen, MSED, CFE
	Ethan D. Evans, CFE, CGAP
	Shelby Reams

Greene County Management Advisory Report State Auditor's Findings

1. Disbursements

County controls and procedures over disbursements need improvement. The county disbursed approximately \$100.3 million, excluding payroll, according to the disbursement detail listing provided by the county for the year ended December 31, 2018.

1.1 Questionable purchases

The county disbursed \$15,125 during the year ended December 31, 2018, for employee appreciation and employee recognition that was questionable and/or an unnecessary use of county resources. Examples of these disbursements included payments for:

- An employee appreciation day held on October 10, 2018, that included a catered barbecue luncheon and t-shirts totaling \$9,262.
- Gift cards totaling \$2,000 (16 cards at \$35 each and 36 cards at \$40 each) to employees as part of the Top Branch program to recognize exceptional employees.
- A winter thank you lunch costing \$1,028 for the Highway department.

These expenditures were funded with \$11,489 from the Employee Recognition Fund, \$2,967 from the Road and Bridge Fund, and \$669 from the Prosecuting Attorney Administrative Cost Handling Fund.

Public funds should be spent only on items necessary and beneficial to the county. County residents have placed a fiduciary trust in their public officials to spend county revenues in a prudent and necessary manner.

1.2 Christmas gift cards

The Highway department gave gift cards to employees in violation of the Missouri Constitution. During the year ended December 31, 2018, the Highway department purchased 120 gift cards totaling \$3,000 (\$25 each) for employees as Christmas gifts.

These gifts represent additional compensation for services previously rendered. Article III, Section 39, Missouri Constitution prohibits counties from granting additional compensation for services previously rendered. Additionally, Article VI, Sections 23 and 25, Missouri Constitution prevent local governments from granting public money to any private individual, except as otherwise provided by law.

Recommendations

The County Commission:

- 1.1 Ensure all disbursements are necessary and prudent uses of public funds.
- 1.2 Work with the Highway department to discontinue the practice of giving gift cards to employees.



Greene County
Management Advisory Report - State Auditor's Findings

Auditee's Response

1.1 *Funding for the Employee Recognition Fund, which was used in part for the employee appreciation and recognition purchases, is from vending receipts from employees. Employee appreciation and recognition purchases from that fund has been suspended due to declining vending receipts. Gift cards previously provided as awards were included as taxable income to the recipients; however, gift cards are no longer in use.*

1.2 *Although gift cards were included in taxable income for the recipients, the county has discontinued the use of gift cards.*

2. Prosecuting Attorney's Controls and Procedures

Controls and procedures in the Prosecuting Attorney's office need improvement. The office collected approximately \$2.4 million in bad check, court-ordered restitution, delinquent tax payments, and fees during the year ended December 31, 2018.

2.1 Segregation of duties

The Prosecuting Attorney has not adequately segregated accounting duties and does not perform supervisory reviews of accounting and transmittal records for delinquent tax payments. The cashiers are responsible for receipting, recording, and transmitting monies. The cashiers transmit delinquent tax payments received to the Missouri Department of Revenue without a supervisory review. The office receipted approximately \$1.7 million in delinquent tax payments for the year ended December 31, 2018.

Proper segregation of duties is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, recording, and transmitting monies. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of detailed accounting and transmittal records are essential and should include comparing daily receipt activity to transmittals.

2.2 Receipts and transmittals

The cashiers do not transmit monies received timely and intact in accordance with office policy.

For example, as shown in the table below, 38 bad check receipts totaling \$4,342 receipted from April 16, 2018, through May 16, 2019, were not transmitted timely by the cashiers because the full amount owed to each victim had not yet been received.



Greene County
Management Advisory Report - State Auditor's Findings

<u>Date(s) Received</u>	<u>Date Transmitted</u>	<u>Number of Receipts</u>	<u>Amount</u>
August 6, 2018, and August 15, 2018 May 25, 2018, and February 6, 2019 June 25, 2018, to May 16, 2019 April 16, 2018, to March 15, 2019 September 4, 2018 April 30, 2018, to May 11, 2018	July 31, 2019 August 1, 2019 August 2, 2019 August 16, 2019 September 19, 2019 September 24, 2019 Total	2 2 26 4 1 3 38	\$ 253 178 3,043 562 26 280 \$ 4,342

One receipt was held 512 days before it was transmitted to the victim. Prosecuting Attorney office policy states receipts are to be transmitted to the victim by the cashiers after being reviewed by the Office Manager and/or the Assistant Prosecuting Attorney. The County Treasurer was requested to issue replacement checks for 4 money orders totaling \$96 at the expense of the Prosecuting Attorney Administrative Cost Handling Fund because the money orders had expired.

In addition, \$8,345 in court-ordered restitution and fees, received from June 10, 2019, through July 15, 2019, was not transmitted until July 16, 2019, (\$8,040), and August 6, 2019 (\$305).

Additionally, checks and money orders made payable to Greene County are not restrictively endorsed upon receipt. The Office Manager indicated checks and money orders are endorsed before or after the review process, prior to transmittal.

Failure to implement adequate receipting and transmitting procedures increases the risk that loss, theft, or misuse of monies received will occur and go undetected. In addition, checks and money orders should be restrictively endorsed immediately upon receipt.

2.3 Numerical sequence of receipt slips

The Prosecuting Attorney does not account for the numerical sequence of receipt slips issued for delinquent tax receipts. Due to a previous vendor-wide system limitation, a report of receipt slips for delinquent tax monies received was not able to be printed from the case management computerized system.



Greene County
Management Advisory Report - State Auditor's Findings

To ensure all monies received are properly recorded and transmitted, and to reduce the risk of loss, theft, or misuse of funds, the Prosecuting Attorney should ensure adequate controls are in place to properly account for the numerical sequence of receipt slip numbers assigned by the case management system for all receipts.

Recommendations

The Prosecuting Attorney:

- 2.1 Segregate accounting duties or ensure independent or supervisory reviews of detailed accounting and transmittal records are performed and documented.
- 2.2 Transmit all receipts timely and intact and restrictively endorse checks and money orders immediately upon receipt.
- 2.3 Account for the numerical sequence of receipt slip numbers.

Auditee's Response

- 2.1 *I concur with this recommendation. Because of the small size (two clerks) of the cashier window staff; however, complete segregation of duties is not possible. Though not noted in the report, the Prosecuting Attorney's office conducts documented supervisory reviews of detailed accounting and transmittal records with regard to bad check and restitution payments made out to victims. As recommended, the Prosecuting Attorney's office has also implemented such reviews with regard to delinquent tax payments made to the Department of Revenue.*
- 2.2 *I concur with this recommendation. As noted in the report, there was a relatively small portion of total receipts that were not transmitted timely by the cashier staff contrary to the policy and procedure of the Prosecuting Attorney's office. We found this matter attributable to turnover among cashier staff and addressed it immediately through both additional training and supervision. With regard to restrictive endorsements, for the portion of payments made out to Greene County, we have clarified our existing restrictive endorsement practice to ensure it uniformly occurs at the time of receipt rather than following the supervisory review.*
- 2.3 *I concur with this recommendation. Though not specifically noted in the report, all receipt slips are issued in a numerical sequence. During the audit it was found that the computerized case management system used by some of the Prosecuting Attorney's offices throughout the state of Missouri did not list the receipt slip numbers on the report of delinquent taxes collected. The Prosecuting Attorney's office worked with the case management system vendor to reprogram the delinquent tax report so that, like the restitution and*



Greene County
Management Advisory Report - State Auditor's Findings

bad check reports, it would include the prenumbered receipt slip numbers to allow for an additional control measure.

3. County Clerk's Liquor Licenses

The County Clerk does not issue receipt slips for liquor licenses and does not account for the numerical sequence of liquor licenses issued. Liquor license receipts totaled \$220,415 for the year ended December 31, 2018.

Liquor license numbers are considered receipt slip numbers; however, these numbers are not used in numerical order. Each business is assigned a liquor license number at the time of application that is reused for that business each year. In addition, the method of payment is not recorded on the liquor licenses when payment is received.

During our review of the liquor license log maintained by the County Clerk we could not account for 4,513 of 5,569 license numbers for the year ended December 31, 2018. In addition, 167 license numbers were used twice. The Chief Deputy Clerk indicated the missing license numbers were attributed to closed businesses or unpaid applications and the license numbers used twice were due to the business paying for the 2017 license and 2018 license during 2018.

Failure to implement adequate receipting and liquor license procedures increases the risk that loss, theft, or misuse of monies received for liquor licenses will occur and go undetected.

Recommendation

The County Clerk issue prenumbered receipt slips for all monies received and account for the numerical sequence.

Auditee's Response

The County Clerk is working on a new web-based renewal process that will create a separate serialized receipt slip number for all renewal payments. The receipt slips will indicate method of payment and will be a separate document from the license itself. Two of the license numbers that were not accounted for were assigned to a company that is now closed, so those license numbers no longer exist and will not be reissued. Greene County Information Systems has confirmed that the majority of the missing numbers are due to the liquor license program's use of "primary keys" as unique identifiers for saved licenses. The County Clerk will work with Greene County Information Systems to eliminate the use of primary keys, and to create a new fully serialized license number.



4. County Treasurer's Controls and Procedures

Controls and procedures in the County Treasurer's office need improvement.

4.1 Deposits and change fund

The County Treasurer does not deposit receipts intact, does not maintain the change fund at a constant amount, and uses the change fund for petty cash purchases and to replenish petty cash funds for other county offices and departments. The County Treasurer replenishes the change fund with cash from the transmittals received from various county offices.

Our cash count on June 24, 2019, included \$9,053 in the change fund. In addition, the cash count included cash receipts totaling \$1,385 and checks and money orders totaling \$24,108. The checks and money orders were deposited later that day. The cash receipts were added to the change fund and the change fund balance increased to \$10,438.

Failure to implement adequate depositing procedures and maintain change funds at a constant amount increases the risk that loss, theft, or misuse of monies will occur and go undetected. To reduce that risk, all receipts should be deposited intact. In addition, if a change fund is needed, it should be set at a constant amount and a procedure should be established to reconcile to this amount every time a deposit is made. If needed, a separate petty cash fund should be established and maintained on an imprest basis. Petty cash funds should only be reimbursed through a county disbursement approved by the County Commission and not from daily receipts.

4.2 Petty cash purchases

The County Treasurer does not require the Building Maintenance department to limit petty cash purchases to \$25 as stated in the county's purchasing guide. The Building Maintenance department maintains a petty cash fund of \$300 that is replenished by the County Treasurer from his change fund. The County Treasurer is responsible for ensuring the department submits receipt slips for all petty cash purchases and for enforcing the \$25 limit on petty cash purchases.

The Building Maintenance department's petty cash reimbursements, totaling \$2,828 for January 2018, were reviewed and we noted 37 of the 67 items purchased, totaling \$2,417, exceeded the \$25 limit. The County Treasurer indicated the department is allowed to exceed the \$25 limit because the department would not otherwise be able to make emergency and minor repairs in a timely manner by going through the requisition process, which can take several weeks.

To better safeguard county funds and provide less risk for employees using petty cash for items costing more than \$25, the county should review its



Greene County
Management Advisory Report - State Auditor's Findings

current practice of using petty cash for these purchases and determine if a more secure method of payment could be used.

Recommendations

The County Treasurer:

- 4.1 Deposit monies received intact and determine if a change fund is needed. If needed, determine the amount of the change fund that is needed and maintain it at a constant amount. If needed, a petty cash fund should be established and maintained on an imprest basis and reimbursed through a county disbursement.
- 4.2 Ensure the Building Maintenance department's petty cash purchases do not exceed the \$25 limit in the county purchasing guidelines and consider implementing alternative methods of payment for these expenses.

Auditee's Response

- 4.1 *I agree that the creation of a separate petty cash drawer would be beneficial to operations. I have reduced the change drawer to \$4,000 and created a separate petty cash drawer of \$3,000 on an imprest accounting system as recommended. Checks are deposited daily by using a remote scanner and I have increased our frequency of cash deposits. The daily cash balancing and cross checking takes into account the prior day's balance and the inflows and outflows of cash for the day; for which the County Auditor reviews daily.*
- 4.2 *I concur with this recommendation. The Building Maintenance department has established accounts with common vendors and are utilizing blanket purchase orders for that purpose in lieu of petty cash. This has greatly reduced the use of petty cash transactions. In addition, the outdated purchasing limit of \$25 for each petty cash transaction has been removed from purchasing guidelines. As a general rule, the County Treasurer does not honor petty cash transactions for more than the amount of the petty cash drawer issued. This amount varies by office, based on the office's needs.*

Greene County

Organization and Statistical Information

Greene County is a county-organized, first-class county. The county seat is Springfield.

Greene County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 850 full-time employees and 19 part-time employees on December 31, 2018.

In addition, county operations include Senate Bill 40 Board, 911 Board, Senior Citizens' Services Board, Board of Equalization, Building Commission, Historic Sites Board, Industrial Development Authority, Planning and Zoning Board, Neighborhood Improvement Districts, Tax Increment Financing Commission, and Shelters for Victims of Domestic Violence Board.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2019	2018
Bob Cirtin, Presiding Commissioner	\$	81,339
Harold Bengsch, Associate Commissioner		79,339
Lincoln Hough, Associate Commissioner		79,339
Cheryl Dawson-Spaulding, Recorder of Deeds		81,339
Shane Schoeller, County Clerk		81,339
Dan Patterson, Prosecuting Attorney		138,719
Jim Arnott, Sheriff		88,233
Justin Hill, County Treasurer		81,339
Cindy S. Stein, County Auditor		81,339
Lee Ann Walker, Public Administrator		81,339
Leah Betts, County Collector, year ended February 28,	81,339	
Rick Kessinger, County Assessor, year ended August 31,		81,091



Greene County
Organization and Statistical Information

New Sales Tax and
Financing Arrangements

In November 2017, voters approved a 1/2-cent sales tax for the purpose of general revenue. The county issued \$64,470,000 in Certificates of Participation (COPS) in September 2018 to provide funding for several capital projects including an expansion of the Greene County Justice Center, renovations to the Judicial Courts Facility, and a new Operations Center to house the Building Operations and General Services departments. The new sales tax revenues, which are accounted for in the General Revenue II Fund, are used to make the payments on the COPS. The COPS are scheduled to be paid off in 2038. The remaining principal and interest due at December 31, 2018, was \$64,470,000 and \$27,700,000, respectively.



Nicole Galloway, CPA

Missouri State Auditor

Warren County

Report No. 2020-049

August 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of Warren County

Property Tax System Controls and Procedures	The County Collector has not prepared and filed an annual settlement for the years ended February 28 (29) 2017, 2018, 2019, and 2020 in violation of state law. The County Clerk does not (1) maintain an account book or other records summarizing property tax charges, transactions, and changes and (2) prepare or verify the accuracy of the current or delinquent tax books.
Passwords	The County Assessor, Recorder of Deeds, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Warren County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Property Tax System Controls and Procedures4 2. Passwords5
---	--

Organization and Statistical Information	7
---	---

Appendix	Auditee's Response.....8
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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Warren County

We have audited certain operations of Warren County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

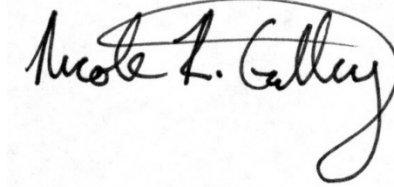
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Warren County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	John Lieser, CPA
In-Charge Auditor:	Joyce Thomson
Audit Staff:	Stephanie M. Kroner
	Joel Stucky

Warren County Management Advisory Report State Auditor's Findings

1. Property Tax System Controls and Procedures

Controls and procedures over the property tax system need improvement. Property taxes and other monies collected by the County Collector's office totaled approximately \$40.8 million during the year ended February 29, 2020.

1.1 Annual settlements

The County Collector has not prepared and filed an annual settlement for the years ended February 28 (29) 2017, 2018, 2019, and 2020 in violation of state law. Because the County Collector does not file annual settlements, the County Commission cannot verify the County Collector's accounts.

To help ensure the validity of tax book charges, collections, and credits, and for the County Clerk and County Commission to properly verify these amounts, it is imperative the County Collector file annual settlements. Section 139.160, RSMo, requires the County Collector to annually settle with the County Commission the accounts of all monies received from taxes and other sources. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector and the County Clerk to certify the amounts to the state. Such procedures are intended to establish checks and balances related to the collection of property taxes.

1.2 Account book

The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatement, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate.

1.3 Tax books

The County Clerk does not prepare or verify the accuracy of the current or delinquent tax books. The county's property tax system programmer prepares the real estate and personal property tax books using assessed valuations provided by the County Assessor and tax levies provided by the County Clerk. The County Collector indicated she reviews the tax books for accuracy. However, because the County Collector is responsible for collecting property tax monies, good internal controls and state law require someone independent of the collection process be responsible for generating and testing the accuracy of the tax books. In addition, the County Collector prepares the delinquent tax books by combining the uncollected taxes from the current tax year and uncollected taxes from all prior years. A review of the current and



Warren County
Management Advisory Report - State Auditor's Findings

delinquent tax books should include verification of individual entries in the current tax books and recalculating tax book totals and charges. Failure to properly prepare and/or review the tax books and test individual tax statement computations may result in errors or irregularities going undetected.

Sections 137.290 and 140.050, RSMo, require the County Clerk to extend the current and delinquent tax books and charge the County Collector with the amount of taxes to be collected. If it is not feasible for the County Clerk to prepare the tax books, at a minimum, the accuracy of the tax books should be verified and approval of the tax book amounts to be charged to the County Collector should be documented.

Recommendations

- 1.1 The County Collector prepare and file annual settlements in accordance with state law. In addition, the County Commission should ensure the annual settlements are filed and are carefully and fully examined to ensure tax book charges and credits are accurately reported.
- 1.2 The County Clerk maintain an account book with the County Collector.
- 1.3 The County Clerk prepare the current and delinquent tax books, or at a minimum, verify the accuracy of the tax books prior to charging the County Collector with the property tax amounts to be collected. Procedures performed should be documented.

Auditee's Response

The County Collector, County Commission, and County Clerk provided a written response. See Appendix.

2. Passwords

The County Assessor, Recorder of Deeds, and Public Administrator have not established adequate password controls to reduce the risk of unauthorized access to computers and data. Employees in these offices are not required to change passwords periodically.

Passwords are required to authenticate access to computers. The security of computer passwords is dependent upon keeping them confidential. However, since passwords in certain offices are not required to be periodically changed there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. Passwords should be changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

A similar condition was noted in our prior two audit reports.



Warren County
Management Advisory Report - State Auditor's Findings

Recommendation

The County Commission work with other county officials to require passwords for each employee be periodically changed to prevent unauthorized access to the county's computers and data.

Auditee's Response

The County Commission provided a written response. See Appendix.

Warren County

Organization and Statistical Information

Warren County is a county-organized, third-class county. The county seat is Warrenton.

Warren County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 116 full-time employees and 14 part-time employees on December 31, 2019.

In addition, county operations include the Developmental Disabilities Board, county health department, and Planning and Zoning Commission.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Joe Gildehaus, Presiding Commissioner	\$	38,137
Daniel Hampson, Associate Commissioner		35,937
Hubert Kluesner, Associate Commissioner		35,937
Deborah Engemann, Recorder of Deeds		54,450
Denise Stotler, County Clerk		54,450
Kelly King, Prosecuting Attorney		140,667
Kevin Harrison, Sheriff		62,920
Jeffrey Hoelscher, County Treasurer		54,450
Glenn Craig, County Coroner (1)		7,448
Mark O'Neill, County Coroner (1)		12,907
Melissa Dempsey, Public Administrator		25,000
Julie Schaumberg, County Collector, year ended February 29,	54,450	
Wendy Nordwald, County Assessor, year ended August 31,		54,450
Robert L. Lewis, County Surveyor (2)		

(1) Glenn Craig resigned as County Coroner in April 2019. Mark O'Neill was temporarily appointed to the position by the County Commission in April 2019 and appointed by the Governor and sworn into office in June 2019.

(2) Compensation on a fee basis.

Appendix

Warren County

Auditee's Response

WARREN COUNTY COMMISSION

Presiding Commissioner
Joe Gildehaus
jgildehaus@warrencountymo.org

Southern District Commissioner
Hubert Kluesner
hkluesner@warrencountymo.org

Northern District Commissioner
Daniel Hampson
dhampson@warrencountymo.org



Warren County Administration Building
101 Mockingbird Ln., Ste 300
Warrenton, MO 63383

Phone: 636-456-3045
Fax: 636-456-1801

July 27, 2020

Missouri State Auditor's,

After speaking with you, and the other elected officials in our County, the County Commission, County Clerk and County Collector recognize and acknowledge the issues presented by the State Auditor's report. The Warren County Collector will complete her annual settlement's with oversight and communication with the Warren County Clerk and the Warren County Commission. The Warren County Clerk has had the necessary software installed in her office to properly complete the required accounting book and print and verify the accuracy of the tax books. The County Commission, County Clerk and County Collector will work together to review and verify the accuracy of all tax records.

The Warren County Commission will work with the other offices within the County Buildings to implement password controls to reduce the risk of unauthorized access to computers and data by making the required changes to passwords periodically.

Sincerely,

Handwritten signature of Joe Gildehaus in cursive script.

Joe Gildehaus, Presiding Commissioner

Handwritten signature of Hubert Kluesner in cursive script.

Hubert Kluesner, Southern Commissioner

Handwritten signature of Dan Hampson in cursive script.

Dan Hampson, Northern Commissioner

Handwritten signature of Denise Stotler in cursive script.

Denise Stotler, Warren County Clerk

Handwritten signature of Julie Schaumborg in cursive script.

Julie Schaumborg, Warren County Collector



Nicole Galloway, CPA

Missouri State Auditor

**Big Bend Crossing
Transportation Development District**

Report No. 2020-048

August 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Big Bend Crossing Transportation Development District

Financial Status

The audit of the Big Bend Crossing Transportation Development District (district) indicates the financial condition of the district is such that it may be abolished.

Due to the nature of this report, no rating is provided.

Big Bend Crossing Transportation Development District

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory Report - State Auditor's Findings	Financial Status	5
---	------------------------	---

Appendix	Statement of Receipts, Disbursements, and Ending Cash Balance Year Ended December 31, 2002 through 2019 and Period From January 1, 2020 through April 30, 2020	6
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NICOLE GALLOWAY, CPA

Missouri State Auditor

Mr. Grant Mabie, Chairman
and
Board of Directors
Big Bend Crossing Transportation Development District
City of Crestwood, Missouri

The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On April 27, 2020, the Board of Directors of the Big Bend Crossing Transportation Development District formalized its intent to dissolve the district and requested an audit as required by statute. The State Auditor was notified of this request.

The district engaged Wade Stables, P.C., Certified Public Accountants (CPAs) to audit the district's financial statements for the year ended December 31, 2019. To minimize duplication of effort, we reviewed the report of the CPA firm. The objectives of our audit were to:

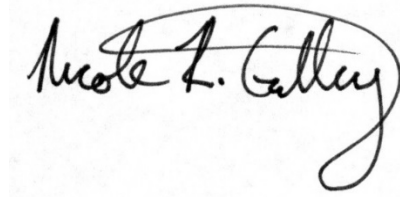
1. Evaluate the financial status of the district and determine whether it may be abolished pursuant to law.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing a district official, as well as certain external parties; and testing selected transactions. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Background section and financial information is presented for informational purposes. This information was obtained from the district's management and audited financial reports and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we (1) determined the Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo, (2) identified no significant noncompliance with legal provisions, and (3) identified no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Big Bend Crossing Transportation Development District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Tori Riley, MBA, CFE

Big Bend Crossing Transportation Development District

Introduction

Background

The Big Bend Crossing Transportation Development District is located in St. Louis County, in the City of Crestwood. The district was organized in June 2001 by petition of the property owners and the city filed with the Circuit Court of St. Louis County. The members of the Board of Directors consist of three city representatives and two representatives of the property owner. The district has a fiscal year end of December 31 and obtained independent audits annually.

In October 2001, the qualified voters¹ of the district approved a 1/4 of 1 percent sales tax on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution formally establishing that sales tax rate to be effective November 1, 2001, for 40 years unless terminated sooner. The retail establishments within the district remitted sales tax collections directly to the district until 2010. In 2010, due to a state law change, those establishments began remitting the tax collections to the Missouri Department of Revenue and the department disbursed them to the district. The sales tax was terminated on March 31, 2020.

The district was formed for the purpose of improving Big Bend Boulevard with the construction of new traffic signals, new lanes, and other road improvements in the city. The city and the county are the public entities with jurisdiction over the project and served as the Local Transportation Authorities. The project was completed in July 2002 and the city and county accepted dedication of the project that month.

In 2002, the district issued a revenue bond for \$1,555,000 to fund the project. The bond debt was satisfied in January 2020. Over its lifetime, the district received \$2,894,540 in sales tax revenue² and made disbursements of \$2,831,264. See the Appendix for district financial activity from 2002 through April 2020.

In April 2020, the district Board formalized its intent to dissolve the district. A district official advised the State Auditor's Office (SAO) of this resolution and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine its financial status, and determine whether it may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against it; if its liabilities exceed its assets; or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

¹ The only qualified voters in the district were Novus-Crestwood, L.L.C. and Lauber-Crestwood, L.L.C.

² This amount includes the sales tax revenues and the prior period adjustment reported in the Appendix.

Big Bend Crossing Transportation Development District

Management Advisory Report

State Auditor's Findings

Financial Status

Our audit of the Big Bend Crossing Transportation Development District indicates the financial condition of the district is such that it may be abolished.

The district satisfied its bond debt in January 2020. As of April 30, 2020, the cash balance of the district was \$73,247 (see the Appendix). As of June 24, 2020, the fees for legal services to be provided to abolish the district are estimated at \$35,000. There are no pending, threatened, or unasserted claims or assessments against the district according to district legal counsel. District officials confirmed the district is not insolvent, in receivership or under the jurisdiction of the bankruptcy court. Therefore, the district meets the abolishment criteria established in Section 238.275.3, RSMo.

The Board of Directors may proceed with the abolishment of the district in accordance with Section 238.275, RSMo.



Appendix
Big Bend Crossing Transportation Development District
Statement of Receipts, Disbursements, and Ending Cash Balance

	Period Ended January 1 through April 30, 2020	Year Ended December 31, 2002 through 2019
RECEIPTS		
Sales taxes	\$ 58,406	2,733,615
Interest	81	9,890
Total Receipts	58,487	2,743,505
DISBURSEMENTS		
Trustee	873	24,298
Bank	143	7,281
Administration	10,000	141,098
Miscellaneous	0	133
Legal and Professional	0	97,470
Collection	0	13,136
Debt Service	61,575	2,475,257
Total Disbursements	72,591	2,758,673
RECEIPTS OVER (UNDER) DISBURSEMENTS	(14,104)	(15,168)
BEGINNING CASH	87,351	0
PRIOR PERIOD ADJUSTMENT (1)	0	102,519
ENDING CASH	\$ 73,247	87,351

(1) The prior period adjustment is the result of not including revenues collected and held with the trustee in prior years.

Source: Compiled by the SAO using the district's bank statements and CPA audited financial statements.



Nicole Galloway, CPA

Missouri State Auditor

Pathway Academy Charter School

Report No. 2020-047

August 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Pathway Academy Charter School

Bonuses and Other Additional Compensation	The Pathway Academy Charter School (PACS) paid bonuses, totaling \$25,000 during the 2 years ended June 30, 2019, to employees contrary to state law. In addition, the PACS paid other additional unsupported compensation to employees totaling \$3,164.
Disbursements	The PACS controls and procedures over disbursements and credit card purchases were insufficient. Questionable and unsupported transactions for the 2 years ended June 30, 2019, totaled \$19,779. PACS credit card oversight and payment procedures were not adequate.
Accounting Controls and Procedures	Significant weaknesses existed in the PACS accounting controls and procedures. The Chief Operations Officer made unauthorized transfers between various school bank accounts. The school's procedures for receipting and depositing monies were poor. The PACS failed to follow multiple record retention schedules, including requirements related to purchasing, receipt slips, and employee personnel records.
Hiring Policy	The Board did not adequately monitor staff hiring procedures.
Sunshine Law	Closed meeting minutes were not maintained for the 7 closed sessions referenced in the open meeting minutes during the 2 years ended June 30, 2019.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Pathway Academy Charter School

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
1. Bonuses and Other Additional Compensation	6
2. Disbursements	7
3. Accounting Controls and Procedures	9
4. Hiring Policy	11
5. Sunshine Law	11

Appendixes	
A State Auditor Subpoena - UMB Financial Corporation	12
B Missouri Charter Public School Commission Response Letter.....	15
C Supporting Documentation - Questionable and Unsupported	
Transactions	18



NICOLE GALLOWAY, CPA

Missouri State Auditor

Board of Directors
Pathway Academy Charter School
and
Executive Director, Missouri Charter Public School Commission (sponsor)

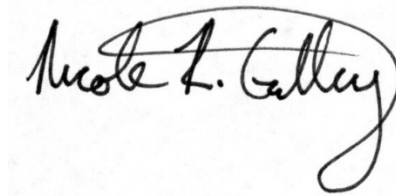
The State Auditor conducted an audit of the Pathway Academy Charter School under authority granted in Section 29.205, RSMo. A request for an audit was received from the charter school Board of Directors after concerns regarding financial practices were reported to the Board by the charter school's sponsor and the Closure Coordinator. We have audited certain operations of the charter school in fulfillment of our duties. The charter school engaged KPM, Certified Public Accountants (CPAs) and Advisors, to audit the charter school's financial statements for the year ended June 30, 2019. The scope of our audit included, but was not necessarily limited to, the 2 years ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the charter school's internal controls over significant management and financial functions.
2. Evaluate the charter school's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the amount of monies misappropriated from the charter school, if any.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the charter school, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) no evidence of misappropriation of monies. The accompanying Management Advisory Report presents our findings arising from our audit of the Pathway Academy Charter School.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	James C. Kayser, MAcc, CFE, CGAP
Audit Staff:	Zach Andrews
	Kyle D. Goodin, MAcc

Pathway Academy Charter School

Introduction

Background

Representatives from the Missouri Charter Public School Commission (MCPSC) contacted the State Auditor's Office (SAO) in June 2019 and expressed concerns over financial practices of the Pathway Academy Charter School (PACS). On June 27, 2019, the school's Board of Directors voted to request the SAO to conduct an audit.

In August 2019, the contracted Closure Coordinator for the MCPSC sent a letter outlining multiple issues with the school's former Chief Operations Officer alleging the following: (1) unauthorized payroll disbursements, (2) bonus payouts, (3) issues with credit card purchases, (4) cash payments not receipted or deposited, (5) an employee overpayment, (6) issues with former employees still on the school's health insurance, (7) unauthorized hires, and (8) the former Chief Operations Officer's refusal to cooperate with school officials. The SAO reviewed these concerns under Section 29.221, RSMo, and on September 4, 2019, determined further investigation was warranted.

The Closure Coordinator indicated some records might not be available. To obtain some of the records, the SAO issued a subpoena to UMB Financial Corporation (see Appendix A) to produce records related to disbursements and deposits made to/from the school's bank accounts. Appendix A includes redactions of information privileged or sensitive in nature.

School

The PACS began operating in Kansas City in August 2009. There were 206 students enrolled for the 2017-2018 school year and 181 students for 2018-2019. Students attended pre-kindergarten through fourth grade.

The four member Board of Directors (Board) acted as the policy-making body for the charter school's operations. Board members served without compensation. Members of the Board serving at June 30, 2019, were

Corbyn Jones, President
Steve Mauer, Treasurer
Patty Schumacher, Member
Kenton Schiele, Member

The Executive Director and Chief Operations Officer were appointed positions. The school's principal officials, for the 2 years ended June 30, 2019, were

Deanna Rogers, Executive Director
Danté Bolden, Chief Operations Officer

Sponsor

When the PACS was established, the University of Missouri - Kansas City (UMKC) was the sponsor. In order for a charter school to be established, the school must have a sponsor. This sponsor is responsible for accepting and reviewing the application submitted by the proposed school. From this



Pathway Academy Charter School Background

application, a charter can be granted. This charter includes a legally binding performance contract as well as several other areas that are outlined in Sections 160.405 and 167.349, RSMo. The sponsor is responsible for overseeing the school to make sure the school is fulfilling the obligations of the charter.

In November 2017, UMKC placed the school on probation. In October 2018 UMKC announced it was ending its role as a charter school sponsor for all of its charter schools, which included the PACS. On December 4, 2018, the MCPSC became the school's sponsor.

Financial audit

The Board engaged KPM, Certified Public Accountants & Advisors, to audit the charter school's financial statements for the year ended June 30, 2019. The audit report, issued January 17, 2020, disclaimed the opinion for the financial statements because auditors were not able to obtain sufficient audit evidence. Included in the audit report was a statement of activities prepared on the modified cash basis of accounting for year ended June 30, 2019. The report stated revenues totaled \$2,505,362 and expenses totaled \$3,288,880, resulting in a decrease to net assets totaling \$783,518.

Closure and dissolution

In February 2019, the MCPSC determined the school did not meet the minimum academic outcomes outlined in the terms of its probation and lacked sufficient financial controls because the school's fund balance had dropped significantly over the last three years. Based on these concerns, the MCPSC recommended the school close at the end of the 2018-2019 school year. The Board voted to relinquish the charter and close the school at the end of 2018-2019 school year at the March 12, 2019, Board meeting.

Final dissolution of the charter school is pending the completion of final closure activities including transmitting any remaining monies back to the state.

Because Management Advisory Report (MAR) finding numbers 2 through 5 relate to the operations of the school prior to closure and the Board is no longer active and is in the process of dissolution, no recommendations are provided for those findings. Also, because the Board is in the process of dissolution and no longer active, the recommendation for MAR finding number 1 is made to the charter school sponsor.

Pathway Academy Charter School

Management Advisory Report

State Auditor's Findings

1. Bonuses and Other Additional Compensation

The Pathway Academy Charter School (PACS) paid bonuses, totaling \$25,000, to employees contrary to state law. In addition, the PACS paid other additional unsupported compensation to employees totaling \$3,164. Payroll-related disbursements were processed through an outside vendor. The Chief Operations Officer (COO) was responsible for recording, approving, and transmitting all school payroll information, including his own, to the vendor. The additional compensation, including the bonuses, was not detailed in the annual school budgets approved by the Board or included with disbursement documentation provided to the Board for approval at meetings.

We reviewed the payroll reports for the 2 years ended June 30, 2019, and noted 75 disbursements totaling \$113,502 were recorded as "other earns." These earnings were in addition to the employees' regular salaries. We reviewed all available payroll files including employment contracts, stipend agreements, and any other documentation of employee salaries and noted the following:

Bonuses

The PACS paid employees at least \$25,000 in bonuses during the 2 years ended June 30, 2019.

On November 17, 2017, \$10,000 was paid to the COO. Previous COO contracts included a \$10,000 bonus to be paid in November. However, there was no documentation to support the 2017 payment, nor was anything documented in the Board meeting minutes. The COO's personnel file was not complete, as discussed in Management Advisory Report (MAR) finding number 3.3, and did not include a 2017 contract authorizing this bonus. However, the amount and timing of the November 2017 payment indicate this payment was a bonus. Also, because the COO was the only person responsible for authorizing and sending payroll information to the vendor for processing, the COO could have authorized this payment to himself without the knowledge of any charter school personnel.

On November 30, 2017, and December 31, 2018, the school paid additional earnings totaling \$15,000 (\$1,000 each to 15 employees). A former employee indicated teachers and other staff could receive a bonus of up to \$1,000 each for helping with recruitment. However, there was no discussion of these bonuses in the employee contracts or other documentation to support these bonuses, such as an explanation of how or when the bonuses would be awarded or what recruitment activities each teacher participated in. In addition, there was no discussion or approval of these bonuses in Board meeting minutes.

Other additional compensation

During the 2 years ended June 30, 2019, the PACS made 5 unsupported disbursements for other additional compensation to 3 teachers and the COO totaling \$3,164. The disbursement dates did not coincide with other similar payout date types (i.e., stipends, summer school, leave payout, or bonuses).



Pathway Academy Charter School Management Advisory Report - State Auditor's Findings

Without documentation, we could not determine if the additional compensation was appropriate. In addition, Board meeting minutes do not include a discussion or approval of these disbursements.

Conclusion

All compensation should have been approved by the Board and included on salary schedules or in the teachers' contracts, as necessary, to ensure all employees were treated fairly and equitably. In addition, adequate supporting documentation should have been maintained to support all compensation and payroll disbursements to ensure all payroll transactions were accounted for properly.

The bonus payments represent additional compensation for services previously rendered. Article III, Section 39(3), of the Missouri Constitution prohibits the granting of additional compensation for services previously rendered. As stated in, Attorney General's Opinion No. 72-1955 (June 14, 1955), "...a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered." Additionally, Article VI, Sections 23 and 25, of the Missouri Constitution prohibit local subdivisions of the state from granting money to any private individual, except as otherwise provided by law.

Recommendation

The Missouri Charter Public School Commission work with the Department of Elementary and Secondary Education to determine the proper resolution for the bonuses and additional unsupported compensation paid.

Auditee's Response

The Missouri Charter Public School Commission's written response is included at Appendix B.

2. Disbursements

The PACS controls and procedures over disbursements and credit card purchases were insufficient. The PACS disbursed \$7,469,238 during the 2 years ended June 30, 2019.

2.1 Questionable and unsupported transactions

Questionable and unsupported transactions for the 2 years ended June 30, 2019, totaled \$19,779¹ (see Appendix C). These transactions included purchases for food, sporting and art functions, and gift cards; a donation; and disbursements to employees.

- Transactions of at least \$9,500 were not reasonable and/or did not provide a benefit to the PACS, as there was no documentation to support the purpose or the stated purpose did not appear to be for the benefit of the

¹ Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in Appendix C are not rounded.



Pathway Academy Charter School Management Advisory Report - State Auditor's Findings

students. Many of these transactions were supported by a receipt slip or invoice that agreed to the amount charged, but there was no additional information to demonstrate the purpose of the purchase and how it related to school business. Of the 146 transactions tested, 49 (34 percent) did not have a documented purpose or the purpose was not related to school business. In addition, there were no established guidelines or policies for purchases. These questionable transactions are summarized by category below:

Category	Amount
Food	\$ 9,144
Sporting & Art Functions	342
Donation	50
Total	\$ 9,536

- We identified 7 unsupported disbursements to employees included in the bank records totaling \$7,958 during the 2 years ended June 30, 2019. The disbursements were not recorded in the school's electronic check register or in the school's accounting system. These disbursements were not processed through the payroll system, so may be employee reimbursements.
- We identified \$2,285 in unsupported gift card purchases. The reason for the purchase was not noted on the invoice for two of the gift card purchases and there was no support for how the gift cards were distributed for these two and another gift card purchase. As a result, there was no assurance all gift cards purchased by the PACS were used to benefit the school.

Public funds should be spent only on items necessary and beneficial to the school. Detailed supporting documentation, including a list of attendees and/or general information stating who was served or attended, would have improved the school's ability to ensure charges were reasonable. In addition, comprehensive policies regarding food and other purchases would have provided guidance to employees to help control and reduce these disbursements. Article VI, Sections 23 and 25 of the Missouri Constitution prohibit the use of public money or property to benefit any private individual, associations, or corporations except as provided in the constitution. Public funds should have been spent only on items necessary and beneficial to the school. Citizens have placed a fiduciary trust in their public officials to spend school monies in a prudent and necessary manner.

2.2 Credit Cards

PACS credit card oversight and payment procedures were not adequate. Credit card purchases are inherently more risky than other purchases because credit card purchases are, or can be, made prior to proper approval. That risk and the potential for fraud and misuse increases even more when internal



Pathway Academy Charter School
Management Advisory Report - State Auditor's Findings

controls and proper procedures are lacking. The PACS made payments to its credit card company totaling \$47,785 during the 2 years ended June 30, 2019.

Credit card policy

The PACS had no credit card policy outlining the guidelines for the use of credit cards. Many of the disbursements without support or documentation of the purpose noted in section 2.1 were made by credit card. Without guidelines, employees were not aware of what purchases were allowable, the limits of what could be purchased without prior Board approval, or the documentation required to support purchases. In addition, without Board approval, there was no monitoring to ensure timely payments were made or credit card payments were legitimate.

Late payments

The PACS did not ensure some credit card payments were timely, resulting in late fees and finance charges totaling \$319. From January 2019 through May 2019, late fees were assessed on 4 occasions and finance charges were assessed on 5 occasions. To prevent unnecessary fees and other charges, procedures should have been in place to ensure bills were paid timely.

3. Accounting Controls and Procedures

Significant weaknesses existed in the PACS accounting controls and procedures.

3.1 Unauthorized transfers

The COO made unauthorized transfers between various school bank accounts. During the period January 23, 2018, through May 16, 2019, the PACS transferred \$760,000 from the business account to the operating account; however, only \$450,000 was approved by the Board. Approvals for a December 12, 2018, transfer of \$150,000; an April 11, 2019, transfer of \$60,000; and a May 16, 2019, transfer of \$100,000 were not documented in the meeting minutes.

Adequately documented reasons and support for transfer amounts and Board review and approval would have provided more assurance monies were used for the intended purposes.

3.2 Receipts and deposits

The school's procedures for receipting and depositing monies were poor. As a result, there was no assurance all monies collected were properly receipted and deposited.

The COO did not issue receipt slips or log the monies collected from teachers for meals purchased. No report was retained tracking the number of meals purchased by the teachers or the amount of money collected. Without receipt slips, logs, or tracking reports the PACS could not reconcile meals purchased to collections or ensure all monies were deposited. During the 2 years ended June 30, 2019, only \$339 was deposited into the PACS food bank account.



Pathway Academy Charter School
Management Advisory Report - State Auditor's Findings

These deposits had hand written notes on the deposit slips indicating they were for adult lunches. According to invoices, the price per lunch was \$3.25 for the 2017-2018 school year and \$3.35 for the 2018-2019 school year, and the school employed at least 20 employees who were eligible to purchase meals.

In addition, receipts were not always deposited timely. Our review of deposits made to the food bank account for the 2 years ended June 30, 2019, noted of the 8 checks deposited, 5 were not deposited within a month. One check, dated October 5, 2017, and another check dated October 10, 2017, were not deposited until September 2, 2018.

Failure to implement adequate receipting and depositing procedures, along with proper accountability over teacher meal collections, increased the risk of potential loss, theft, or misuse of funds.

3.3 Supporting documentation

The PACS failed to follow multiple record retention schedules, including requirements related to purchasing, receipt slips, and employee personnel records.

As noted in MAR finding number 2.1, many invoices and receipt slips were not available or did not include explanations of the need for the purchases or disbursements to employees, making it difficult to ensure these disbursements were prudent and necessary. In some cases no documentation beyond the credit card statement was available. In addition, PACS personnel could not locate 21 employee personnel files, including the employee contracts and stipend agreements.

The MCPSC charter contract section 3.6, School Records and Reporting, stated, "The Charter School shall comply with applicable federal and state (as specified by the state board of education) laws and regulations for maintenance and transmittal of school records including as provided for under section 167.020.7, RSMo, the Missouri Public School Record Retention Schedule, and the Federal Family Education Rights and Privacy Act (FERPA)."

Retention of records was necessary to ensure the validity of transactions and provide an audit trail. Section 109.270, RSMo, provides that all records made or received by an official in the course of his/her public duties are public property and are not to be disposed of except as provided by law. Section 109.255, RSMo, provides that the Local Records Board issue directives for the destruction of records. Record retention schedules can be found on the Secretary of State's website.²

² <https://www.sos.mo.gov/archives/localrecs/schedules>



Pathway Academy Charter School
Management Advisory Report - State Auditor's Findings

4. Hiring Policy

The Board did not adequately monitor staff hiring procedures. On August 12, 2016, the COO signed a contract hiring an accountant to work at PACS. The accountant performed various duties for the school until her resignation on April 12, 2019. The Board meeting minutes did not document Board approval for the hiring of the accountant. One Board member indicated she knew of the accountant, but did not know she worked for the school until after the accountant's resignation.

The UMKC charter school contract with the PACS stated employment hiring was contingent on Board approval. The Board should have reviewed and approved hiring decisions to ensure the school was properly administered.

5. Sunshine Law

Closed meeting minutes were not maintained for the 7 closed sessions referenced in the open meeting minutes during the 2 years ended June 30, 2019. In addition, open meeting minutes did not document the specific reasons or section of law allowing the meetings to be closed. Instead, the open meeting minutes only indicated the Board went into closed session.

Section 610.020, RSMo, requires meeting minutes be maintained as a record of business conducted and to provide an official record of Board actions and decisions. Section 610.022, RSMo, requires public bodies announce the specific reasons allowed by law for going into a closed session and to enter the vote and reason into the minutes.



Appendix A
Pathway Academy Charter School
State Auditor Subpoena - UMB Financial Corporation

Bank account and credit card numbers have
been redacted



NICOLE GALLOWAY, CPA
Missouri State Auditor

February 13, 2020

UMB Financial Corporation
ATTN: Judicial Compliance
1010 Grand Boulevard
Kansas City, MO 64106

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is directed to records related to the Pathway Academy Charter School. We know some of the account numbers associated with the school, but not all. Based on instructions a representative of UMB provided to our staff, we have listed known account numbers of the bank accounts and credit cards, and items we are requesting. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

If you have any questions, I may be contacted by mail and phone as shown at the bottom of this letter, as well as by email at Joel.Anderson@auditor.mo.gov.

Sincerely,


Joel E. Anderson
Chief Litigation Counsel

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984



Appendix A
Pathway Academy Charter School
State Auditor Subpoena - UMB Financial Corporation




OFFICE OF MISSOURI STATE AUDITOR
SUBPOENA

To: UMB Financial Corporation
ATTN: Judicial Compliance
1010 Grand Boulevard
Kansas City, MO 64106

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 8:00 a.m., March 12, 2020, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records listed in Exhibit A to the Missouri State Auditor to the attention of James Kayser at 149 Park Central Square, Suite 814, Springfield, Missouri 65806 or you may send them electronically to james.kayser@auditor.mo.gov.

ISSUED this 13th day of February, 2020, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.


Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by HAND DELIVERY on this 13th day of FEBRUARY, 2020.





Appendix A
Pathway Academy Charter School
State Auditor Subpoena - UMB Financial Corporation



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all records of accounts related to Pathway Academy Charter School and/or Pathway Academy, Inc., 2015 E 72nd St, Kansas City, MO 64132, for the time period July 1, 2017, through June 30, 2019. Records should include, but not be limited to, signature cards, copies of checks (front and back), deposit bank backup, and bank statements. Accounts related to Pathway Academy Charter School should include, but not be limited to the accounts listed below:

Account [REDACTED]
Account [REDACTED]
Account [REDACTED]
Account [REDACTED]

Please produce all records (including credit card statements, card holder agreements, and transaction records) for all credit card accounts related to aforementioned Pathway Academy Charter School and/or Pathway Academy, Inc., 2015 E 72nd St, Kansas City, MO 64132, including but not limited to the following credit card accounts listed below, for the time period July 1, 2017, through June 30, 2019:

Account [REDACTED]
Account [REDACTED]
Account [REDACTED]

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.



Appendix B
Pathway Academy Charter School
Missouri Charter Public School Commission Response Letter



Missouri
Charter Public School Commission

July 16, 2020

Honorable Nicole R. Galloway, CPA
State Auditor
Office of Missouri State Auditor
PO Box 869
Jefferson City, MO 65102
TRANSMITTED VIA EMAIL

RE: RESPONSE TO AUDIT OF PATHWAY ACADEMY CHARTER SCHOOL

Dear Auditor Galloway,

It is with deep appreciation that the Missouri Charter Public School Commission (Commission) response to the audit of Pathway Academy Charter School (PACS) conducted by your office. This audit was formally requested by the former Board of Directors of PACS at the insistence of the Commission. Your findings align with the concerns expressed by Robbyn Wahby, Executive Director of the Commission and attorney Dana Cutler, contracted by the Commission to serve as the Closure Coordinator of Pathway Academy.

The Commission is the recipient of this audit report because the PACS Board has been dissolved and the Commission agreed to serve as the charter school's sponsor after the University of Missouri – Kansas City (UMKC) closed its sponsorship office, and both the University of Missouri – Columbia and the Kansas City Public Schools declined PACS' request to become its sponsor. The Commission agreed to sponsor PACS because as the state's only independent charter school sponsor, we believe that is our responsibility— no matter the health of a school.

We officially became the sponsor on December 4, 2018. The Commission staff immediately conducted its due diligence on the school's academic, fiscal and operational compliance. The staff found the school was out of compliance with state statutes and its contract. Our initial findings were detailed in a Letter of Concern issued to the PACS board in February, 2019. Besides financial irregularities, PACS also failed to meet the minimum academic outcomes outlined in the terms of its probation.

In March 2019, our staff presented its findings to the PACS board in a public meeting, and informed the board the school's charter would not be renewed. The Commission also expressed serious concerns about the financial viability of the school in its final year of its contract. As a result, the PACS board voted to relinquish its charter. PACS was closed on June 30, 2019. The Commission then pressed the former PACS board to seek a state audit of the anomalies discovered by the Commission staff. The former PACS board agreed.

We have reviewed the audit report. The findings are consistent with the concerns submitted to your office in letter from our Closure Coordinator.

• Toll Free (855) 267-7323 • <https://mcpssc.mo.gov/> • info@mcpssc.mo.gov •



Appendix B

Pathway Academy Charter School

Missouri Charter Public School Commission Response Letter

RESPONSE TO PATHWAY ACADEMY AUDIT – Page 2

Our specific responses are as follows:

1. Bonuses and Other Additional Compensation

- a. MCPSC agrees that PACS did not have the documentation or evidence to support the bonuses. We have had preliminary discussions with the Department of Elementary and Secondary Education (DESE). Both agencies agree efforts should be made to recover unsupported paid compensation.
- b. We will work with DESE to supply any supporting documentation if they choose to recover through the civil courts.
- c. The Commission will forward your audit to the Missouri Attorney General and to the Kansas City Prosecutor's Office.

2. Disbursements

- a. The Commission agrees that PACS lacked the controls and procedures over disbursements and credit card purchases. We found evidence of this problem during our investigation of PACS.
- b. PACS was not being sponsored by the MCPSC during the time period covered in the audit. Had we been the sponsor, we believe our systems of accountability and review of our sponsored schools would have provided appropriate oversight. Our performance framework, which includes the submission of monthly financial statements, board packets and board policies, allows the Commission to understand the school's controls and procedures. These are then tested and confirmed during the Commission's annual site visit. Our findings are reported to the school's board and executive director immediately following the visit, and in writing in the school's annual report.

3. Accounting Controls and Procedures

- a. MCPSC agrees that PACS lacked the accounting controls and procedures. MCPSC found evidence of this problem during its initial due diligence of PACS. Had the Commission been the sponsor of PACS during the time covered by the audit, our compliance and monitoring program would have required the submission of board and committee meeting minutes. Meeting minutes are reviewed and monitored by MCPSC staff to insure boards are following statutes and standards. Board chairs and school leaders are contacted immediately when we find irregularities.

4. Hiring Policy

- a. MCPSC agrees that PACS did not adequately monitor staff hiring procedures. MCPSC staff found evidence of this problem during its due diligence of PACS.

5. Sunshine Law

- a. MCPSC agrees that PACS did not comply with the Missouri Sunshine Law provisions concerning closed meetings. MCPSC cautioned the PACS board in a public meeting and spoke with the board chair about the legal requirement that the PACS board comply with the Sunshine Law. We subsequently included our concerns in the Letter of Concern. The board's lack of compliance was considered in the decision to not renew the school's charter.

• Toll Free (855) 267-7323 • <https://mcpsc.mo.gov/> • info@mcpsc.mo.gov •



Appendix B
Pathway Academy Charter School
Missouri Charter Public School Commission Response Letter

RESPONSE TO PATHWAY ACADEMY AUDIT – Page 3

- b. Charter schools are public schools. MCPSC is a public agency that is fully committed to being transparent. We believe quality board governance is essential. In October, 2019 MCPSC underwrote the cost of board training at the annual Missouri Charter School Conference, including a session on the Sunshine Law. This made it possible for all charter boards, not just those sponsored by the Commission, to participate and learn.
- c. This year, MCPSC will reinforce the importance of complying with the closed meeting provisions of the Missouri Sunshine Law. The Commission has engaged a consultant to support the development of additional training and support of the school's sponsored by the Commission. We have already entered into discussions on how we can support the Missouri Charter Public School Association to promote additional training.

Please extend our thanks and appreciation to your audit team, especially Mr. James Kayser, In-Charge Auditor. His professionalism and commitment to accuracy is a testament to the quality of your office.

Sincerely,

Delbert Scott
President
Missouri Charter Public School Commission

Appendix C

Pathway Academy Charter School
Supporting Documentation - Questionable and Unsupported Transactions

Transaction Date (1)	Vendor/Payee	Category	Purpose (2)	Amount
6/21/2017	Panera Bread	Food	Meet with Board President	\$ 23.16
7/17/2017	Panera Bread	Food	Lunch to Update Board President	26.72
7/20/2017	Panera Bread	Food	Unknown	117.75
8/1/2017	Grandma's Office Catering	Food	Unknown	432.30
8/2/2017	Vee's Sweets and Treats	Food	Unknown	143.00
8/3/2017	Panera Bread	Food	Unknown	368.06
8/9/2017	Chipotle	Food	Unknown	625.90
8/9/2017	Vee's Sweets and Treats	Food	Unknown	209.00
8/10/2017	Chick-Fil-A	Food	Unknown	529.15
8/11/2017	Royals Baseball Tickets	Sporting & Art Function	Unknown	180.00
9/5/2017	Chick-Fil-A	Food	Unknown	362.50
9/14/2017	Waldo Pizza	Food	Unknown	98.50
9/14/2017	Waldo Pizza	Food	Unknown	109.25
9/21/2017	Waldo Pizza	Food	Unknown	127.62 (3)
10/5/2017	Waldo Pizza	Food	Unknown	145.70
10/12/2017	Waldo Pizza	Food	Unknown	120.90
10/18/2017	Waldo Pizza	Food	Unknown	171.53
10/19/2017	Panera Bread	Food	Unknown	55.49
10/19/2017	Panera Bread	Food	Unknown	589.31
10/31/2017	Bon Appetit Management Company	Food	Unknown	1,431.73
11/9/2017	Panera Bread	Food	Regional Counselor's Breakfast Hosted at Pathway	103.36
11/27/2017	QuickTrip	Gift Cards	Family Enrollment Incentive 8/8 - 8/25 (4)	360.00
11/28/2017	Swift Gift LTD	Gift Cards	Unknown	1,481.00
12/11/2017	Waldo Pizza	Food	Unknown	52.05
12/14/2017	Waldo Pizza	Food	Unknown	38.35
12/27/2017	School Social Worker	Employee Disbursement (5)	Unknown	569.75 (3)
1/8/2018	School Social Worker	Employee Disbursement (5)	Unknown	632.53 (3)
2/5/2018	School Social Worker	Employee Disbursement (5)	Unknown	384.00 (3)
2/14/2018	Teacher #1	Employee Disbursement (5)	Unknown	3,000.00 (3)
3/2/2018	Waldo Pizza	Food	Unknown	40.23 (3)
3/2/2018	Waldo Pizza	Food	Unknown	73.12 (3)
3/9/2018	Waldo Pizza	Food	Unknown	40.15 (3)
3/13/2018	Papa Johns	Food	Unknown	129.02 (3)
3/16/2018	Jimmy Johns	Food	Unknown	62.22 (3)
4/4/2018	Papa Johns	Food	Unknown	56.77 (3)
4/10/2018	Waldo Pizza	Food	Unknown	100.70 (3)
4/13/2018	Waldo Pizza	Food	Unknown	29.25 (3)
4/30/2018	Waldo Pizza	Food	Unknown	26.25 (3)
5/4/2018	Waldo Pizza	Food	Unknown	154.65 (3)
5/7/2018	Waldo Pizza	Food	Unknown	178.20 (3)
5/10/2018	Pizza Hut	Food	Unknown	63.18 (3)
7/14/2018	Waldo Pizza	Food	Unknown	91.05 (3)
7/21/2018	Waldo Pizza	Food	Unknown	53.40 (3)
8/2/2018	Panera Bread	Food	Unknown	105.48 (3)
8/2/2018	Panera Bread	Food	Unknown	218.32 (3)
8/7/2018	Panera Bread	Food	Unknown	142.44 (3)
8/8/2018	Chick-Fil-A	Food	Unknown	352.00 (3)
8/10/2018	Grandma's Office Catering	Food	Unknown	402.64
8/31/2018	Vee's Sweets and Treats	Food	Unknown	83.80 (3)
9/21/2018	Vee's Sweets and Treats	Food	Unknown	29.40 (3)
9/24/2018	Kansas City Symphony	Sporting & Art Function	Unknown	162.00
10/5/2018	Waldo Pizza	Food	Unknown	59.80
10/19/2018	Teacher #2	Employee Disbursement (5)	Unknown	1,505.93 (3)
11/8/2018	Swift Prepaid Solutions	Gift Cards	Bought Gift Cards	443.93
12/7/2018	PayPal	Donation	Donation to Show Me KC Schools	50.00
1/4/2019	Teacher #3	Employee Disbursement (5)	Unknown	755.97 (3)
1/10/2019	Teacher #4	Employee Disbursement (5)	Unknown	1,109.94 (3)
3/21/2019	Waldo Pizza	Food	Unknown	128.85 (3)
5/30/2019	Olive Garden	Food	Staff Meal	641.38
	Total			<u>\$ 19,778.68</u>

- (1) The date used was either the date of the purchase when charged to a credit card, or the date recorded on the check when a check was used to make the purchase.
- (2) The purpose is indicated if a reason for the disbursement was recorded in the accounting system or on the related receipt slip/invoice. If no reason was recorded, "Unknown" is listed in this column.
- (3) No supporting documentation (receipt slip or invoice) was available and the disbursement was not recorded in the school's accounting system.
- (4) Supporting documentation for this disbursement did not indicate to whom the gift cards were distributed.
- (5) A disbursement was made to an employee through the accounting system, not the payroll system, so the disbursement may be an employee reimbursement.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Department of Health

Report No. 2020-046

August 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of St. Louis Department of Health

Food Inspections	The Department of Health (DOH) has not performed food safety inspections in accordance with city code requirements.
Capital Assets	The DOH has not accounted for capital assets in accordance with city policies and procedures.
Accounting Controls	DOH personnel do not record all payments received on prenumbered receipt slips or in a log and do not always restrictively endorse checks or money orders immediately upon receipt.
Payroll Procedures	Controls and procedures over the payroll process need improvement.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis Department of Health

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Food Inspections.....	4
2. Capital Assets	6
3. Accounting Controls.....	7
4. Payroll Procedures.....	8

Organization and Statistical	10
Information	



NICOLE GALLOWAY, CPA

Missouri State Auditor

Dr. Fredrick Echols, Acting Director of Health
City of St. Louis Department of Health
1520 Market
Room 4051
St. Louis, MO 63103

We have audited certain operations of the City of St. Louis Department of Health in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2019. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

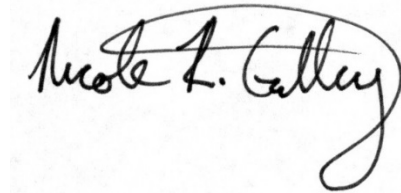
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant within the context of the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Department of Health.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Douglas J. Porting, CPA, CFE
Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Josh Allen, CPA, CFE, CGAP
In-Charge Auditor:	Erin N. Dierksen
Audit Staff:	Hunter O'Donnell, M.Acct. Ryan Patterson, M.Acct.

City of St. Louis Department of Health

Management Advisory Report

State Auditor's Findings

1. Food Inspections

The Department of Health (DOH) has not performed food safety inspections in accordance with city code requirements. In addition, the DOH did not charge food establishments for food safety re-inspections as required by the city code. The city code defines food establishments as restaurants, bars, grocery stores, food trucks, cafeterias, sport venues, etc. As of March 23, 2020, the city had 2,797 food establishments.

Food establishments are required to obtain permits from the DOH to legally operate in the city. The city code requires the DOH to perform an annual priority assessment for each food establishment. Based on a priority assessment, health inspectors conduct routine inspections of each establishment. The frequency of these inspections range from once per year to every 120 days. Health code violations identified by the inspectors require subsequent re-inspections to evaluate corrective actions taken.

We selected 25 food establishments and reviewed the DOH's food safety inspection documentation for each entity to determine the department's compliance with city code requirements. We noted the following concerns:

- Re-inspections of critical violations did not occur within 48 hours for all 7 food establishments reviewed with a documented critical violation and a downgraded inspection rating. The re-inspections for 6 establishments occurred from 2 to 40 days late and the other establishment did not receive a re-inspection.
- The DOH did not assess or collect required fees for food establishment re-inspections. A DOH official indicated re-inspection fees have not been collected for several years. The official indicated a notification campaign was established in July 2018 to ensure establishments were aware of the fees, however, due to supervisory turnover, the DOH did not implement fee assessment and collection procedures. The city code requires a \$50 fee for the first re-inspection of food establishments with a critical violation and a downgraded inspection rating and a \$100 fee for all subsequent re-inspections. Based on DOH inspection records, 365 inspections required a subsequent re-inspection during the year ended June 30, 2019. Therefore, the city lost revenue of at least \$18,250 for the fiscal year.
- 11 of 23 (48 percent) food establishments requiring an annual priority assessment did not receive the required assessment during the fiscal year.
- DOH staff did not perform all required annual inspections for 2 of 25 (8 percent) food establishments reviewed. One establishment received 1 of 2 required inspections while the other received 2 of 3 required inspections.



City of St. Louis Department of Health
Management Advisory Report - State Auditor's Findings

Section 11.42.232 of the city code establishes requirements for food establishment permits and includes requirements for annual priority assessments, routine food inspections based on the assessed priority level, re-inspections for critical violations involving a downgraded inspection rating within 48 hours after discovery, and the assessment of fees for re-inspections. Failure to adhere to food establishment assessment and inspection regulations increases the risk health violations will not be detected or corrected. In addition, failure to assess and collect fees established by city code reduces city funding available to pay for the services.

Recommendation

The Department of Health should ensure food inspectors perform all required assessments, inspections, and re-inspections. In addition, DOH staff should ensure all fees required by city code are assessed and collected.

Auditee's Response

- *Food Establishment Inspectors (FEIs) operated with the understanding that the 48-hour re-inspection for downgraded establishments did not include weekend hours. FEI's have been instructed to make arrangements to re-inspect any downgraded establishment within 48 hours, unless the establishment will not be open during that time period. FEIs have been instructed to note in the record in Healthspace if there are extenuating circumstances that would prevent performing the re-inspection within 48 hours, such as the establishment not being open during that 48-hour period of time.*
- *The current Food Code under Ordinance 68597 was approved in March 2010 using the U.S. Food and Drug Administration (FDA) 2009 Food Code. During drafting of that code, shortly after the recession that occurred in 2008-2009, staff was advised to find ways to increase fee revenue to the city. It was at this time that the additional fees for re-inspections of downgraded establishments was adopted. Since then, the Ferguson Report identified the burden that these penalty fees place on African American citizens and vendors. The Food Control program is in the process of updating the city's Food Code to the current 2017 FDA Food Code. During this process, the Food Control program will recommend that these penalty fees for re-inspections be removed from the code, as the vendors already pay an annual fee for their permit, which is based on the risk level of the food establishment. The risk level of the food establishment takes into consideration inspection results from the previous year and the risk factor may be increased as a result of critical violations and downgrades.*

In addition, it has been determined that the majority of the downgrades that occurred in fiscal year 2019 were due to a procedural flaw by a new FEI. In fiscal year 2018, there were a total of 92 downgrades, compared to 365 in fiscal year 2019. In fiscal year 2020, after this procedural flaw was discovered and corrected, there were 116 downgrades.



City of St. Louis Department of Health
Management Advisory Report - State Auditor's Findings

The Department of Health acknowledges the auditor's remark that "due to supervisory turnover" these fees were not charged for the fiscal year 2019 time period. It should be noted that in fiscal year 2018, turnover in the entire Department of Health was nearly 40 percent. At the start of fiscal year 2019, the Environmental Health Services Manager II was also serving as the Acting Director and Acting Commissioner of Health, as well as covering the vacancies in Environmental Health Services of the Program Manager I, the Animal Regulation Center Supervisor, and one of the Environmental Health Supervisors. During this time and the following fiscal year, the Department of Health has prioritized filling vacant positions and reducing the turnover rate.

- *As reflected in the auditor's second point that supervisory turnover impacted fee collection, it also impacted oversight of the annual priority assessments for food establishments that had been identified and assigned by the previous Food Control Environmental Health Supervisor. This was not corrected until early in fiscal year 2020, but had already been corrected by the time of the audit of fiscal year 2019. A report is run four months prior to renewal of food permits, and the FEIs each perform the annual priority assessment so that when the notifications go out for renewal, the establishment is made aware of any adjustments in their risk priority and fees.*
- *Monitoring of the late and missed food inspections was also impacted by supervisory turnover. The current Food Control Environmental Health Supervisor performs a monthly review identifying any food establishments for which inspections are overdue, and directs assistance to ensure that the inspections are performed as timely as possible, preventing extremely late or missed inspections.*

2. Capital Assets

The DOH has not accounted for capital assets in accordance with city policies and procedures. As a result, assets are more susceptible to theft or misuse and capital asset records are incomplete and inaccurate. DOH records indicate the department maintained approximately 820 assets as of February 2020.

We noted the following concerns related to capital assets:

- Department staff did not report more than 350 capital asset dispositions occurring in July 2018 to the Comptroller's office for input into the city's Fixed Asset Management System (FAMS).
- Department staff do not tag, number, or otherwise identify capital assets as required in the FAMS policies and procedure manual.
- Annual physical inventories of department assets are not conducted or reconciled to the capital asset listing.



City of St. Louis Department of Health
Management Advisory Report - State Auditor's Findings

- During our review of 25 capital assets, department personnel could not locate 20 of them (80 percent). Department capital asset records indicate DOH staff disposed of 3 of the 20 missing items in July 2018, but did not update the capital asset listing. The Comptroller's office reported similar issues in internal audit reports issued in June 2016 and September 2017.

The city's FAMS policies and procedures manual requires each department to conduct an annual physical inventory of all departmental property, reconcile the inventory to the capital asset listing provided by the Comptroller's office, and notify the Comptroller's office of capital asset additions, dispositions, transfers, and adjustments or corrections necessary to ensure city records are accurate and complete.

The policies and procedures required by the city's FAMS policies and procedures manual are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage. In addition, property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the city.

Recommendation

The Department of Health ensure complete and detailed capital asset records are maintained. In addition, the department should work with the Comptroller's office to properly tag, number, or otherwise identify all applicable city property, and conduct and document an annual inventory.

Auditee's Response

The Department of Health agrees with this finding and has commenced the process of physical inventory count to be conducted twice yearly, in June and in December each year. The implementation of this process and other related asset/equipment management processes are expected to be completed by December 31, 2020. Part of this process would include working with the Comptroller's office to clear from the FAMS list items that had been destroyed or no longer in use and ensuring that proper tags/labels are placed on equipment and assets that are currently in use.

3. Accounting Controls

DOH personnel do not record all payments received on prenumbered receipt slips or in a log and do not always restrictively endorse checks or money orders immediately upon receipt.

The department's Fiscal Bureau staff receive mail for the department and transmit payments received to the respective divisions within each bureau. Mail that does not clearly identify the appropriate division within DOH is opened by fiscal staff to determine the correct recipient. However, these staff do not record checks and money orders received through the use of a receipt log or prenumbered receipt slips and do not restrictively endorse the checks or money orders immediately upon receipt. After Fiscal Bureau staff forward



City of St. Louis Department of Health
Management Advisory Report - State Auditor's Findings

the money received to the appropriate divisions, division staff record the payments through the use of prenumbered receipt slips or receipt logs and add the restrictive endorsement.

Failure to record payments upon initial receipt by the Fiscal Bureau means the initial custody of funds received and the subsequent transmittal of funds to other DOH divisions is not documented. Without this initial recording of payments and supervisory review of transmittals, the DOH cannot ensure all payments received have been properly transmitted to the correct divisions and subsequently transmitted to the Treasurer's office for deposit.

To adequately account for collections and reduce the risk of loss or misuse of monies, all monies received should be recorded on either official prenumbered receipt slips or a log and restrictively endorsed immediately upon receipt. The DOH should verify the numerical sequence of receipt slips, document all changes in custody, and ensure all receipts have been properly transmitted to the Treasurer's office.

Recommendation

The Department of Health ensure all monies received are immediately recorded on an official prenumbered receipt slip or receipt log and checks and money orders are restrictively endorsed immediately. In addition, the department should ensure the numerical sequence of receipt slips is accounted for, changes in custody are documented, and all receipts are reconciled to transmittals to the Treasurer's office.

Auditee's Response

The Department of Health agrees with this finding and has implemented a procedure to record all monies (both cash and check) on a log maintained by the Fiscal Bureau. This procedure was implemented effective on July 1, 2020, to enhance the earlier process of relying only on the log maintained by the programs. The Department of Health Fiscal Bureau will further work with the Treasurer's office to obtain the right endorsement stamp for checks received, to ensure that checks are properly marked "for deposit only" at the time of initial receipt.

4. Payroll Procedures

Controls and procedures over the payroll process need improvement. DOH staff received approximately \$4,300,000 in wages during the fiscal year ended June 30, 2019.

Department staff complete daily or bi-weekly timesheets approved by their supervisors. For 4 of 25 (16 percent) timesheets reviewed, we noted the staff person prepared and the supervisor approved the timesheet prior to all recorded hours being worked, reducing the ability to ensure its accuracy.

In addition, the department's payroll clerk uses the timesheets to create an electronic departmental timesheet for processing into the city's payroll system. We noted 2 of 25 (8 percent) timesheets reviewed did not match the



City of St. Louis Department of Health
Management Advisory Report - State Auditor's Findings

information input into the department's payroll system. In one instance, the staff person's vacation balance was improperly reduced instead of his/her compensatory time balance. In the second instance, the staff person received pay for a quarter of an hour more overtime than the time recorded on the approved timesheet. A documented review is not performed to ensure timesheet information has been correctly entered into the department's payroll system. Such a review is necessary to ensure work hours and leave are accurately tracked by the department and city.

City of St. Louis Personnel Administrative Regulation 134 states "it is the responsibility of each appointing authority to assure that employees on payroll have actually worked the time for which they are paid." Without properly approved timesheets the city cannot ensure hours worked are properly documented. To ensure the accuracy of the hours worked, employees should prepare and sign timesheets after all hours have been worked. Timesheets should then be submitted to the employee's supervisor for review and approval. Without adequate review over timesheet data entry, DOH officials cannot ensure wages paid and leave balances are accurate.

Recommendation

The Department of Health ensure timesheets are adequately prepared and properly approved. In addition, establish documented procedures to review the accuracy of timesheet information entered into the department's payroll system.

Auditee's Response

The City of St. Louis Department of Health agrees with this finding and has implemented additional internal controls to ensure staff time is properly documented and reviewed. At present, daily time sheets are submitted for all programs. Requests to use benefit time is submitted in advance. However, the verification of sufficient available time is completed prior to approving an employee's request. These measures have helped ensure accuracy of wages paid and leave balances.

City of St. Louis Department of Health

Organization and Statistical Information

The City of St. Louis Department of Health's (DOH) mission is to assure a healthy St. Louis community through continuous protection, prevention, and promotion of the public's health. This task is accomplished through the administration of federal, state, and city programs by various bureaus. The department operates under the direction of Dr. Fredrick Echols, MD.¹ Dr. Echols replaced acting director Jeanine Arrighi in February 2019. The department employed 93 individuals as of June 30, 2019 in the following offices and bureaus:

Director of Health

The Director of Health is responsible for providing leadership and direction to the DOH by establishing strategic goals and objectives for planning, developing, implementing, and evaluating programs and services provided. The Director of Health also oversees the Center for Health Information Planning and Research; department fiscal operations; and the department's payroll.

Communicable Disease Control

The Communicable Disease Control Bureau monitors, protects, and promotes public health to the citizens of St. Louis with regards to communicable diseases. Services include prevention programs, diagnostic testing, treatment, follow-up, and contact investigations for all reported communicable diseases.

Environmental Health Services

The Environmental Health Services Bureau protects citizens from environmental hazards and disease through effective and efficient prevention and treatment efforts. The following offices operate under Environmental Health Services: Air Pollution Control, Animal Care and Control, Community Sanitation, Food and Beverage Control, and Vector Control.

Women, Children, & Adolescent Health

The Bureau of Women, Children, and Adolescent Health houses child asthma, lead testing, smoking cessation, and school health services. Programs include Show Me Healthy Women, Health Equity, and Maternal/Child Health.

¹ In May 2020, the Mayor changed Dr. Echols' title to Acting Director after the City Counselor determined Dr. Echols did not meet all requirements for the Department of Health Director under the City Charter.



Nicole Galloway, CPA

Missouri State Auditor

Office of Attorney General

Report No. 2020-045

August 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Office of Attorney General

Travel and Relocation Costs	The Attorney General's Office (AGO) did not ensure lodging costs associated with attending an out-of-state conference were reasonable as required by state travel policy and did not always follow state travel policies and regulations requiring employees select the most cost-effective method of travel. The AGO did not comply with state policies and laws regarding relocation expenses.
Vehicle Usage Logs	The AGO did not maintain complete and accurate vehicle usage logs.
FSS Accounts Receivable	The Financial Services Section (FSS) has not established policies and procedures over accounts receivable collections and records. Our review of 47 open cases identified 11 cases (23 percent) with remaining balances totaling approximately \$79,000 for which collection efforts had not been performed for at least a year.
Fiscal Office User Access, Identifications, and Passwords	Computer logon credentials are shared among users in the fiscal office.
Capital Assets	The AGO had inadequate records and procedures over unaccounted for and/or missing assets identified in annual physical inventories and office personnel wrote off some items without proper approval. Completed offboarding checklists did not document the assets returned by terminated employees.
Outside Counsel and Experts	The AGO did not prepare written engagement letters for some outside counsel and expert witness services.
Payroll	Payroll procedures over final paychecks were not adequate and 2 terminated employees were overpaid.
Additional Comments	To address a complaint regarding the potential use of state resources for political purposes, we performed additional work related to certain transactions and procedures of the AGO. Findings and recommendations related to this additional work are addressed in a separate report, No. 2020-006, <i>Review of Whether State Resources Were Used for Political Purposes</i> .

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Office of Attorney General

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Travel and Relocation Costs.....4 2. Vehicle Usage Logs.....6 3. FSS Accounts Receivable7 4. Fiscal Office User Access, Identifications, and Passwords.....8 5. Capital Assets9 6. Outside Counsel and Experts12 7. Payroll13
---	--

Organization and Statistical Information	15
---	----

Appendixes	A Former Attorney General Hawley's Response18 B Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments, 2 Years Ended June 30, 2018.....19 C Comparative Statement of Receipts - Other Funds, 2 Years Ended June 30, 2018.....21 Statement of Appropriations and Expenditures, D-1 Period July 1, 2018 to January 3, 2019.....22 D-2 Year Ended June 30, 201826 D-3 Period January 9, 2017 to June 30, 201730 E Comparative Statement of Expenditures (From Appropriations), 5 Years Ended June 30, 2018.....34
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NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Josh Hawley
and
Honorable Eric Schmitt, Attorney General
Jefferson City, Missouri

We have audited certain operations of the Office of Attorney General, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period January 9, 2017, to January 3, 2019. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

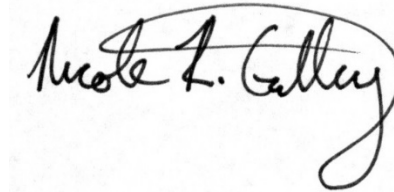
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the office's management and was not subjected to the procedures applied in our audit of the office.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of Attorney General.

To address a complaint regarding the potential use of state resources for political purposes, we performed additional work related to certain transactions and procedures of the Attorney General's Office. Findings and recommendations related to this additional work are addressed in a separate report, No. 2020-006, *Review of Whether State Resources Were Used for Political Purposes*.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Charity Grotzinger, CFE, CGAP
Audit Staff:	Terese Summers, MSAS, CPA
	Devin Jackson
	Tori L. Riley, MBA, CFE

Office of Attorney General

Management Advisory Report

State Auditor's Findings

1. Travel and Relocation Costs

The Attorney General's Office (AGO) did not take adequate measures to minimize travel costs or follow state travel and relocation policies.

1.1 Lodging

AGO personnel did not ensure lodging costs associated with attending an out-of-state conference were reasonable as required by state travel policy.

We reviewed 7 trips that included 1 to 3 employees, covering 24 lodging nights. Lodging costs for 6 trips were less than or equal to Continental United States (CONUS) lodging rates (federal employee per diem maximums, established by the U.S. General Services Administration) or conference room rates. However, for one trip, for 3 employees to attend a conference in Portland, Oregon, in June 2018, lodging costs for 9 nights exceeded the conference rate by \$1,840, or an average of \$204 per night. The AGO paid lodging costs ranging from \$359 to \$450 per employee per night for 3 nights. Personnel of the hotel where the conference was held told us the conference lodging rate was \$209 per night for reservations made by May 22, 2018. Trip documentation showed AGO personnel reserved the rooms after the deadline. AGO personnel could not provide documentation explaining why the higher lodging costs were necessary and reasonable.

State of Missouri Administrative Policy SP-6, Article III, Section C, indicates, "[i]n areas where comparable accommodations are available at significantly different prices you should seek prior approval before selecting higher price lodging and document the reason(s) for selecting the higher priced lodging. Key issues that determine hotel acceptability to the State include accountability, transparency, price, safety, convenience, ease of booking and payment, oversight and issue resolution." The policy also provides that CONUS rates should be used as a benchmark when evaluating lodging costs. Procedures requiring performing price comparisons and ensuring rates do not exceed CONUS and/or conference room rates are necessary to demonstrate compliance with state policies and ensure lodging costs are reasonable. Documentation should be maintained to support any lodging expenses exceeding CONUS and/or conference room rates.

We noted a similar condition in our two prior audit reports.

1.2 Vehicular travel

The AGO did not always follow state travel policies and regulations requiring employees select the most cost-effective method of travel.

AGO personnel have various options for vehicular travel. The AGO maintains a fleet of pool vehicles at various locations throughout the state and available for employee travel (see MAR finding number 2). In addition, for travel considerations of state agencies, the Office of Administration (OA) maintains a fleet of vehicles in Jefferson City, and has contracts with rental car companies throughout the state. The OA maintains a Trip Optimizer website for state employees to determine the most cost-effective method of



Office of Attorney General
Management Advisory Report - State Auditor's Findings

travel. The calculation is based on the employee's location, the trip destination, and the number of travel days and considers the cost of using a rental vehicle, an OA state fleet vehicle, or reimbursing an employee for use of a personal vehicle. During Attorney General Hawley's term, the AGO paid approximately \$389,200 for in-state vehicular travel, including \$174,600 for rental vehicles, \$134,000 for personal mileage reimbursement, \$54,900 for OA state fleet vehicles, and \$25,700 for maintaining the AGO fleet.

We reviewed 10 trips, of which 8 trips required completion of a Trip Optimizer report or another equivalent method to determine the most cost-effective method of travel. AGO personnel did not prepare a Trip Optimizer report or other cost calculation for any of these trips. We generated a Trip Optimizer report for each of the trips. The reports indicated 3 trips should have used a lower-cost option than the selected one (rental vehicle). The potential cost savings for these 3 trips totaled about \$100. The AGO did not maintain documentation explaining why personnel did not use the lower-cost option or AGO pool vehicles for these trips.

State of Missouri Administrative Policies SP-6 and SP-12, and Code of State Regulations, 1 CSR 10-11.030, require officials and employees select the most cost-effective travel method, retain documentation to justify any exceptions to the requirement, and use the Trip Optimizer or another equivalent method to calculate travel costs.¹

1.3 Relocation expenses

The AGO did not comply with state policies and laws regarding relocation expenses. During Attorney General Hawley's term, the AGO reimbursed 5 employees for relocation expenses totaling \$33,328.

The AGO could not provide documentation to support the prior approval of these expense reimbursements. In addition, our review noted reimbursements to one employee for temporary lodging expenses included state sales tax totaling \$229, including \$31 not actually paid because the hotel removed the costs.

State of Missouri Administrative Policy B-4, Article II, Section A, requires all offers to reimburse relocation and recruitment expenses be approved in writing prior to the offer being made to an employee or perspective employee. Additionally, state sales tax should not be paid when traveling on state business in Missouri since the agency is tax exempt per Section 144.030.1, RSMo. State of Missouri Administrative Policy SP-6, Article III, Section C, states "[w]hen traveling on state business in Missouri, your lodging is exempt

¹ In May 2019, these provisions were incorporated into 1 CSR 10-11.010 and 1 CSR 10-11.030 was rescinded.



Office of Attorney General
Management Advisory Report - State Auditor's Findings

from state sales tax. At the time of check-in, provide a copy of your agency's Missouri Sales and Use Tax Exemption Certificate."

We noted a similar condition regarding state sales tax paid on in-state lodging costs in our prior audit report.

Recommendations

The AGO:

- 1.1 Require employees perform price comparisons and ensure rates do not exceed CONUS and/or conference room rates when making lodging arrangements. If it is necessary to exceed CONUS rates, the AGO should ensure adequate documentation of the justification and reasoning is prepared and retained.
- 1.2 Follow state travel policies and regulations requiring employees use the most cost-effective method of travel. If circumstances require a higher-cost travel method, documentation should be maintained for the justification.
- 1.3 Ensure reimbursements for relocation expenses comply with state policies and state law. Reimbursements should be supported by written approval prior to the offer being made to an employee or perspective employee and should not include state sales tax.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.

Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.

2. Vehicle Usage Logs

The AGO did not maintain complete and accurate vehicle usage logs.

At January 3, 2019, the AGO maintained a fleet of 19 pool vehicles in Jefferson City and at satellite offices.² On a quarterly basis, the satellite offices and sections submit to the fiscal office (1) vehicle usage logs listing the date(s), driver initials, odometer readings, and destination/purpose of each trip; (2) repair costs; and (3) fuel costs for each pool vehicle.

Our review of usage logs for 144 trips for 7 pool vehicles during Attorney General Hawley's term noted incomplete and/or inaccurate records for 28 trips (19 percent).

² Cape Girardeau (2), Jefferson City (3), Jefferson City - Medicaid Fraud Control Section (4), Kansas City (3), Springfield (4), and St. Louis (3).



Office of Attorney General
Management Advisory Report - State Auditor's Findings

- Mileage for 19 trips was excessive when compared to actual miles between the recorded trip origin and destination. For example, beginning and ending odometer readings recorded for a round trip from Jefferson City to Lebanon indicate the vehicle was driven 526 miles, while the actual round trip mileage between these cities is approximately 180 miles.
- Odometer readings were omitted for 4 trips and inaccurate for another 4 trips. For example, for a February 2018 trip, the beginning odometer reading recorded (106,382) was greater than the ending odometer reading recorded (106,332).
- Trip destination/purpose recorded was not complete or accurate for several trips. For example, for an April 2018 trip, totaling 598 miles, the destination/purpose was recorded as "lots of places." For 2 trips listed in the previous bullet, the destination/ purpose was not legible.

State of Missouri Administrative Policy SP-4, Article III, Section A, Subsection 3, requires vehicle usage logs be maintained for each state vehicle and include the following information: name of driver, date(s) used, beginning and ending odometer readings, destination, and purpose of use. Complete and accurate vehicle usage logs are necessary to document the appropriate use of vehicles and to support fuel purchases and maintenance expenses. To ensure accuracy, the logs should be periodically reviewed for completeness and reasonableness.

A similar condition was noted in our report No. 2020-006, *Review of Whether State Resources Were Used for Political Purposes*.

Recommendation

The AGO maintain complete and accurate vehicle usage logs, and periodically review the logs for completeness and reasonableness.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.

Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.

3. FSS Accounts Receivable

The Financial Services Section (FSS) has not established policies and procedures over accounts receivable collections and records. The FSS did not properly monitor accounts receivable cases; and as a result, cases needing additional collection efforts or closure may not have been identified timely. In addition, some records in the accounts receivable database were inaccurate.

The FSS in Jefferson City handles most AGO collection efforts to recoup monies owed to the state, or its officers and agencies. The FSS maintains a database to track collections and monitor accounts receivable.



Office of Attorney General
Management Advisory Report - State Auditor's Findings

Our review of 47 open cases noted 11 cases (23 percent) with remaining balances totaling approximately \$79,000 for which adequate collection efforts were not performed, and 8 cases (17 percent) that should have been closed.

- For the 11 cases, collection efforts were not performed for more than a year for 2 cases, 2 years for 1 case, 3 years for 4 cases, 4 years for 1 case, and 5 years for 3 cases. Although the FSS sent demand letters to the debtors reflecting a deadline and said other collection efforts will be pursued, section personnel could not provide documentation that additional action took place when the debtors did not respond. In addition, the FSS established promissory notes and payment plans for 3 of these cases, but did not timely monitor or pursue collection when payments ceased.
- For the 8 cases, the database inaccurately showed the case as open when it should have been closed. We noted 4 cases where the obligation was satisfied or dismissed, 2 cases with bankruptcy orders discharging the debt, 1 case deemed uncollectible, and 1 case duplicated in the database.

Policies and procedures over accounts receivable are necessary to help ensure collection efforts are adequate and records are accurate. Such policies should outline when and how collection efforts should be performed, provide for timely monitoring of amounts due and payments received, and ensure database records are accurate and cases are closed timely.

Recommendation

The AGO establish policies and procedures over accounts receivable to ensure periodic monitoring of amounts due and payments received, proper and timely collection efforts, and database records are accurate.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.

Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.

4. Fiscal Office User Access, Identifications, and Passwords

Computer logon credentials are shared among users in the fiscal office. The Fiscal Officer, Accounting Analyst, and Accounting Clerk share their user identifications and passwords to the accounting and purchasing systems, including the Statewide Advantage for Missouri (SAM II) system, with each other.

The Accounting Analyst and the Accounting Clerk are primarily responsible for entering payment information into SAM II and the Fiscal Officer is responsible for approving those entries. The Fiscal Officer indicated they



Office of Attorney General
Management Advisory Report - State Auditor's Findings

share logon credentials so transactions can be processed and approved during their absences.

While a user identification and passwords are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential. Allowing users to share logon credentials increases the risk of unsupported or unauthorized transactions being made and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. System controls would be improved by ensuring all employees maintain confidential passwords and limiting user access in the accounting and purchases systems to only those functions necessary to perform their duties.

Recommendation

The AGO require employees maintain confidential passwords and ensure access to accounting and purchasing systems is limited to only what is needed for users to perform their job duties and responsibilities. If necessary, the AGO should establish procedures for processing and approving transactions during employee absences.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.

Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.

5. Capital Assets

The AGO's procedures to account for capital assets need improvement. As of January 3, 2019, the AGO had about \$5.9 million in assets recorded in the SAM II system capital asset records.

5.1 Inventory records and procedures

The AGO had inadequate records and procedures over unaccounted for and/or missing assets identified in annual physical inventories and office personnel wrote off some items without proper approval.

AGO personnel perform annual physical inventories of assets. The fiscal office provides an exception listing of assets that could not be located during annual inventories to the Information Technology Section (ITS). The ITS is responsible for attempting to locate the missing items and reporting to the fiscal office regarding those items. The Fiscal Officer prepares a reconciled exception listing and provides the listing along with a memorandum to the Deputy Chief of Staff for review and approval. In the memorandum, the Fiscal Officer typically recommends those items still missing since the prior year's inventory be written off and items missing solely in current year's inventory remain in the inventory records and be investigated again during the next inventory.



Office of Attorney General
Management Advisory Report - State Auditor's Findings

We reviewed the records supporting the year ended June 30, 2018, physical inventory. The physical inventory records showed 18 unaccounted for items (total cost of \$51,245), the initial exception listing included 15 missing items, and the reconciled exception listing included 12 missing items. The reconciled exception listing and memorandum were submitted to the Deputy Chief of Staff on August 21, 2018. Since all 12 items were only missing in the current year, the memorandum did not recommend any items for write-off. We noted the following concerns:

- Six unaccounted for items, costing approximately \$3,100, were omitted from the reconciled exception listing and three of these items were also omitted from the initial exception listing.
- The three items identified as missing in the initial exception listing and omitted from the reconciled exception listing were subsequently written-off as lost on September 25, 2018, without approval. These items included a laptop computer, a cloud device, and an iPad (#13853). In response to our inquiries, AGO personnel located this iPad on May 7, 2019.
- The three unaccounted for items omitted from both exception listings included two iPads (#14748 and #15016) and a printer. AGO personnel could not explain why these items were not accounted for during the physical inventory.
- ITS records indicated 3 missing assets included in both the initial and reconciled exception listings were assigned to former employees. These individuals terminated in 2014, 2015, and January 2018.
- Another iPad (#15019) was included on the initial exception listing, and documented as located in June 2018. However, AGO personnel could not locate this iPad in response to our inquiries on May 7, 2019.
- Exception listings were not always complete or accurate. For example, the reconciled exception listing does not include the cost of each missing item. While most items in the year ended June 30, 2018, reconciled exception listing cost less than \$1,400; one item, a video conferencing system, cost approximately \$42,000.

The AGO's Internal Control Plan requires assets be inventoried annually and states controls and procedures over capital assets are consistent with state regulations. Code of State Regulations, 15 CSR 40-2.031, requires each department to account for all acquisitions and dispositions of equipment items that cost \$1,000 or more, and to maintain adequate capital asset records that contain identification number; description of the item including name, make, model and serial number, where appropriate; acquisition cost; date of



Office of Attorney General
Management Advisory Report - State Auditor's Findings

acquisition; estimated useful life at the date of acquisition; physical location in sufficient detail to readily locate the item; and method and date of disposition. An annual physical inventory of capital assets is required, and should be reconciled to capital asset records and the prior annual physical inventory. In addition, departments are required to establish controls over sensitive items that cost less than \$1,000.

The inability to maintain complete and accurate capital asset records, properly account for all items, and document and follow up on all missing items identified during physical inventories reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. All discrepancies noted during annual inventories should be promptly investigated, necessary adjustments made to the capital asset records, and write-offs approved.

5.2 Offboarding checklists

Completed offboarding checklists did not document the assets returned by terminated employees.

The AGO developed an offboarding checklist form to help ensure the ITS collects all AGO equipment and disables user access to computer systems, e-mail, and online accounts when an employee leaves the AGO. This checklist includes a section to record each item returned by the employee and the corresponding asset identification number.

We reviewed the completed checklists for the 20 terminated employees during the 7-week period ended February 1, 2019. While ITS personnel initialed they had completed all steps on each checklist (e.g. collected equipment, disabled access/accounts, updated inventory sheet), they did not record the assets returned on any of the 20 checklists. As a result, there is no documentation of the returned assets.

Proper recording of items returned by terminated employees on offboarding checklists is necessary to ensure all AGO issued equipment is properly returned, and can serve as a useful tool to ensure capital asset records are updated timely.

Recommendations

The AGO:

- 5.1 Ensure all discrepancies noted in annual inventories are documented on exception listings and promptly investigated, capital assets records are properly adjusted, and documented approvals are maintained for all items disposed of or written off. In addition, the AGO should ensure capital asset records, including exception listings, are complete and accurate.



Office of Attorney General
Management Advisory Report - State Auditor's Findings

- 5.2 Ensure returned assets and their corresponding asset identification numbers are properly recorded on offboarding checklists and use this information to promptly update capital assets records.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.

Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.

6. Outside Counsel and Experts

The AGO did not prepare written engagement letters for some outside counsel and expert witness services.

The AGO engages outside counsel (private attorneys) to provide representation for certain cases, primarily cases requiring specialized attorneys or for cases involving a conflict of interest. In addition, the AGO engages various expert witnesses. Services performed by outside counsel and expert witnesses are paid from both AGO appropriations and the State Legal Expense Fund (LEF). When the AGO is the plaintiff, expenses are paid from AGO appropriations; and when the AGO is the defendant, expenses are paid from the LEF. The AGO uses an engagement letter to document arrangements and compensation for these services.

Payments for outside counsel and expert witness services during Attorney General Hawley's term (January 9, 2017, to January 3, 2019) totaled approximately \$4.5 million from AGO appropriations and the LEF.

AGO Appropriations:

Legal services	\$	31,217
Expert witnesses		831,863
Total	\$	863,080

LEF:

Legal services	\$	550,064
Expert witnesses ¹		3,118,962
Total	\$	3,669,026

¹ Includes payments to plaintiffs' expert witnesses.

The AGO pays predetermined hourly rates (\$160 for medical malpractice cases and \$140 for conflict cases) for outside counsel paid from the LEF. The AGO negotiates rates for outside counsel and expert witnesses paid from AGO appropriations and some expert witnesses paid from the LEF. During Attorney General Hawley's term, the AGO paid 5 outside counsels for legal services from AGO appropriations and 146 vendors for expert witness services from both sources. Our review of payments for 22 engagements



Office of Attorney General
Management Advisory Report - State Auditor's Findings

noted negotiated rates paid to outside counsel ranging from \$150 to \$595 per hour and to expert witnesses ranging from \$70 to \$1600 per hour.

We identified the AGO did not prepare a written engagement letter for 2 of the 22 (9 percent) engagements. Payments on those engagements totaled approximately \$10,600 for services billed at rates of \$300 per hour for outside counsel and \$250 per hour for expert witness.

Without written engagement letters, it is difficult to determine whether all charges billed are proper. In addition, written engagement letters are necessary to ensure all parties are aware of their duties and to clarify compensation allowed. Engagement letters should be prepared prior to services being provided, cover all pertinent arrangements, and be signed by both parties.

Recommendation

The AGO ensure all outside legal counsel and expert witness services are supported by engagement letters.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.

Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.

7. Payroll

Payroll procedures over final paychecks were not adequate and 2 terminated employees were overpaid.

We reviewed the final payroll checks for the 20 terminated employees during the 7-week period ended February 1, 2019, and noted 2 (10 percent) received final payouts in excess of total hours worked. One employee received payment for 43 hours when time records indicated the employee only worked 32 hours and another received payment for 8 hours when the employee only worked 4 hours. These errors occurred because AGO personnel did not properly enter the final payout information from the time keeping system into the SAM II system and no one identified the errors during the payroll review and approval process.

Controls and procedures over final paychecks are necessary to ensure terminated employees are properly compensated. The AGO should ensure final paycheck information is properly entered into the SAM II system and reviewed for accuracy prior to approving the payouts.

Recommendation

The AGO establish procedures to ensure final paychecks to terminated employees are calculated properly.



Office of Attorney General
Management Advisory Report - State Auditor's Findings

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix A.

Current Attorney General Schmitt's administration stated that they were not providing a response to the finding.

Office of Attorney General

Organization and Statistical Information

The Office of Attorney General was created in 1806, when Missouri was still a territory. The Missouri Constitution of 1820 provided for an appointed attorney general. It remained an appointed position until 1865, when a new constitution provided for an attorney general elected by the people.

The Attorney General's Office is located in Jefferson City. There are branch offices in Kansas City, St. Louis, Springfield, and Cape Girardeau. The AGO is organized into eight sections: Consumer Protection, Criminal, Financial Services, Governmental Affairs, Labor, Litigation, Medicaid Fraud Control, and Public Safety. Each section is headed by a section leader who is responsible for the operations of the section.

Consumer Protection Section: This section handles fraud investigations and litigation. Attorneys in this section represent Missouri consumers as a group in cases of consumer fraud, securities fraud, and antitrust matters. Also, these attorneys are active in discovering businesses that commit merchandising practices fraud in connection with the sale and advertising of products or services. This section includes an investigative staff that assists attorneys in investigations involving violations of the state's Merchandising Practices Act. The No Call program, to reduce telemarketing calls, is also under this section.

Criminal Section: This section represents the state in every felony case appealed to the Supreme Court of Missouri and Missouri Court of Appeals. The attorneys in this section also defend the state in all habeas corpus actions filed by prison inmates in state and federal court and assist with extraditions to and from Missouri of those charged in criminal cases.

Financial Services Section: This section pursues recoveries of monies due the AGO and other state agencies/departments, including amounts due on defaults on student loans and economic development loans, delinquent audit and lottery commission fees, penalties owed the Missouri Ethics Commission, estate recovery cases, money owned by inmates to reimburse the state for the costs of their care, and collections in bankruptcy court. Also, the attorneys in this section provide legal assistance to the Department of Social Services by establishing and enforcing child support obligations.

Governmental Affairs Section: This section represents the governor and other statewide elected officials, the Office of Administration, various state departments, and more than 30 professional licensing boards. Section attorneys defend constitutional challenges to state laws and ballot issues and enforce compliance with state laws by trusts, foundations, and nonprofit corporations. The attorneys in this section are also responsible for enforcing the state ethics and campaign finance laws, enforcing state laws requiring tobacco manufacturers to establish escrow accounts, and addressing questions about the state's open meeting and records law, commonly known as the Sunshine Law.



Office of Attorney General
Organization and Statistical Information

In addition, this section protects Missouri's natural resources and agricultural productivity, and represents the Department of Natural Resources including its constituent boards and commissions that regulate the use of Missouri's air, land, and waters, as well as the Department of Agriculture. Attorneys take legal action to stop pollution of the state's air, water, and soil and penalize polluters through fines, penalties, and in the most serious cases, incarceration. This section also works to protect and enhance agriculture and the quality of life for rural Missourians by enforcing the law and advocating responsible public policy. Enforcement litigation is filed primarily in state courts to seek preliminary and permanent injunctions to assure compliance with state environment laws. This section also obtains civil penalties and recovers costs and damages for the state.

Labor Section: This section provides general counsel and litigation services for the Missouri Department of Labor and Industrial Relations and its officers and agencies. This section also represents the state in prevailing wage disputes, crime victims' claims, and workers' compensation cases of state employees, including claims involving the Second Injury Fund.

Litigation Section: This section is responsible for representing all state agencies, officers, and employees in civil litigation matters in state and federal courts. Cases include damage claims, contract cases, civil rights cases, personal injury lawsuits, employment issues, and constitutional law issues. This section also defends the state in lawsuits brought by inmates of Missouri's correctional facilities.

Medicaid Fraud Control Section: This section prosecutes cases involving fraud of the state Medicaid program by health professionals, or abuse or neglect of Medicaid recipients by caregivers. This section does not investigate allegations of fraud committed by Medicaid participants or fraud perpetrated against the Medicare program.

Public Safety Section: This section handles criminal prosecutions at the trial level. The Special Prosecution Unit assists local prosecuting attorneys in serious or difficult trials, including homicide cases and grand jury proceedings. The Methamphetamine Prosecuting Unit specializes in handling criminal cases involving the manufacture, sale, or possession of methamphetamine and other illegal drugs. The Workers' Compensation Fraud Unit prosecutes fraud or misconduct involving workers' compensation. The High Technology and Computer Crime Unit assists local law enforcement with investigations and prosecutions of computer and Internet crime cases, and the Sexually Violent Predator Unit enforces the sexual violent predator law. In addition, attorneys in the section also serve as legal counsel for the Department of Public Safety, Highway Patrol, and other state law enforcement agencies, and represent those agencies in all civil litigation in which they are a party.



Office of Attorney General
Organization and Statistical Information

On January 9, 2017, Josh Hawley was inaugurated as the forty-second Attorney General. His term ended on January 3, 2019, when he was sworn into the United States Senate. On that date, Eric Schmitt was sworn in as the state's forty-third Attorney General.



Appendix A
Office of Attorney General
Former Attorney General Hawley's Response

Cooper & Kirk

Lawyers

A Professional Limited Liability Company

1523 New Hampshire Avenue, N.W.
Washington, D.C. 20036

Brian W. Barnes
(202) 220-9623
bbarnes@cooperkirk.com

(202) 220-9600
Fax (202) 220-9601

June 30, 2020

Deborah Whitis
Audit Manager
Missouri State Auditor's Office
Deborah.Whitis@auditor.mo.gov

Dear Ms. Whitis:

Every penny counts, which is why Josh Hawley did so much as Attorney General to save taxpayers millions of dollars a year. In 2015, before Mr. Hawley was elected Attorney General, the office's total budget was almost \$27.5M. By 2018, Attorney General Hawley's last year running the office, the total budget had declined to just over \$24.1M. Attorney General Hawley was able to achieve these savings while accomplishing more for the State, including achieving record levels of restitution, over \$33 million, for Missouri consumers; winning a record amount of money in Medicare fraud cases; securing over 100 criminal convictions; suing multiple opioids manufacturers; and launching investigations of Google and Facebook for antitrust and consumer privacy violations that now involve all 50 state Attorneys General.

The audit report's recommendations could have saved taxpayers at most about one half of one percent of the office's annual budget – a fraction of the sum Attorney General Hawley was able to save through responsible stewardship of the office's resources. Even that estimate of the potential savings from the report's recommendations requires indulging some unrealistic assumptions, including that more dogged collection efforts would have resulted in a 100% payment rate on several bad debts owned by the state. The audit uncovered no evidence of mismanagement or fraud or illegal activity, and the report's bottom line is that the office was responsibly managed during Attorney General Hawley's tenure. Although the Auditor has been inexcusably dilatory in concluding this report, 18 full months after Attorney General Hawley left the office, the result is proof yet again of a promise kept to Missouri's taxpayers.

Sincerely,

Brian W. Barnes
*Counsel for Former Missouri
Attorney General Josh Hawley*

Appendix B

Office of Attorney General

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2018	2017
FEDERAL AND OTHER FUND		
Receipts	\$ 3,981,167	3,933,062
Disbursements	2,673,929	2,833,918
Receipts Over (Under) Disbursements	1,307,238	1,099,144
Transfers In ¹	90	0
Transfers Out ²	(1,195,396)	(1,116,404)
Receipts Over (Under) Disbursements and Transfers	111,932	(17,260)
Cash and Investments, July 1	219,515	236,775
Cash and Investments, June 30	\$ 331,447	219,515
HEALTH SPA REGULATORY FUND		
Receipts	\$ 17,250	18,650
Disbursements	5,000	5,000
Receipts Over (Under) Disbursements	12,250	13,650
Transfers In	0	0
Transfers Out ²	(814)	0
Receipts Over (Under) Disbursements and Transfers	11,436	13,650
Cash and Investments, July 1	298,268	284,618
Cash and Investments, June 30	\$ 309,704	298,268
COURT COSTS FUND		
Receipts	\$ 655	920
Disbursements	121,834	132,058
Receipts Over (Under) Disbursements	(121,179)	(131,138)
Transfers In ¹	165,600	165,600
Transfers Out	0	0
Receipts Over (Under) Disbursements and Transfers	44,421	34,462
Cash and Investments, July 1	478,973	444,511
Cash and Investments, June 30	\$ 523,394	478,973
MERCHANDISING PRACTICES REVOLVING FUND		
Receipts	\$ 1,120,278	4,006,603
Disbursements	2,344,819	2,438,917
Receipts Over (Under) Disbursements	(1,224,541)	1,567,686
Transfers In ¹	182	0
Transfers Out ²	(867,284)	(825,027)
Receipts Over (Under) Disbursements and Transfers	(2,091,643)	742,659
Cash and Investments, July 1	12,704,195	11,961,536
Cash and Investments, June 30	\$ 10,612,552	12,704,195
MERCHANDISING PRACTICES RESTITUTION ACCOUNT		
Receipts	\$ 474,937	397,895
Disbursements	457,784	537,267
Receipts Over (Under) Disbursements	17,153	(139,372)
Transfers In	0	0

Appendix B

Office of Attorney General

Comparative Statement of Receipts, Disbursements, and Changes in Cash and Investments

	Year Ended June 30,	
	2018	2017
Transfers Out ²	(61,785)	(32,417)
Receipts Over (Under) Disbursements and Transfers	(44,632)	(171,789)
Cash and Investments, July 1	205,417	377,206
Cash and Investments, June 30	<u>\$ 160,785</u>	<u>205,417</u>
ANTI-TRUST REVOLVING FUND		
Receipts	\$ 792,764	157,156
Disbursements	300,606	270,433
Receipts Over (Under) Disbursements	492,158	(113,277)
Transfers In ¹	69,000	69,000
Transfers Out ²	(299,212)	(117,043)
Receipts Over (Under) Disbursements and Transfers	261,946	(161,320)
Cash and Investments, July 1	1,807,893	1,969,213
Cash and Investments, June 30	<u>\$ 2,069,839</u>	<u>1,807,893</u>
TRUST FUND		
Receipts	\$ 264,928	362,574
Disbursements	271,634	371,090
Receipts Over (Under) Disbursements	(6,706)	(8,516)
Transfers In	0	0
Transfers Out	0	0
Receipts Over (Under) Disbursements and Transfers	(6,706)	(8,516)
Cash and Investments, July 1	142,682	151,198
Cash and Investments, June 30	<u>\$ 135,976</u>	<u>142,682</u>
 Total Cash and Investments, June 30, All Funds	 <u>\$ 14,143,697</u>	 <u>15,856,943</u>

¹ Transfers In are for court costs and expenses incurred by the AGO for investigations, prosecution, or enforcement of law.

² Transfers Out generally include payments for fringe benefits, unemployment benefits, and the state's cost allocation plan.

Appendix C

Office of Attorney General

Comparative Statement of Receipts - Other Funds

	Year Ended June 30,	
	2018	2017
General Revenue Fund	\$ 2,048,687	18,774,210
Missouri Healthnet Fraud Prosecution Revolving Fund	8,500	53,588
Tort Victims Compensation Fund	8,646,386	490,737
Healthy Families Trust Fund	68,733,648	108,445,851
Second Injury Fund	1,623	1,417
Life Sciences Research Trust Fund	34,577,882	47,815,284
Inmate Incarceration Reimbursement Act Revolving Fund	64,332	82,997
Total Receipts - Other Funds	\$ 114,081,058	175,664,084

Appendix D-1

Office of Attorney General
Statement of Appropriations and Expenditures
Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
GENERAL REVENUE FUND				
Personal Service	\$ 12,006,812	5,608,754	463,814	5,934,244
Expense and Equipment	1,564,154	813,453	101,556	649,145
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	412,578	187,061	156,490	69,027
Medicaid Fraud Unit - Personal Service	334,124	94,682	0	239,442
Medicaid Fraud Unit - Expense and Equipment	393,949	130,442	12,196	251,311
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	480,777	240,803	86,454	153,520
Total General Revenue Fund	15,192,394	7,075,195	820,510	7,296,689
FEDERAL AND OTHER FUND				
Personal Service	1,924,508	567,648	49,032	1,307,828
Expense and Equipment	761,011	152,035	30,897	578,079
Law enforcement, domestic violence, and victims' services - Expense and Equipment	3,100,000	0	0	3,100,000
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	129,979	67,260	54,918	7,801
Medicaid Fraud Unit - Personal Service	1,008,312	476,571	44,993	486,748
Medicaid Fraud Unit - Expense and Equipment	1,082,276	0	0	1,082,276
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	144,299	72,352	26,021	45,926
Total Federal and Other Fund	8,150,385	1,335,866	205,861	6,608,658
GAMING COMMISSION FUND				
Personal Service	115,626	59,281	4,940	51,405
Expense and Equipment	30,747	29,467	1,107	173
Total Gaming Commission Fund	146,373	88,748	6,047	51,578
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND				
Personal Service	39,130	39,130	0	0
Expense and Equipment	4,715	3,192	0	1,523
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,770	4,852	1,713	3,205
Total Natural Resource Protection- Water Pollution Permit Fee Subaccount Fund	53,615	47,174	1,713	4,728
SOLID WASTE MANAGEMENT FUND				
Personal Service	39,130	20,440	4,342	14,348
Expense and Equipment	5,215	2,345	2,834	36
Total Solid Waste Management Fund	44,345	22,785	7,176	14,384

Appendix D-1

Office of Attorney General
Statement of Appropriations and Expenditures
Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
PETROLEUM STORAGE TANK INS FUND				
Personal Service	27,887	18,660	1,555	7,672
Total Petroleum Storage Tank Ins Fund	27,887	18,660	1,555	7,672
MOTOR VEHICLE COMMISSION FUND				
Personal Service	40,602	12,307	901	27,394
Expense and Equipment	11,300	10,857	443	0
Total Motor Vehicle Commission Fund	51,902	23,164	1,344	27,394
HEALTH SPA REGULATORY FUND				
Expense and Equipment	5,000	4,779	221	0
Total Health Spa Regulatory Fund	5,000	4,779	221	0
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE FUND SUBACCOUNT FUND				
Personal Service	39,095	15,300	1,275	22,520
Expense and Equipment	4,715	3,439	1,269	7
Total Natural Resources Protection- Air Pollution Permit Fee Subaccount Fund	43,810	18,739	2,544	22,527
COURT COSTS FUND				
Expense and Equipment	187,000	45,547	0	141,453
Total Court Costs Fund	187,000	45,547	0	141,453
SOIL AND WATER SALES TAX FUND				
Personal Service	13,036	0	0	13,036
Expense and Equipment	2,267	1,570	0	697
Total Soil And Water Sales Tax Fund	15,303	1,570	0	13,733
MERCHANDISING PRACTICES REVOLVING FUND				
Personal Service	1,710,172	814,694	61,611	833,867
Expense and Equipment	2,098,787	255,135	47,918	1,795,734
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	95,134	54,558	39,500	1,076
Total Merchandising Practices Revolving Fund	3,904,093	1,124,387	149,029	2,630,677
WORKERS COMPENSATION FUND				
Personal Service	282,070	36,041	3,146	242,883
Expense and Equipment	204,053	35,163	3,742	165,148
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	83,544	43,887	34,701	4,956
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	31,272	15,636	5,593	10,043
Total Workers Compensation Fund	600,939	130,727	47,182	423,030

Appendix D-1

Office of Attorney General
Statement of Appropriations and Expenditures
Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
SECOND INJURY FUND				
Personal Service	2,090,199	1,038,559	86,413	965,227
Expense and Equipment	1,068,526	384,477	26,042	658,007
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	83,544	43,887	34,701	4,956
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	31,272	15,636	5,593	10,043
Total Second Injury Fund	3,273,541	1,482,559	152,749	1,638,233
LOTTERY ENTERPRISE FUND				
Personal Service	58,501	25,714	2,011	30,776
Total Lottery Enterprise Fund	58,501	25,714	2,011	30,776
ANTI-TRUST REVOLVING FUND				
Personal Service	394,676	124,355	10,517	259,804
Expense and Equipment	254,400	40,336	6,553	207,511
Total Antitrust Revolving Fund	649,076	164,691	17,070	467,315
HAZARDOUS WASTE FUND				
Personal Service	300,882	136,096	7,550	157,236
Expense and Equipment	14,880	14,880	0	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	7,248	3,171	3,171	906
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,770	4,852	1,713	3,205
Total Hazardous Waste Fund	332,780	158,999	12,434	161,347
SAFE DRINKING WATER FUND				
Personal Service	13,071	0	0	13,071
Expense and Equipment	2,265	1,924	340	1
Total Safe Drinking Water Fund	15,336	1,924	340	13,072
TRUST FUND				
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	4,000,000	237,696	0	3,762,304
Total Trust Fund	4,000,000	237,696	0	3,762,304

Appendix D-1

Office of Attorney General
Statement of Appropriations and Expenditures
Period July 1, 2018 to January 3, 2019

	Appropriation Authority	Expenditures	Encumbered	Uncommitted Appropriations
INMATE INCARCERATION REIMBURSEMENT				
ACT REVOLVING FUND				
Personal Service	99,212	2,626	0	96,586
Expense and Equipment	45,640	0	0	45,640
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,770	4,852	1,712	3,206
Total Inmate Incarceration Reimbursement Act Revolving Fund	154,622	7,478	1,712	145,432
MINED LAND RECLAMATION FUND				
Personal Service	13,036	0	0	13,036
Expense and Equipment	2,262	2,262	0	0
Total Mined Land Reclamation Fund	15,298	2,262	0	13,036
Total All Funds	\$ 36,922,200	12,018,664	1,429,498	23,474,038

Appendix D-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
GENERAL REVENUE FUND			
Personal Service	\$ 11,171,630	10,959,046	212,584
Expense and Equipment	2,414,154	2,337,914	76,240
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	358,713	348,053	10,660
Medicaid Fraud Unit - Personal Service	331,900	202,566	129,334
Medicaid Fraud Unit - Expense and Equipment	393,949	178,216	215,733
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	466,107	453,323	12,784
Total General Revenue Fund	15,136,453	14,479,118	657,335
FEDERAL AND OTHER FUND			
Personal Service	1,909,034	1,170,920	738,114
Expense and Equipment	761,011	286,067	474,944
Law enforcement, domestic violence, and victims' services - Expense and Equipment	100,000	0	100,000
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	125,875	125,136	739
Medicaid Fraud Unit - Personal Service	1,000,114	956,453	43,661
Medicaid Fraud Unit - Expense and Equipment	1,082,276	0	1,082,276
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	135,041	135,040	1
Total Federal and Other Fund	5,113,351	2,673,616	2,439,735
GAMING COMMISSION FUND			
Personal Service	114,640	114,640	0
Expense and Equipment	30,747	27,761	2,986
Total Gaming Commission Fund	145,387	142,401	2,986
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND			
Personal Service	38,864	38,864	0
Expense and Equipment	4,715	4,715	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	8,977	8,977	0
Total Natural Resource Protection- Water Pollution Permit Fee Subaccount Fund	52,556	52,556	0
SOLID WASTE MANAGEMENT FUND			
Personal Service	38,864	38,864	0
Expense and Equipment	5,215	5,215	0
Total Solid Waste Management Fund	44,079	44,079	0

Appendix D-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
PETROLEUM STORAGE TANK INSURANCE FUND			
Personal Service	27,712	27,712	0
Total Petroleum Storage Tank Insurance Fund	27,712	27,712	0
MOTOR VEHICLE COMMISSION FUND			
Personal Service	40,252	34,875	5,377
Expense and Equipment	11,300	10,887	413
Total Motor Vehicle Commission Fund	51,552	45,762	5,790
HEALTH SPA REGULATORY FUND			
Expense and Equipment	5,000	5,000	0
Total Health Spa Regulatory Fund	5,000	5,000	0
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE FUND SUBACCOUNT FUND			
Personal Service	38,832	38,832	0
Expense and Equipment	4,715	4,715	0
Total Natural Resources Protection- Air Pollution Permit Fee Subaccount Fund	43,547	43,547	0
COURT COSTS FUND			
Expense and Equipment	187,000	121,834	65,166
Total Court Costs Fund	187,000	121,834	65,166
SOIL AND WATER SALES TAX FUND			
Personal Service	12,948	12,948	0
Expense and Equipment	2,267	2,267	0
Total Soil And Water Sales Tax Fund	15,215	15,215	0
MERCHANDISING PRACTICES REVOLVING FUND			
Personal Service	1,729,253	1,696,037	33,216
Expense and Equipment	2,157,176	647,628	1,509,548
Total Merchandising Practices Revolving Fund	3,886,429	2,343,665	1,542,764
WORKERS COMPENSATION FUND			
Personal Service	279,687	64,787	214,900
Expense and Equipment	204,053	31,329	172,724
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	81,085	81,047	38
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	29,929	29,929	0
Total Workers Compensation Fund	594,754	207,092	387,662

Appendix D-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
SECOND INJURY FUND			
Personal Service	2,072,901	2,003,395	69,506
Expense and Equipment	1,068,526	736,138	332,388
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	81,085	81,046	39
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	29,929	29,929	0
Total Second Injury Fund	3,252,441	2,850,508	401,933
LOTTERY ENTERPRISE FUND			
Personal Service	58,085	58,085	0
Total Lottery Enterprise Fund	58,085	58,085	0
ANTI-TRUST REVOLVING FUND			
Personal Service	392,226	239,488	152,738
Expense and Equipment	254,400	61,118	193,282
Total Anti-trust Revolving Fund	646,626	300,606	346,020
HAZARDOUS WASTE FUND			
Personal Service	299,104	299,104	0
Expense and Equipment	14,880	14,880	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	7,017	6,314	703
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	8,977	8,977	0
Total Hazardous Waste Fund	329,978	329,275	703
SAFE DRINKING WATER FUND			
Personal Service	12,980	12,980	0
Expense and Equipment	2,265	2,265	0
Total Safe Drinking Water Fund	15,245	15,245	0
TRUST FUND			
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	4,000,000	271,633	3,728,367
Total Trust Fund	4,000,000	271,633	3,728,367

Appendix D-2

Office of Attorney General
Statement of Appropriations and Expenditures
Year Ended June 30, 2018

	Appropriation Authority	Expenditures	Lapsed Balances
INMATE INCARCERATION REIMBURSEMENT			
ACT REVOLVING FUND			
Personal Service	98,162	59,901	38,261
Expense and Equipment	45,640	8,860	36,780
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	8,977	8,977	0
Total Inmate Incarceration Reimbursement Act Revolving Fund	152,779	77,738	75,041
MINED LAND RECLAMATION FUND			
Personal Service	12,948	12,948	0
Expense and Equipment	2,262	2,262	0
Total Mined Land Reclamation Fund	15,210	15,210	0
Total All Funds	\$ 33,773,399	24,119,897	9,653,502

Appendix D-3

Office of Attorney General
Statement of Appropriations and Expenditures
Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
GENERAL REVENUE FUND				
Personal Service	\$ 6,156,053	(1,205,000)	4,842,683	108,370
Expense and Equipment	814,277	1,205,000	1,997,203	22,074
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	12,645	6,025	8,489	10,181
Medicaid Fraud Unit - Personal Service	249,473	0	140,944	108,529
Medicaid Fraud Unit - Expense and Equipment	290,241	0	95,749	194,492
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	133,455	0	120,946	12,509
Total General Revenue Fund	7,656,144	6,025	7,206,014	456,155
FEDERAL AND OTHER FUND				
Personal Service	1,248,837	0	543,080	705,757
Expense and Equipment	613,399	0	126,368	487,031
Law enforcement, domestic violence, and victims' services - Expense and Equipment	100,000	0	0	100,000
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	8,340	100	8,300	140
Medicaid Fraud Unit - Personal Service	388,536	0	388,536	0
Medicaid Fraud Unit - Expense and Equipment	1,082,276	0	108,006	974,270
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	41,808		41,432	376
Total Federal and Other Fund	3,483,196	100	1,215,722	2,267,574
GAMING COMMISSION FUND				
Personal Service	39,671	0	39,671	0
Expense and Equipment	9,920	0	9,920	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	1,341	0	1,341	0
Total Gaming Commission Fund	50,932	0	50,932	0
NATURAL RESOURCES PROTECTION FUND - WATER POLLUTION PERMIT FEE SUBACCOUNT FUND				
Personal Service	0	0	0	0
Expense and Equipment	33	0	33	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	2,669	0	2,669	0
Total Natural Resource Protection- Water Pollution Permit Fee Subaccount Fund	2,702	0	2,702	0

Appendix D-3

Office of Attorney General
Statement of Appropriations and Expenditures
Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
SOLID WASTE MANAGEMENT FUND				
Personal Service	29,569	0	29,569	0
Expense and Equipment	239	0	239	0
Total Solid Waste Management Fund	29,808	0	29,808	0
PETROLEUM STORAGE TANK INSURANCE FUND				
Personal Service	42,934	0	24,825	18,109
Total Petroleum Storage Tank Insurance Fund	42,934	0	24,825	18,109
MOTOR VEHICLE COMMISSION FUND				
Personal Service	13,633	0	13,633	0
Expense and Equipment	3,779	0	3,779	0
Total Motor Vehicle Commission Fund	17,412	0	17,412	0
HEALTH SPA REGULATORY FUND				
Expense and Equipment	1,582	0	1,582	0
Total Health Spa Regulatory Fund	1,582	0	1,582	0
NATURAL RESOURCES PROTECTION FUND - AIR POLLUTION PERMIT FEE FUND SUBACCOUNT FUND				
Personal Service	38,832	(30,000)	4,003	4,829
Expense and Equipment	459	30,000	24,594	5,865
Total Natural Resources Protection- Air Pollution Permit Fee Subaccount Fund	39,291	0	28,597	10,694
COURT COSTS FUND				
Expense and Equipment	115,234	0	60,292	54,942
Total Court Costs Fund	115,234	0	60,292	54,942
SOIL AND WATER SALES TAX FUND				
Personal Service	4,712	0	4,712	0
Expense and Equipment	72	0	72	0
Total Soil And Water Sales Tax Fund	4,784	0	4,784	0
MERCHANDISING PRACTICES REVOLVING FUND				
Personal Service	801,728	0	744,593	57,135
Expense and Equipment	1,740,191	0	349,300	1,390,891
Total Merchandising Practices Revolving Fund	2,541,919	0	1,093,893	1,448,026
WORKERS COMPENSATION FUND				
Personal Service	167,138	0	52,568	114,570
Expense and Equipment	200,217	0	2,000	198,217
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	4,377	1,170	5,433	114
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,688	0	9,397	291
Total Workers Compensation Fund	381,420	1,170	69,398	313,192

Appendix D-3

Office of Attorney General
Statement of Appropriations and Expenditures
Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
SECOND INJURY FUND				
Personal Service	1,014,070	0	841,834	172,236
Expense and Equipment	629,447	0	477,877	151,570
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	4,377	1,170	5,434	113
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	9,688	0	9,397	291
Total Second Injury Fund	1,657,582	1,170	1,334,542	324,210
LOTTERY ENTERPRISE FUND				
Personal Service	21,031	0	21,031	0
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	1,341	0	1,341	0
Total Lottery Enterprise Fund	22,372	0	22,372	0
ANTI-TRUST REVOLVING FUND				
Personal Service	261,781	0	81,750	180,031
Expense and Equipment	204,443	0	8,281	196,162
Total Anti-trust Revolving Fund	466,224	0	90,031	376,193
HAZARDOUS WASTE FUND				
Personal Service	126,702	0	126,702	0
Expense and Equipment	63	0	63	0
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	545	0	0	545
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	2,441	0	2,441	0
Total Hazardous Waste Fund	129,751	0	129,206	545
SAFE DRINKING WATER FUND				
Personal Service	12,980	0	2,967	10,013
Expense and Equipment	575	0	575	0
Total Safe Drinking Water Fund	13,555	0	3,542	10,013
TRUST FUND				
Fulfillment or failure of conditions, or other such developments, necessary to determine the appropriate disposition of such funds, to those individuals, entities, or accounts within the State Treasury, certified by the Attorney General as being entitled to receive them - Expense and Equipment	3,851,270	0	222,360	3,628,910
Total Trust Fund	3,851,270	0	222,360	3,628,910

Appendix D-3

Office of Attorney General
Statement of Appropriations and Expenditures
Period January 9, 2017 to June 30, 2017

	Uncommitted Appropriations	Transfers In (Out)	Expenditures	Lapsed Balances
INMATE INCARCERATION REIMBURSEMENT				
ACT REVOLVING FUND				
Personal Service	45,343	0	42,875	2,468
Expense and Equipment	24,395	0	1	24,394
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	2,895	0	2,895	0
Total Inmate Incarceration Reimbursement Act Revolving Fund	72,633	0	45,771	26,862
MINED LAND RECLAMATION FUND				
Personal Service	12,948	0	11,897	1,051
Expense and Equipment	0	0	0	0
Total Mined Land Reclamation Fund	12,948	0	11,897	1,051
Total All Funds	\$ 20,593,693	8,465	11,665,682	8,936,476

The lapsed balances include the following withholdings made at the Governor's request:

General Revenue Fund	
Payment of real property leases, related services, utilities, systems furniture, and structural modifications - Expense and Equipment	\$ 10,178
Operation of state-owned facilities, utilities, systems furniture, and structural modifications - Expense and Equipment	12,509
Total General Revenue Fund	\$ 22,687

Appendix E

Office of Attorney General Comparative Statement of Expenditures (From Appropriations)

	Year Ended June 30,				
	2018	2017	2016	2015	2014
Salaries and wages	\$ 18,042,444	17,832,538	17,963,212	18,234,377	17,902,584
Travel, in-state	408,393	399,857	489,417	501,376	549,061
Travel, out-of-state	135,177	86,312	96,913	80,076	86,897
Fuel and utilities	5,076	6,272	6,130	6,017	5,773
Supplies	671,997	594,745	701,383	614,172	675,453
Professional development	201,005	269,832	169,684	183,148	188,006
Communication services and supplies	343,916	403,025	425,659	544,486	420,903
Services:					
Professional	1,190,772	1,101,463	1,950,414	1,358,565	1,443,956
Housekeeping and janitorial	18,851	17,920	20,904	16,335	18,310
Maintenance and repair	656,551	895,764	539,948	485,343	510,968
Equipment:					
Computer	444,195	1,261,556	560,985	769,634	414,632
Motorized	121,073	40,594	33,875	32,002	21,811
Office	118,911	41,433	98,481	129,403	105,459
Other	2,171	2,390	9,762	10,616	8,518
Property and improvements	0	24,508	232,291	3,037,429	162,255
Building lease payments	1,410,528	1,347,553	1,387,856	1,209,932	1,302,394
Equipment rental and leases	13,969	8,786	8,458	9,300	8,552
Miscellaneous expenses	62,522	108,796	54,921	66,195	29,162
Refunds	0	0	0	14,046	8
Program distributions	272,346	371,840	92,289	177,014	113,128
Total Expenditures	\$ <u>24,119,897</u>	<u>24,815,184</u>	<u>24,842,582</u>	<u>27,479,466</u>	<u>23,967,830</u>



Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political Subdivision Filings June 2020

Report No. 2020-044

August 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

June 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended December 31, 2019 Reports Due June 30, 2020.....	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in June 2020	38
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in June 2020	39
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due May 31, 2020 Filed in June 2020	40



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 1,494 political subdivisions required to file a financial report by June 30, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in June 2020, after their filing deadline. The filing status for these 7 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

June 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 1,494 political subdivisions, other than cities, towns, and villages, with a fiscal year end of December 31, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 1,494 political subdivisions, 1,093 filed an annual financial report timely and 1 filed a financial report for a portion of their fiscal year.

This report also includes the filing status for 7 political subdivisions, other than cities, towns, and villages, that filed their financial report in June 2020, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Health Department	No	
	Adair County Library District	Yes	June 30, 2020
	Baltimore Commons CID	Yes	June 24, 2020
	Chariton River Drainage District	No	
	Franklin Street CID	Yes	June 24, 2020
	North Baltimore Street CID	Yes	June 24, 2020
	South 63 Corridor CID	Yes	June 24, 2020
Andrew	Andrew County Ambulance District	Yes	June 2, 2020
	Andrew County Health Department	Yes	January 3, 2020
	Bolckow FPD	No	
	Cosby-Helena FPD	Yes	May 25, 2020
	Fillmore FPD	No	
	Levee District 5 Andrew County	No	
	PWSD 1 Andrew County	Yes	May 21, 2020
	PWSD 2 Andrew County	No	
	Rosendale FPD	Yes	April 22, 2020
	Savannah FPD	Yes	February 3, 2020
Atchison	Village of Country Club FPD	No	
	Atchison County Health Department	Yes	January 13, 2020
	Atchison County Library District	Yes	February 27, 2020
	Atchison-Holt Ambulance District	No	
	Fairfax Volunteer FPD	No	
	Langdon SRD Atchison County	No	
	Levee District 1 Atchison-Holt County	Yes	January 29, 2020
	North Nishnabotna Drainage District	No	
	Phelps City Dyke Drainage District	No	
	Phelps City SRD Atchison County	No	
	PWSD 1 Atchison County	Yes	June 30, 2020
	Tarkio FPD	Yes	April 10, 2020
	Tarkio SRD Atchison County	Yes	May 7, 2020
	Watson SRD Atchison County	Yes	March 20, 2020
	West Atchison FPD	No	
Audrain	Westboro Volunteer FPD	Yes	June 10, 2020
	Audrain Ambulance District	Yes	June 26, 2020
	Audrain County 911 Board	Yes	January 16, 2020
	Audrain County Health Department	No	
	Laddonia & Rural FPD	Yes	February 14, 2020
	Laddonia Farber SRD Audrain County	Yes	February 26, 2020
	Little Dixie FPD	Yes	May 6, 2020
	Martinsburg Area FPD	No	
	Mexico SRD 13 Audrain County	Yes	February 26, 2020
	Mexico-Audrain County PLD	Yes	June 30, 2020
	PWSD 1 Audrain County	No	
	PWSD 2 Audrain County	Yes	April 10, 2020
	Saling SRD 2 Audrain County	Yes	February 26, 2020
	Tri County NHD	No	

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Audrain Barry	Vandalia SRD Audrain County	Yes	January 21, 2020
	Ash SRD Barry County	No	
	Barry County Health Department	Yes	February 24, 2020
	Barry-Lawrence Ambulance District	Yes	June 18, 2020
	Butterfield FPD	No	
	Butterfield SRD Barry County	Yes	January 3, 2020
	Capps Creek SRD Barry County	Yes	June 4, 2020
	Cassville FPD	Yes	February 18, 2020
	Central Crossing FPD	No	
	Corsicana SRD Barry County	Yes	June 4, 2020
	Crane Creek SRD Barry County	Yes	May 15, 2020
	Eagle Rock-Golden-Mano FPD	Yes	April 2, 2020
	Exeter FPD	Yes	January 28, 2020
	Exeter SRD Barry County	Yes	January 29, 2020
	Flat Creek SRD Barry County	Yes	March 16, 2020
	Greasy Creek SRD 35 Barry County	Yes	January 30, 2020
	Jenkins Rural FPD	Yes	April 21, 2020
	Jenkins SRD 20 Barry County	Yes	April 7, 2020
	Kings Prairie SRD Barry County	No	
	Liberty Common SRD 34 Barry County	Yes	January 22, 2020
	McDonald SRD 19 Barry County	Yes	January 27, 2020
	Mineral Springs SRD 10 Barry County	Yes	March 8, 2020
	Monett Rural FPD	No	
	Monett SRD Barry County	Yes	January 29, 2020
	Mountain SRD 22 Barry County	No	
	Pioneer SRD 31 Barry County	Yes	January 23, 2020
	Pleasant Ridge SRD 25 Barry County	Yes	May 15, 2020
	Purdy FPD	No	
	Purdy SRD 28 Barry County	Yes	January 31, 2020
	Roaring River SRD 2 Barry County	No	
	Seligman FPD	Yes	March 3, 2020
	Shell Knob SRD 9 Barry County	Yes	April 13, 2020
	South Barry Ambulance District	Yes	January 1, 2020
	South Barry Co Memorial Hospital	No	
	Sugar Creek SRD 3 Barry County	No	
	Viola SRD 21 Barry County	Yes	April 7, 2020
	Washburn FPD	Yes	January 13, 2020
	Washburn SRD 4 Barry County	No	
	Wheaton FPD	Yes	June 30, 2020
	Wheaton SRD 29 Barry County	Partial	January 20, 2020
	White River SRD 7 Barry County	No	
Barton	Barton County Ambulance District	Yes	June 9, 2020
	Barton County Health Department	Yes	January 16, 2020
	Barton County Library District	Yes	April 14, 2020
	Barton County Memorial Hospital	No	
	Consolidated PWSD 1	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Bates	Bates County Health Center	Yes	January 24, 2020
	Bates County Memorial Hospital	Yes	May 21, 2020
	Cornland SRD Bates County	No	
	PWSD 1 Bates County	Yes	January 15, 2020
	PWSD 2 Bates County	Yes	June 30, 2020
	PWSD 3 Bates County	Yes	February 3, 2020
	PWSD 4 Bates County	Yes	June 29, 2020
	PWSD 6 Bates County	Yes	May 28, 2020
	Rich Hill Public Library District	Yes	January 9, 2020
	South Hudson SRD Bates County	Yes	January 20, 2020
Benton	Benton County Health Department	No	
	Brandon SRD Benton County	Yes	June 8, 2020
	Cole Camp & Rural FPD	No	
	Cole Camp Ambulance District	Yes	June 22, 2020
	Cole Camp SRD Benton County	No	
	Deer Creek FPD	Yes	January 21, 2020
	Lakeview Heights FPD	Yes	June 29, 2020
	Lincoln Community FPD	Yes	January 13, 2020
	Osage Valley FPD	Yes	May 1, 2020
	Sewer District 1 Benton County	No	
	U.S. Hwy 65 & Truman Dam Access TDD	Yes	June 26, 2020
	Warsaw FPD	No	
	Warsaw-Lincoln Ambulance District	Yes	June 15, 2020
	Bollinger County Ambulance District	Yes	March 9, 2020
Bollinger	Bollinger County Health Center	No	
	Bollinger County Library District	Yes	April 22, 2020
	Leopold Volunteer FPD	No	
	North County FPD	No	
	Sedgewickville FPD	Yes	May 23, 2020
	Woodland FPD	No	
	Zalma FPD	No	
	Blue Ridge Town Centre TDD	Yes	January 24, 2020
Boone	Boone County FPD	Yes	June 9, 2020
	Boone County Regional SwrD	Yes	May 13, 2020
	Broadway-Fairview TDD	Yes	June 29, 2020
	Callahan Creek WSD	Yes	May 29, 2020
	Center State TDD	Yes	June 26, 2020
	Centralia SRD Boone County	Yes	January 7, 2020
	Columbia Mall TDD	Yes	June 17, 2020
	Conley Road TDD	Yes	June 29, 2020
	Consolidated PWSD 1 Boone County	Yes	April 13, 2020
	Cross Creek TDD	No	
	Daniel Boone Regional PLD	Yes	May 27, 2020
	Grindstone Plaza TDD	Yes	June 29, 2020
	Lake of the Woods TDD	Yes	April 17, 2020
	Northwoods TDD	No	

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Boone	PWSD 10 Boone County	Yes	June 22, 2020
	PWSD 4 Boone County	Yes	April 8, 2020
	PWSD 9 Boone County	Yes	May 28, 2020
	Rock Bridge Center TDD	Yes	June 29, 2020
	Shoppes at Stadium TDD	Yes	June 29, 2020
	Southern Boone County FPD	Yes	April 27, 2020
	St. Charles Road TDD	Yes	June 4, 2020
	Stadium Corridor TDD	Yes	February 13, 2020
Buchanan	Agri-Business Expo Center TDD	No	
	Colony Hills FPD	Yes	January 7, 2020
	Easton FPD	No	
	Halls Levee District	Yes	March 24, 2020
	Lake Contrary FPD	Yes	May 18, 2020
	PWSD 1 Buchanan County	Yes	June 16, 2020
	San Antonio FPD	No	
	South Central Buchanan County FPD	Yes	June 29, 2020
	South St. Joseph Industrial SwrD	Yes	June 30, 2020
	Southwest Buchanan County FPD	Yes	June 30, 2020
	St. Joseph Airport Levee District	No	
	St. Joseph Gateway TDD	No	
	Tuscany Village TDD	Yes	December 9, 2019
Butler	Butler County FPD	Yes	May 20, 2020
	Butler County Health Department	No	
	Consolidated DD 10 Butler County	No	
	Cripple Creek TDD	Yes	June 23, 2020
	Green Forest CID	Yes	February 7, 2020
	Highway 67 South CID	Yes	April 28, 2020
	Kelly Town Plaza CID	Yes	May 7, 2020
	Naylor-Neelyville AD	No	
	Oak Grove TDD	Yes	June 23, 2020
	Pike Creek Common Sewer District	Yes	April 14, 2020
	Poplar Bluff Municipal PLD	Yes	May 5, 2020
	Poplar Bluff Regional TDD	Yes	June 23, 2020
	PWSD 1 Butler County	Yes	March 18, 2020
	PWSD 104 Butler County	No	
	PWSD 2 Butler County	No	
	PWSD 3 Butler County	No	
	Qulin Community FPD	Yes	January 31, 2020
	Qulin Highway North CID	No	
	Stateline CID	Yes	April 28, 2020
	Sycamore Street CID	Yes	April 28, 2020
Caldwell	Caldwell County Health Department	Yes	January 16, 2020
	Caldwell County Library District	Yes	January 7, 2020
	Hamilton FPD	No	
	PWSD 1 Caldwell County	No	
	PWSD 2 Caldwell County	No	

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Caldwell	Shoal Creek FPD	Yes	April 22, 2020
Callaway	Callaway County Ambulance District	Yes	May 26, 2020
	Callaway County Sewer District	No	
	Capital View Drainage District	No	
	Central Callaway FPD	No	
	Fulton South Business 54 TDD	Yes	April 23, 2020
	Holts Summit FPD	Yes	May 21, 2020
	New Bloomfield FPD	Yes	April 28, 2020
	North Callaway FPD	No	
	PWSD 1 Callaway County	Yes	May 8, 2020
	PWSD 2 Callaway County	Yes	May 13, 2020
	South Callaway FPD	Yes	April 17, 2020
Camden	American Center CID	No	
	Arrowhead Centre CID	Yes	May 6, 2020
	Ballparks of the Ozarks CID	Yes	April 30, 2020
	Camden County Library District	Yes	June 25, 2020
	Camelot Sewer District	Yes	January 2, 2020
	Dierbergs Osage Beach TDD	Yes	June 23, 2020
	Greenview CID	Yes	March 9, 2020
	Horseshoe Bend Pedest Corridor TDD	No	
	Horseshoe Bend SRD 1 Camden County	Yes	June 25, 2020
	Mid-County FPD Camden County	No	
	Normac Sewer District	Yes	January 2, 2020
	Northwest FPD Camden County	No	
	Osage Beach Commons CID	Yes	June 24, 2020
	Osage Beach FPD	No	
	Osage Beach SRD Camden County	No	
	Osage Station TDD	Yes	January 7, 2020
	Peninsula Development CID	Yes	February 4, 2020
	PWSD 1 Camden County	Yes	February 27, 2020
	PWSD 2 Camden County	Yes	January 2, 2020
	PWSD 3 Camden County	No	
	Southwest Camden County FPD	No	
	Sunny Slope Country Club SwrD	Yes	January 2, 2020
	Sunrise Beach FPD	No	
	Toad Cove Complex CID	No	
	Toad Cove Complex TDD	No	
	Toad Cove Resort CID	No	
	Toad Cove Resort TDD	No	
	Tri-County FPD	No	
Cape Girardeau	Cape Girardeau County Public Health	Yes	April 29, 2020
	Cape Girardeau SRD	No	
	Delta FPD	Yes	April 30, 2020
	East County Area FPD	Yes	May 15, 2020
	Fruitland Area FPD	Yes	January 20, 2020
	Gordonville FPD	Yes	April 15, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cape Girardeau	Millersville Rural FPD	Yes	March 16, 2020
	PWSD 1 Cape-Perry County	No	
	Riverside Regional Library District	Yes	June 4, 2020
	South K TDD	Yes	April 28, 2020
	Whitewater FPD	No	
Carroll	Carroll County 911 Board	Yes	January 14, 2020
	Carroll County Ambulance District	Yes	May 22, 2020
	Carroll County FPD	Yes	May 14, 2020
	Carroll County Health Department	Yes	January 27, 2020
	Carrollton Public Library District	No	
	Hale FPD	Yes	January 11, 2020
	Miles Point Levee District	No	
	Norborne FPD	No	
	North Central Carroll FPD	Yes	May 18, 2020
	Black Mountain CID	Yes	February 11, 2020
Carter	Carter County Health Center	Yes	January 28, 2020
	Carter County Library District	Yes	March 18, 2020
	East Carter Ambulance District	No	
	Eastwood FPD	Yes	March 14, 2020
	Ellsinore Highway 60 CID	No	
	Fremont FPD	No	
	Landing River Center CID	Yes	June 12, 2020
	PWSD 1 Carter County	Yes	January 21, 2020
	PWSD 2 Carter County	No	
	Belton Town Centre TDD	Yes	June 30, 2020
Cass	Belton-Cass Regional TDD	Yes	June 22, 2020
	Cass County EMS Board	Yes	June 17, 2020
	Cass County Public Library District	No	
	Cass Medical Center	No	
	Central Cass County FPD	Yes	June 12, 2020
	Cornerstone Pointe TDD	Yes	June 26, 2020
	Creighton FPD	No	
	Dolan & West Dolan FPD	No	
	East Gateway TDD	No	
	East Lynne-Gunn City FPD	No	
	Eastern Hills CID	Yes	April 27, 2020
	Garden City FPD	No	
	Harrisonville Brookhart TDD	Yes	June 30, 2020
	Harrisonville Market Place A TDD	Yes	June 29, 2020
	Harrisonville Market Place B TDD	Yes	June 29, 2020
	Harrisonville Towne Center TDD	Yes	May 13, 2020
	Hwy 71/291 Partners in Progress TDD	Yes	June 12, 2020
	I-49 & 275th Street TDD	Yes	June 8, 2020
	Mount Pleasant FPD	Yes	June 30, 2020
	Mt. Pleasant SRD Cass County	Yes	February 12, 2020
	Northwest Cass CID	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cass	Pleasant Hill FPD	Yes	June 15, 2020
	PWSD 1 Cass County	Yes	February 13, 2020
	PWSD 10 Cass County	Yes	April 15, 2020
	PWSD 12 Cass County	No	
	PWSD 4 Cass County	Yes	June 26, 2020
	PWSD 5 Cass County	Yes	June 11, 2020
	PWSD 7 Cass County	Yes	June 30, 2020
	PWSD 8 Cass County	Yes	March 31, 2020
	PWSD 9 Cass County	Yes	May 29, 2020
	South Metropolitan FPD	Yes	June 18, 2020
	Stonegate CID	Yes	March 9, 2020
	Western Cass FPD	Yes	June 8, 2020
Cedar	Bear Creek SRD Cedar County	Yes	April 14, 2020
	Bethel SRD Cedar County	Yes	April 14, 2020
	Caplinger Mills SRD Cedar County	Yes	April 14, 2020
	Cedar County Ambulance District	No	
	Cedar County Chapel Hills FPD	Yes	April 14, 2020
	Cedar County Library District	Yes	April 28, 2020
	Cedar Hall SRD Cedar County	Yes	April 14, 2020
	Dogwood SRD Cedar County	Yes	January 12, 2020
	Eldorado Springs SRD Cedar County	Yes	April 14, 2020
	Independence SRD Cedar County	Yes	April 14, 2020
	Jerico Springs SRD Cedar County	Yes	April 14, 2020
	Koncord SRD Cedar County	Yes	April 14, 2020
	Korth Special Road Subdistrict	Yes	April 14, 2020
	Madison SRD Cedar County	Yes	April 14, 2020
	Masters SRD Cedar County	Yes	April 14, 2020
	Omer SRD Cedar County	Yes	April 14, 2020
	PWSD 1 Cedar County	No	
	Rowland SRD Cedar County	Yes	April 14, 2020
	Stockton SRD Cedar County	Yes	April 14, 2020
Chariton	Chariton County 911 Board	Yes	June 3, 2020
	Chariton County Health Center	Yes	January 21, 2020
	Keytesville FPD	Yes	January 23, 2020
	Mendon Public FPD	No	
	PWSD 2 Chariton County	No	
	Sumner Community FPD	Yes	February 11, 2020
	Yellow Creek FPD	No	
Christian	Avicenna CID	No	
	Billings FPD	Yes	March 20, 2020
	Billings SRD Christian County	Yes	January 14, 2020
	Bluff Drive CID	Yes	June 30, 2020
	Chadwick Rural FPD	No	
	Christian County Ambulance District	Yes	April 16, 2020
	Christian County EMS Board	Yes	June 22, 2020
	Christian County Health Department	Yes	May 28, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Christian	Christian County Library District	Yes	February 24, 2020
	Clever FPD	Yes	April 12, 2020
	Clever Highway 14 CID	No	
	Deerbrook Marketplace CID	No	
	Garrison SRD Christian County	Yes	January 3, 2020
	Highlandville CID	Yes	February 25, 2020
	Highlandville Rural FPD	Yes	February 4, 2020
	Highway J & North 17th Street CID	Yes	March 24, 2020
	McCroskey Street CID	Yes	April 28, 2020
	Nixa FPD	Yes	April 28, 2020
	Ozark Downtown CID	No	
	Ozark FPD	Yes	June 30, 2020
	Ozark SRD Christian County	Yes	June 29, 2020
	PWSD 1 Christian County	Yes	February 26, 2020
	Selmore SRD Christian County	No	
	South Sparta SRD Christian County	Yes	June 30, 2020
	Sparta FPD	Yes	May 24, 2020
	Stoneshire SRD Christian County	Yes	June 30, 2020
	Town & Country Village CID	Yes	February 11, 2020
	Town & Country Village TDD	Yes	February 11, 2020
Clark	Alexandria FPD	Yes	June 10, 2020
	Clark County Ambulance District	No	
	Clark County Health Department	Yes	January 16, 2020
	Des Moines Mississippi Levee	Yes	February 5, 2020
	Mississippi Fox Levee District 2	Yes	January 20, 2020
	PWSD 1 Clark County	Yes	January 30, 2020
	Wayland SRD Clark County	Yes	January 14, 2020
Clay	901 South 291 CID	Yes	June 26, 2020
	Birmingham Drainage District	Yes	April 9, 2020
	Blue Jay Crossing CID	Yes	April 9, 2020
	Briarcliff Parkway & Highway 9 TDD	Yes	June 25, 2020
	Clay County Public Health Center	Yes	June 8, 2020
	Crossroads Shopping Center CID	Yes	January 29, 2020
	Fishing River FPD	No	
	Historic Downtown Liberty CID	Yes	March 27, 2020
	Holly Farms TDD	Yes	June 29, 2020
	Holt Community FPD	Yes	May 14, 2020
	Homestead CID	Yes	June 15, 2020
	Kearney Fire & Rescue Protection	Yes	May 26, 2020
	Liberty Commons TDD	No	
	Liberty Corners CID	Yes	June 20, 2020
	Liberty Parkway Plaza CID	Yes	May 26, 2020
	Liberty SRD 5 Clay County	Yes	June 1, 2020
	Liberty Triangle CID	Yes	June 25, 2020
	Liberty Triangle Shopping Center CID	Yes	January 29, 2020
	North Haven Center CID	Yes	April 8, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	North Kansas City SRD 9 Clay County	No	
	Pleasant Valley 8 SRD Clay County	Yes	June 4, 2020
	PWSD 4 Clay County	No	
	PWSD 5 Clay County	No	
	PWSD 6 Clay County	Yes	June 18, 2020
	PWSD 7 Clay County	Yes	February 3, 2020
	PWSD 8 Clay County	Yes	April 20, 2020
	Renaissance Plaza CID	No	
	Rogers Plaza CID	Yes	February 10, 2020
	Tower TDD	Yes	June 8, 2020
Clinton	Cameron Ambulance District	Yes	April 6, 2020
	Cameron FPD	Yes	June 9, 2020
	Cameron SRD Clinton County	Yes	February 10, 2020
	Clinton County Health Department	No	
	Gower FPD	Yes	June 29, 2020
	Lathrop Fire & Rescue	No	
	Plattsburg FPD	Yes	February 10, 2020
	Plattsburg SRD Clinton County	Yes	June 26, 2020
	PWSD 1 Clinton County	Yes	February 25, 2020
	Tri-County Ambulance District	Yes	March 16, 2020
Cole	Cole County FPD	Yes	May 21, 2020
	Commons of Hazel Hills TDD	Yes	April 27, 2020
	Heartland PID of Central Missouri	Yes	June 29, 2020
	Missouri River Regional PLD	Yes	June 19, 2020
	Osage FPD	Yes	June 10, 2020
	PWSD 1 Cole County	No	
	PWSD 3 Cole County	No	
	PWSD 4 Cole County	No	
	PWSD 5 Cole County	No	
	Regional West FPD	No	
	Russellville Route C CID	No	
	Russellville-Lohman FPD	Yes	March 5, 2020
	Show Me PACE	Yes	April 14, 2020
	Southside Munichburg CID	Yes	April 24, 2020
	Stone Ridge TDD	Yes	April 28, 2020
	U.S. Highway 50/63 & City View TDD	Yes	June 26, 2020
Cooper	Blackwater Volunteer Rural FPD	No	
	Boonville Highway 5 CID	No	
	Boonville Riverfront TDD	No	
	Consolidated PWSD 1 Cooper County	Yes	June 4, 2020
	Cooper County Ambulance District	Yes	March 30, 2020
	Cooper County FPD	Yes	May 6, 2020
	Cooper County NHD	Yes	June 22, 2020
	Cooper County Public Health Center	Yes	June 15, 2020
	Hail Ridge CID	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cooper	Otterville FPD	Yes	February 20, 2020
	Overton-Wooldridge Levee District 1	Yes	June 19, 2020
	Pilot Grove Rural FPD	No	
	Prairie Home Rural FPD	Yes	March 11, 2020
	PWSD 1 Cooper County	Yes	June 4, 2020
Crawford	Windsor Place CID	Yes	January 17, 2020
	Bourbon FPD	Yes	February 19, 2020
	Crawford County 911 Board	Yes	February 4, 2020
	Cuba Community FPD	Yes	February 8, 2020
	Steelville Ambulance District	Yes	June 29, 2020
Dade	Steelville FPD	Yes	June 23, 2020
	Dade County 911 Board	Yes	May 26, 2020
	Dade County Ambulance District	Yes	June 17, 2020
	Dade County Health Department	Yes	March 12, 2020
	Dade County Library District	Yes	April 14, 2020
Dallas	Dadeville Rural FPD	Yes	February 11, 2020
	Good Shepherd NHD	No	
	Lockwood FPD	Yes	May 30, 2020
	Dallas County Health Department	Yes	January 17, 2020
	Dallas County Library District	Yes	March 3, 2020
Daviess	Elkland FPD	Yes	May 20, 2020
	Southern Dallas County FPD	Yes	June 24, 2020
	Urbana Highway 65 CID	No	
	Coffey FPD	No	
	Daviess County 911 Board	Yes	June 30, 2020
DeKalb	Daviess County Health Department	Yes	March 27, 2020
	Daviess County Library District	Yes	May 27, 2020
	Daviess County SRD 1	Yes	March 11, 2020
	Gallatin FPD	Yes	June 22, 2020
	Jameson FPD	Yes	March 2, 2020
Dent	Jamesport SRD Daviess County	Yes	January 25, 2020
	K.A.W. FPD	Yes	June 9, 2020
	Lock Springs SRD Daviess County	Yes	May 20, 2020
	PWSD 1 Daviess County	Yes	June 29, 2020
	PWSD 3 Daviess County	Yes	February 27, 2020
Douglas	Central DeKalb County FPD	No	
	Clarksdale FPD	Yes	May 29, 2020
	Osborn FPD	Yes	June 8, 2020
	PWSD 1 DeKalb County	Yes	March 9, 2020
	Stewartsville FPD	No	
Dent	Union Star FPD	No	
	Dent County FPD	No	
	Dent County Health Center	No	
Douglas	PWSD 1 Dent County	No	
	Ava Ambulance District	No	
	Douglas County Health Department	Yes	June 24, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Dunklin	Douglas County Library District	Yes	January 29, 2020
	Consolidated DD 1 Dunklin County	Yes	May 12, 2020
	Drainage District 12 Dunklin County	Yes	April 1, 2020
	Drainage District 23 Dunklin County	Yes	April 1, 2020
	Drainage District 25 Dunklin County	Yes	April 1, 2020
	Drainage District 48 Dunklin County	Yes	April 1, 2020
	Dunklin County Ambulance District	No	
	Dunklin County Health Department	Yes	January 27, 2020
	Dunklin County Library District	Yes	June 17, 2020
	Levee District 4 Dunklin County	Yes	April 1, 2020
	Levee District 7 Dunklin County	Yes	April 1, 2020
	PWSD 1 Dunklin County	Yes	June 19, 2020
	PWSD 2 Dunklin County	No	
	PWSD 3 Dunklin County	No	
	Senath Commercial Street CID	No	
Franklin	Beaufort-Leslie FPD	Yes	May 15, 2020
	Boles FPD	Yes	March 12, 2020
	Calvey Creek Sewer District	Yes	May 20, 2020
	Crestview Sewer District	Yes	May 20, 2020
	Gerald Ambulance District	No	
	Gerald-Rosebud FPD	Yes	February 12, 2020
	Highway 100 CID	Yes	March 27, 2020
	Interstate 44 & Highway 47 TDD	Yes	April 13, 2020
	Labadie Creek Watershed SwrD	Yes	January 23, 2020
	Labadie Levee District	No	
	Meramec Ambulance District	Yes	June 25, 2020
	New Haven Ambulance District	Yes	May 5, 2020
	New Haven-Berger FPD	Yes	May 5, 2020
	PWSD 1 Franklin County	Yes	June 29, 2020
	PWSD 4 Franklin County	No	
	St. Clair Ambulance District	Yes	June 30, 2020
	St. Clair FPD	Yes	May 28, 2020
	Sullivan FPD	Yes	May 29, 2020
	Sylvan Manor Sunset Acres SwrD	Yes	January 8, 2020
	Union Ambulance District	No	
Gasconade	Union FPD	Yes	March 11, 2020
	Washington Area Ambulance District	Yes	June 30, 2020
	Washington SRD Franklin County	Yes	May 21, 2020
	Bland FPD	Yes	December 28, 2019
	Gasconade County 911 Board	Yes	May 5, 2020
	Gasconade County Health Department	Yes	January 14, 2020
	Gasconade Manor NHD	No	
	Hermann Area Ambulance District	No	
	Hermann Area Hospital District	Yes	May 7, 2020
	Morrison Levee District	No	
	Morrison SRD 4 Gasconade County	Yes	April 7, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Gasconade	Owensville Ambulance District	No	
	PWSD 1 Gasconade County	No	
	Gentry County 911 Board	Yes	May 15, 2020
Gentry	Gentry County Library District	Yes	February 18, 2020
	King City FPD	No	
Greene	McFall FPD	Yes	June 9, 2020
	PWSD 1 Gentry County	Yes	June 26, 2020
	Ash Grove FPD	Yes	April 28, 2020
	Battlefield FPD	Yes	June 24, 2020
	Bois D'Arc FPD	Yes	June 8, 2020
	Brookline FPD	Yes	January 15, 2020
	Ebenezer FPD	Yes	June 30, 2020
	Fair Grove FPD	Yes	January 24, 2020
	Glenstone & East Kearney TDD	Yes	June 29, 2020
	Logan-Rogersville FPD	Yes	January 15, 2020
	PWSD 1 Greene County	No	
	PWSD 6 Greene County	Yes	June 14, 2020
	Southern Hills CID Greene County	No	
	Strafford FPD	Yes	March 20, 2020
	Strafford Plaza CID	Yes	January 11, 2020
	Walnut Grove FPD	Yes	March 16, 2020
	West Republic FPD	Yes	January 14, 2020
	Willard FPD	Yes	April 29, 2020
Grundy	Galt FPD	Yes	April 12, 2020
	Grundy County Health Department	Yes	January 10, 2020
	Grundy County Rural FPD	No	
	Jewett Norris-Grundy County PLD	No	
	Laredo FPD	No	
	PWSD 1 Grundy County	Yes	May 14, 2020
	Spickard FPD	No	
	Spickard SRD Grundy County	Yes	January 27, 2020
Harrison	Bethany 136 CID	Yes	April 28, 2020
	Cainsville FPD	No	
	Gilman City FPD	No	
	Harrison County Health Department	Yes	January 8, 2020
	New Hampton FPD	Yes	January 28, 2020
	Noel Adams Ambulance District	Yes	May 7, 2020
	North Harrison Ambulance District	Yes	June 18, 2020
	North Harrison FPD	No	
	PWSD 1 Harrison County	No	
	PWSD 2 Harrison County	Yes	June 29, 2020
Henry	Ridgeway FPD	Yes	March 12, 2020
	Clinton Country Club SRD Henry County	No	
	Deerfield Creek SRD Henry County	Yes	May 15, 2020
	Fields Creek SRD 1 Henry County	Yes	January 20, 2020
	Henry County 911 Board	Yes	June 26, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Henry	Henry County Health Center	Yes	June 15, 2020
	Henry County Library District	Yes	June 30, 2020
	Honey Creek SRD 1 Henry County	Yes	January 30, 2020
	Montrose SRD Henry County	Yes	February 4, 2020
	Mt. Hope SRD Henry County	Yes	February 24, 2020
	Osage SRD 1 Henry County	Yes	January 14, 2020
	PWSD 3 Henry County	Yes	April 12, 2020
	Shawnee SRD 1 Henry County	Yes	January 21, 2020
	Tightwad FPD	No	
	Wagner SRD Henry County	Yes	April 28, 2020
	Windsor Ambulance District	No	
Hickory	Windsor SRD Henry County	Yes	January 31, 2020
	Hickory County Health Department	Yes	January 2, 2020
	Hickory County Library District	Yes	April 15, 2020
Holt	PWSD 2 Hickory County	No	
	Bigelow Independent SRD Holt County	No	
	Corning SRD Holt County	Yes	February 24, 2020
	Drainage District 2 Holt County	No	
	Fortescue SRD Holt County	Yes	March 10, 2020
	Levee District 10 Holt County	Yes	March 9, 2020
	Levee District 14 Holt County	Yes	February 8, 2020
	Levee District 4 Holt County	Yes	February 8, 2020
	Levee District 7 Holt County	Yes	February 7, 2020
	Levee District 9 Holt County	Yes	February 10, 2020
	Maitland Volunteer FPD	Yes	May 12, 2020
	Northwest Holt County FPD	No	
	S Union Township Independent SRD Holt County	No	
	Southern FPD of Holt County	Yes	June 17, 2020
	Armstrong FPD	Yes	February 25, 2020
	Armstrong SRD Howard County	Yes	February 14, 2020
Howard	Bonne Femme Levee District 1	Yes	January 27, 2020
	Consolidated PWSD 1 Howard County	No	
	D&LD 2 Howard County	Yes	January 15, 2020
	Drainage District 1 Howard County	Yes	March 6, 2020
	Glasgow SRD 60 Howard County	Yes	March 3, 2020
	Glasgow Volunteer FPD	Yes	May 7, 2020
	Howard Co Regional Water Commission	Yes	June 5, 2020
	Howard County 911 Board	Yes	April 23, 2020
	Howard County Ambulance District	No	
	Howard County FPD	Yes	February 28, 2020
	Howard County Library District	Yes	April 17, 2020
	Levee District 3 Howard County	Yes	January 23, 2020
	Levee District 4 Howard County	Yes	January 21, 2020
	Levee District 6 Howard County	Yes	December 5, 2019
	Levee District 7 Howard County	No	
	Moniteau Creek WSD	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Howell	PWSD 2 Howard County	Yes	May 19, 2020
	Brandsville FPD	Yes	February 17, 2020
	Howell County 911 Board	Yes	May 28, 2020
	Howell County Health Department	Yes	June 30, 2020
	Howell County Rural FPD 1	Yes	February 17, 2020
	Pomona FPD	No	
	Pumpkin Center FPD	Yes	April 10, 2020
	PWSD 1 Howell County	No	
	PWSD 3 Howell County	Yes	May 29, 2020
	South Howell Ambulance District	No	
	Willow Springs Ambulance District	No	
	Willow Springs Library District	No	
Iron	Iron County 911 Board	Yes	February 12, 2020
	Iron County Ambulance District	Yes	February 12, 2020
	Iron County Health Department	Yes	February 10, 2020
	Ozark Regional Library District	Yes	January 25, 2020
	Pilot Knob FPD	No	
	Quad County FPD	Yes	June 17, 2020
	Southern Iron County FPD	Yes	June 29, 2020
Jackson	1200 Main/South Loop TDD	Yes	June 18, 2020
	71 Highway & 150 Highway TDD	No	
	Bi-State Commission	No	
	Bridgewood Plaza CID	Yes	June 17, 2020
	Country Club Plaza TDD	Yes	June 17, 2020
	Douglas Square TDD	Yes	April 23, 2020
	Douglas Station TDD	Yes	April 23, 2020
	Grain Valley Marketplace CID	Yes	May 4, 2020
	Grandview Crossing CID	No	
	Harry Truman Drive TDD	Yes	June 30, 2020
	I-70 & Adams Dairy Parkway TDD	Yes	June 26, 2020
	Inter City FPD	Yes	February 14, 2020
	Lake Lotawana CID	Yes	January 17, 2020
	Lone Jack Community FPD	Yes	May 20, 2020
	Lotawana FPD	Yes	June 25, 2020
	M150 & 135th Street TDD	Yes	June 23, 2020
	New Longview TDD	Yes	May 1, 2020
	Prairie Township FPD	Yes	May 28, 2020
	PWSD 12 Jackson County	Yes	June 3, 2020
	PWSD 13 Jackson County	Yes	June 10, 2020
	PWSD 15 Jackson County	Yes	June 3, 2020
	PWSD 16 Jackson County	Yes	April 13, 2020
	Raintree Lake Village TDD	Yes	April 23, 2020
	Raintree North TDD	Yes	June 10, 2020
	Ritter Plaza CID	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jasper	Strother Interchange TDD	Yes	June 30, 2020
	Truman Road TDD	No	
	Village of Grain Valley CID	Yes	April 30, 2020
	Asbury FPD	Yes	June 24, 2020
	Carl Junction FPD	Yes	June 29, 2020
	Carl Junction SRD Jasper County	Yes	February 14, 2020
	Carthage FPD	Yes	April 24, 2020
	Central Jasper County FPD	Yes	May 27, 2020
	Duenweg Volunteer FPD	Yes	May 17, 2020
	Jasper County Emergency Services	Yes	March 4, 2020
	Jasper Volunteer FPD	Yes	June 29, 2020
	Oronogo FPD	Yes	June 23, 2020
	Peachtree Village CID	Yes	May 14, 2020
	PWSD 1 Jasper County	Yes	June 17, 2020
	PWSD 2 Jasper County	Yes	June 18, 2020
Jefferson	Tri-Cities FPD	Yes	June 22, 2020
	Big River Ambulance District	Yes	February 29, 2020
	Biltmore East CID	Yes	May 26, 2020
	Cedar Hill FPD	Yes	January 31, 2020
	De Soto Rural FPD	Yes	June 17, 2020
	Dunklin FPD	Yes	May 22, 2020
	Festus SRD Jefferson County	Yes	June 29, 2020
	Hematite FPD	Yes	June 24, 2020
	High Ridge Commons CID	Yes	June 23, 2020
	Highway 141/67 TDD	Yes	April 29, 2020
	Hillsboro FPD	Yes	January 25, 2020
	Hillsboro Lake Terrace TDD	Yes	April 2, 2020
	Huntington Glen CID	Yes	April 30, 2020
	Jefferson County 911 Board	Yes	January 28, 2020
	Jefferson County Health Department	Yes	March 17, 2020
	Jefferson R-7 FPD	Yes	February 22, 2020
	Joachim-Plattin Ambulance District	No	
	Lake Adelle Sewer District	Yes	June 29, 2020
	Mapaville FPD	No	
	Northeast Public Sewer District	Yes	June 29, 2020
	Northwest Library Subdistrict	No	
	PWSD 12 Jefferson County	Yes	June 26, 2020
	PWSD 2 Jefferson County	Yes	June 29, 2020
	PWSD 3 Jefferson County	Yes	June 10, 2020
	PWSD 5 Jefferson County	Yes	February 26, 2020
	PWSD 6 Jefferson County	No	
	PWSD 8 Jefferson County	Yes	May 15, 2020
	Ridgecrest TDD	Yes	April 29, 2020
	Rock Creek Public Sewer District	Yes	June 1, 2020
	Rock Township Ambulance District	Yes	March 20, 2020
	Saline Valley FPD	Yes	February 26, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jefferson	Springdale CID	Yes	April 30, 2020
	Truman Boulevard TDD	Yes	February 17, 2020
	Valley at Winding Bluffs CID	Yes	April 30, 2020
	Winding Bluffs CID	Yes	April 30, 2020
	Windsor-Fox Library Subdistrict	No	
	Windswept Farms CID	Yes	April 30, 2020
Johnson	Hawthorne Development TDD	Yes	June 26, 2020
	Johnson County Ambulance District	Yes	June 19, 2020
	Johnson County Emergency Service Board	Yes	June 26, 2020
	Johnson County FPD	Yes	June 10, 2020
	Johnson County FPD 2	Yes	June 4, 2020
	Knob Noster Ninth Street CID	No	
Knox	PWSD 1 Johnson County	Yes	February 13, 2020
	PWSD 2 Johnson County	Yes	February 26, 2020
	PWSD 3 Johnson County	Yes	June 5, 2020
	Western Missouri Medical Center	No	
	Knox County Ambulance District	Yes	May 18, 2020
	Knox County Health Department	Yes	January 13, 2020
Laclede	Bennett Spring FPD	Yes	March 5, 2020
	Competition Volunteer FPD	Yes	May 22, 2020
	Conway SRD 2 Laclede County	Yes	March 18, 2020
	Laclede County Health Department	Yes	January 23, 2020
	Lebanon Rural FPD	Yes	June 30, 2020
	Lebanon-Laclede County PLD	Yes	April 13, 2020
Lafayette	Nebo Falcon FPD	No	
	Phillipsburg SRD 3 Laclede County	Yes	June 22, 2020
	PWSD 1 Laclede County	No	
	PWSD 2 Laclede County	Yes	March 24, 2020
	PWSD 3 Laclede County	Yes	May 20, 2020
	Consolidated PWSD 2 Lafayette County	Yes	May 19, 2020
Lawrence	Higginsville FPD	Yes	February 28, 2020
	Lafayette County Health Department	Yes	June 3, 2020
	Mayview FPD	Yes	June 29, 2020
	Odessa Fire & Rescue Protection	Yes	May 21, 2020
	Wellington-Napoleon R-IX RRD	Yes	January 8, 2020
	Aurora Rural FPD	No	
Lawrence	Aurora SRD Lawrence County	No	
	Buck Prairie SRD Lawrence County	Yes	May 15, 2020
	Freistatt FPD	Yes	January 11, 2020
	Freistatt SRD Lawrence County	Yes	January 11, 2020
	Green Benefit SRD Lawrence County	Yes	June 8, 2020
	Midway Benefit SRD Lawrence County	Yes	April 21, 2020
Lawrence	Miller Benefit SRD Lawrence County	Yes	June 8, 2020
	Miller Rural FPD	No	
	Monett SRD Lawrence County	Yes	January 29, 2020
	Mt. Pleasant Benefit SRD Lawrence County	Yes	April 16, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Lawrence	Mt. Vernon Ambulance District	No	
	Mt. Vernon Benefit SRD Lawrence County	Yes	January 14, 2020
	Mt. Vernon FPD	No	
	Pierce Benefit SRD Lawrence County	Yes	January 28, 2020
	Pierce City FPD	No	
	Red Oak Benefit SRD Lawrence County	No	
	Stotts City FPD	No	
Lewis	Verona Benefit SRD Lawrence County	Yes	June 25, 2020
	Vineyard Benefit SRD Lawrence County	No	
	Buck & Doe Run Creeks WSD	Yes	March 26, 2020
	Canton R-V FPD	Yes	May 8, 2020
	Durgens Creek Watershed Subdistrict	Yes	March 17, 2020
	Ewing-Maywood R-4 FPD	Yes	May 6, 2020
	Grassy Creek Watershed Subdistrict	Yes	March 12, 2020
	Lewis County 911 Board	Yes	May 29, 2020
	Lewis County Ambulance District	Yes	June 7, 2020
	Lewis County Health Department	No	
	PWSD 1 Lewis County	No	
	Troublesome Creek WSD	Yes	March 12, 2020
	Western Lewis County FPD	No	
Lincoln	Clarence Cannon Memorial WSD	Yes	May 6, 2020
	Elsberry FPD	Yes	February 6, 2020
	Elsberry SRD Lincoln County	Yes	February 27, 2020
	Hawk Point FPD	Yes	June 25, 2020
	Highway 61/State Highway U TDD	Yes	April 22, 2020
	Lincoln County Ambulance District	Yes	June 22, 2020
	Lincoln County FPD	Yes	June 29, 2020
	Lincoln County Memorial Hospital	Yes	May 18, 2020
	Northwest FPD Lincoln County	No	
	Old Monroe FPD	Yes	June 22, 2020
	PWSD 1 Lincoln County	Yes	June 4, 2020
	PWSD 2 Lincoln County	No	
	Winfield-Foley FPD	Yes	April 8, 2020
Linn	Consolidated PWSD 1 Linn County	Yes	February 3, 2020
	Laclede Community FPD	Yes	March 14, 2020
	Linn County 911 Board	No	
	Linn County Ambulance District	No	
	Linn County Health Department	Yes	June 15, 2020
	Marceline Carnegie Library District	Yes	February 18, 2020
	Marceline SRD Linn County	Yes	April 1, 2020
	Meadville FPD	Yes	February 10, 2020
	Purdin SRD Linn County	No	
	PWSD 3 Linn-Livingston County	No	
Livingston	Livingston County Health Center	Yes	January 10, 2020
	Livingston County Memorial PLD	Yes	June 30, 2020
	Livingston County NHD	Yes	April 27, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Livingston	Mooresville Township FPD	Yes	April 14, 2020
	PWSD 1 Livingston County	Yes	June 22, 2020
	PWSD 2 Livingston County	Yes	May 14, 2020
	PWSD 3 Livingston County	No	
	PWSD 4 Livingston County	Yes	May 14, 2020
Macon	Bevier FPD	Yes	May 17, 2020
	La Plata Community FPD	Yes	January 10, 2020
	La Plata NHD	No	
	Macon County 911 Board	Yes	March 9, 2020
	Macon County Ambulance District	No	
Madison	Macon County Health Department	Yes	January 23, 2020
	PWSD 1 Macon County	Yes	April 22, 2020
	Samaritan Memorial Hospital	No	
	Madison County Ambulance District	No	
	Madison County Health Department	Yes	January 15, 2020
Maries	Belle FPD	Yes	June 30, 2020
	Belle SRD 6 Maries-Osage County	No	
	Maries-Osage Ambulance District	Yes	January 22, 2020
	Ozark Central Ambulance District	Yes	June 24, 2020
	Vienna Volunteer FPD	Yes	March 18, 2020
Marion	Marion County 911 Board	Yes	May 29, 2020
	Marion County Ambulance District	Yes	June 30, 2020
	Marion County Health Department	Yes	January 10, 2020
	Marion County Library Subdistrict 1	Yes	June 29, 2020
	Marion County NHD	No	
McDonald	Palmyra FPD	Yes	April 21, 2020
	PWSD 1 Marion County	No	
	South River Drainage District	No	
	SZC Development District, Inc. CID	No	
	Goodman Area FPD	No	
Mercer	McDonald County 911 Board	Yes	March 26, 2020
	McDonald County Library District	Yes	April 27, 2020
	PWSD 1 McDonald County	Yes	March 23, 2020
	PWSD 3 McDonald County	No	
	White Rock FPD	Yes	February 27, 2020
Miller	Mercer County Ambulance District	Yes	February 6, 2020
	Mercer County Extension District	Yes	April 15, 2020
	Mercer County FPD	Yes	June 15, 2020
	Mercer County Health Department	Yes	January 3, 2020
	Mercer County Library District	Yes	March 3, 2020
Miller	Mercer FPD	Yes	January 9, 2020
	PWSD 1 Mercer County	Yes	April 21, 2020
	Bagnell SRD Miller County	Yes	June 29, 2020
	Brumley FPD	Yes	June 30, 2020
	Eagles Landing CID	Yes	June 25, 2020
	Heartland Regional Library District	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Miller	Horseshoe Bend TDD	Yes	March 9, 2020
	Iberia Rural FPD	No	
	Isla Del Sol CID	Yes	June 30, 2020
	Kaiser SRD Miller County	Yes	May 13, 2020
	Lake Ozark-Osage Beach SwrD	Yes	June 3, 2020
	Miller County Ambulance District	No	
	Miller County Health Center	Yes	February 17, 2020
	Moreau FPD	Yes	June 29, 2020
	Prewitt Point TDD	Yes	June 2, 2020
	St. Elizabeth FPD	Yes	March 17, 2020
Mississippi	Tuscumbia FPD	No	
	Big Lake Drainage District	Yes	March 30, 2020
	Mississippi Ambulance District	Yes	June 26, 2020
	Mississippi County Health	No	
	Mississippi County Library District	No	
Moniteau	Mississippi/Scott County FPD	Yes	February 26, 2020
	California Rural FPD	Yes	February 21, 2020
	Fortuna FPD	Yes	June 29, 2020
	Jamestown Rural FPD	Yes	April 30, 2020
	Moniteau County 911 Board	Yes	June 22, 2020
	Moniteau County Health Center	Yes	June 22, 2020
	Moniteau County Library District	Yes	January 8, 2020
	PWSD 1 Moniteau County	Yes	February 18, 2020
	PWSD 2 Moniteau County	Yes	March 2, 2020
	Madison-West Monroe FPD	Yes	May 7, 2020
Monroe	Monroe County Ambulance District	Yes	May 6, 2020
	Monroe County Health Department	Yes	January 31, 2020
	Monroe County NHD	Yes	June 22, 2020
	Paris Rural FPD	Yes	May 4, 2020
	Bellflower FPD	No	
Montgomery	Big Spring FPD	Yes	June 22, 2020
	Jonesburg-High Hill FPD	Yes	March 4, 2020
	Middletown Community FPD	No	
	Montgomery Ambulance District	No	
	Montgomery County Health Department	Yes	May 13, 2020
	Montgomery Volunteer FPD	No	
	New Florence FPD	Yes	March 11, 2020
	Rhineland Bottom SRD Montgomery County	Yes	March 5, 2020
	Wellsville SRD Montgomery County	Yes	February 10, 2020
	Barnett SRD 3 Morgan County	Yes	June 25, 2020
Morgan	Gravois Arm Sewer District	No	
	Gravois FPD	Yes	June 9, 2020
	Gravois SRD 8 Morgan County	Yes	June 11, 2020
	Morgan County Health Center	Yes	June 23, 2020
	Morgan County Library District	Yes	May 22, 2020
	PWSD 2 Morgan County	Yes	April 28, 2020

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Morgan	Rocky Mount FPD	Yes	June 29, 2020
	Stover Rural FPD	Yes	March 9, 2020
	Versailles Rural FPD	No	
New Madrid	Drainage District 39 New Madrid County	Yes	May 28, 2020
	Drainage District 41 New Madrid County	Yes	March 6, 2020
	Lilbourn Highway D CID	No	
	New Madrid Ambulance District	No	
	New Madrid County Health Department	Yes	February 3, 2020
	New Madrid County Library District	Yes	April 24, 2020
	PWSD 2 New Madrid County	No	
	PWSD 4 New Madrid County	No	
	PWSD 5 New Madrid County	Yes	January 10, 2020
Newton	Diamond Area FPD	No	
	Diamond SRD Newton County	Yes	June 12, 2020
	East Newton Area FPD	Yes	June 29, 2020
	Fairview SRD Newton County	Yes	June 29, 2020
	Highway 166 CID	Yes	May 1, 2020
	Midway FPD	Yes	January 3, 2020
	Midway SRD Newton County	No	
	Neosho Area FPD	Yes	June 29, 2020
	Neosho Developers CID	Yes	April 3, 2020
	Neosho SRD Newton County	Yes	May 20, 2020
	Neosho TDD	Yes	June 25, 2020
	Neosho-Newton County PLD	No	
	Newton County Ambulance District	Yes	January 23, 2020
	Newton County Health Department	Yes	January 16, 2020
	PWSD 1 Newton County	Yes	May 31, 2020
	Redings Mill FPD	Yes	June 29, 2020
	Seneca Area FPD	Yes	March 18, 2020
	Seneca SRD Newton County	Yes	June 29, 2020
Nodaway	Clearmont FPD	No	
	Elmo Area FPD	No	
	Graham FPD	Yes	May 22, 2020
	Hopkins FPD	No	
	Jackson Township FPD	Yes	March 17, 2020
	Nodaway County Ambulance District	No	
	Nodaway County Health Center	No	
	Parnell FPD	Yes	April 4, 2020
	Polk Rural FPD	Yes	March 12, 2020
	PWSD 1 Nodaway County	Yes	June 30, 2020
	Skidmore FPD	Yes	June 6, 2020
	Union Township FPD	No	
Oregon	Oregon County Ambulance District	Yes	June 2, 2020
	Oregon County Health Department	Yes	February 13, 2020
	Oregon County Library District	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Osage	Thayer SRD Oregon County	Yes	June 9, 2020
	Chamois Volunteer FPD	Yes	February 9, 2020
	Lake Drainage District 1	Yes	January 16, 2020
Osage	Linn FPD	Yes	April 5, 2020
	Osage Ambulance District	Yes	May 27, 2020
	PWSD 1 Osage County	Yes	June 1, 2020
	PWSD 2 Osage County	Yes	June 9, 2020
	PWSD 3 Osage County	Yes	May 19, 2020
	PWSD 4 Osage County	Yes	June 19, 2020
	Ozark County Health Center	No	
Ozark	PWSD 1 Ozark County	Yes	February 10, 2020
Pemiscot	Pemiscot County Health Center	Yes	June 23, 2020
	Pemiscot County Memorial Hospital	No	
Perry	Steele Highway 61 CID	No	
	Perry County Health Department	Yes	May 26, 2020
	Perryville Highway 61 & 51 CID	No	
	PWSD 1 Perry County	Yes	March 5, 2020
	PWSD 2 Perry County	Yes	May 19, 2020
Pettis	Pettis County Ambulance District	Yes	June 15, 2020
	Pettis County FPD 1	Yes	May 30, 2020
	Pettis County Health Center	Yes	April 22, 2020
	PWSD 1 Pettis-Johnson-Saline County	No	
Phelps	Doolittle Rural FPD	Yes	June 30, 2020
	Duke Rural FPD	No	
	Edgar Springs Rural Volunteer FPD	Yes	April 23, 2020
	Phelps County Regional Medical Center	No	
	Phelps County 911 Board	Yes	April 23, 2020
	PWSD 1 Phelps County	Yes	June 4, 2020
	PWSD 2 Phelps County	Yes	June 22, 2020
	PWSD 4 Phelps County	Yes	February 20, 2020
	Rolla Rural FPD	No	
	St. James Ambulance District	No	
	St. James FPD	Yes	May 26, 2020
	Buffalo Township FPD	No	
	Curryville Volunteer FPD	Yes	January 10, 2020
Pike	Eolia Community FPD	Yes	January 31, 2020
	Louisiana SRD 3 Pike County	No	
	Pike County 911 Board	Yes	June 22, 2020
	Pike County Health Department	No	
Platte	9 Highway Corridor CID	No	
	Blair Heights Sewer District	No	
	Camden Point FPD	Yes	June 15, 2020
	Central Platte FPD	Yes	January 4, 2020
	Clemstone Sewer District	Yes	March 14, 2020
	Creekside CID	Yes	June 8, 2020
	Creekside TDD	Yes	June 8, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Platte	Dearborn Area FPD	No	
	Drainage District 1 Platte County	No	
	Edgerton-Trimble FPD	No	
	Farley SRD Platte County	No	
	Meadows at Creekside CID	Yes	June 8, 2020
	Northland Regional AD	No	
	Park Plaza TDD	Yes	June 25, 2020
	Parkville Commons TDD	Yes	January 21, 2020
	Parkville Market Place #2 CID	Yes	June 30, 2020
	Parkville Market Place CID	Yes	June 30, 2020
	Parkville Old Towne CID	Yes	March 19, 2020
	Parkville SRD Platte County	No	
	PC-I CID	Yes	January 21, 2020
	Platte City SRD Platte County	No	
	Platte Co Regional Sewer District	No	
	Platte County Health Department	Yes	June 30, 2020
	Platte County Missouri South TDD I	Yes	June 26, 2020
	Platte County Missouri South TDD II	Yes	June 26, 2020
	Platte Valley Plaza TDD	Yes	June 26, 2020
	PWSD 2 Platte County	Yes	March 19, 2020
	PWSD 4 Platte County	Yes	June 30, 2020
	PWSD 7 Platte County	No	
	PWSD 8 Platte County	Yes	May 26, 2020
	Smithville Area FPD	No	
	Southern Platte Ambulance District	Yes	April 4, 2020
	Southern Platte FPD	Yes	June 15, 2020
	Tremont Square TDD	Yes	June 10, 2020
	Tuileries Plaza TDD	Yes	April 28, 2020
	Village of Green Hills TDD	Yes	June 29, 2020
	Waldron Levee District	No	
	Weatherby Lake FPD	No	
	West Platte FPD	Yes	January 29, 2020
	Weston SRD Platte County	No	
Polk	Blue Mound SRD Polk County	Yes	February 21, 2020
	Bolivar SRD Polk County	Yes	June 7, 2020
	Central Polk County FPD	Yes	March 29, 2020
	Flemington SRD Polk County	Yes	February 24, 2020
	Humansville SRD Polk County	Yes	February 11, 2020
	Morrisville FPD	No	
	Pleasant Hope FPD	No	
	Polk County 911 Board	Yes	February 26, 2020
	Polk County Health Center	Yes	February 5, 2020
	Polk County Library District	No	
	Prairie Heights Area Common SwrD	Yes	March 20, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Pulaski	Southwest SRD Polk County	Yes	March 20, 2020
	Bowman TDD	Yes	May 13, 2020
	Crocker Highway 17 CID	No	
	Crocker Rural FPD	No	
	Dixon Ambulance District	Yes	June 3, 2020
Pulaski	Dixon Rural FPD	No	
	Ehrhardt Properties TDD	No	
	Farris Family TDD	No	
	Hazelgreen FPD	No	
	Interstate Plaza/North Town Village TDD	No	
	Liberty Commons CID	Yes	April 28, 2020
	Plattner CID	Yes	June 10, 2020
	Pulaski County 911 Board	Yes	January 10, 2020
	Pulaski County Ambulance District	Yes	March 16, 2020
	Pulaski County Health Department	No	
	Pulaski County Library District	Yes	March 17, 2020
	Pulaski County Sewer District	Yes	June 25, 2020
	PWSD 1 Pulaski County	Yes	April 14, 2020
	PWSD 2 Pulaski County	Yes	June 30, 2020
	Waynesville Rural FPD	No	
	Westgate CID	Yes	June 23, 2020
Putnam	Elm Township FPD	Yes	February 18, 2020
	Grant Township FPD	No	
	Lake Thunderhead SRD Putnam County	Yes	April 2, 2020
	Liberty Township FPD	Yes	February 26, 2020
	Putnam County Ambulance District	No	
	Putnam County E-911 Board	Yes	February 10, 2020
	Putnam County Health Department	Yes	January 6, 2020
	Putnam County Library District	Yes	May 22, 2020
	Unionville SRD Putnam County	Yes	April 22, 2020
	York Township Volunteer FPD	Yes	March 5, 2020
Ralls	Hannibal Rural FPD	Yes	June 2, 2020
	PWSD 1 Ralls County	Yes	June 24, 2020
	Ralls County 911 Board	Yes	May 29, 2020
	Ralls County Ambulance District 3	Yes	June 30, 2020
	Ralls County Health Department	No	
Randolph	Ralls County Library District	Yes	May 19, 2020
	Eastern Randolph Rural FPD	No	
	Higbee Area FPD	Yes	January 30, 2020
	Little Dixie Regional PLD	Yes	March 27, 2020
	Northeast R-IV Rural FPD	No	
	Randolph County Ambulance District	Yes	May 6, 2020
	Randolph County Health Department	Yes	April 13, 2020
	Southeastern Randolph FPD	No	
	Thomas Hill PWSD 1 Randolph County	Yes	April 14, 2020
	Westran FPD	No	

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Ray	Consolidated PWSD 2 Ray County	No	
	Crooked River Drainage District	Yes	January 22, 2020
	Crystal Lakes SRD Ray County	Yes	June 25, 2020
	Drainage District Ray County	Yes	January 29, 2020
	Egypt Levee District	Yes	January 29, 2020
	Hardin FPD	No	
Ray	Hardin SRD Ray County	No	
	Hardin-Oak Grove Drainage District	No	
	Henrietta-Crooked River D&LD	Yes	February 19, 2020
	Lawson Community Fire & Rescue	No	
	Levee District 1 Ray County	Yes	February 3, 2020
	Levee District 5 Ray County	No	
	Missouri Valley D&LD	Yes	March 11, 2020
	Orrick FPD	Yes	March 23, 2020
	PWSD 1 Ray County	No	
	Ray County Health Department	Yes	May 19, 2020
	Ray County Library District	Yes	June 1, 2020
	Richmond FPD	No	
	Stet Rural FPD	Yes	May 28, 2020
	Tri-County Drainage District	Yes	June 22, 2020
	Wood Heights FPD	Yes	June 9, 2020
Reynolds	Garwood FPD	No	
	Northern Reynolds County FPD	Yes	May 5, 2020
	PWSD 1 Reynolds County	Yes	February 18, 2020
	Reynolds County 911 Board	Yes	February 4, 2020
	Reynolds County Ambulance District	Yes	June 9, 2020
	Reynolds County Health Center	Yes	April 15, 2020
	Reynolds County Library District	Yes	June 17, 2020
Ripley	Bennett SRD Ripley County	Yes	February 13, 2020
	Current River SRD Ripley County	Yes	February 13, 2020
	Doniphan SRD Ripley County	Yes	January 30, 2020
	Fairdealing SRD Ripley County	Yes	February 13, 2020
	Flatwoods SRD Ripley County	Yes	February 13, 2020
	Jordan SRD Ripley County	Yes	February 17, 2020
	Little Black SRD Ripley County	Yes	February 13, 2020
	Logan Creek SRD Ripley County	Yes	February 18, 2020
	Mabrey Bay SRD Ripley County	Yes	February 13, 2020
	Naylor Drainage District	Yes	April 1, 2020
	Naylor SRD Ripley County	Yes	February 17, 2020
	Oxly SRD Ripley County	Yes	February 13, 2020
	Pine Bardley SRD Ripley County	Yes	February 17, 2020
	Ponder Gatewood SRD Ripley County	Yes	February 17, 2020
	Poynor SRD Ripley County	Yes	February 13, 2020
	Pratt SRD Ripley County	Yes	February 13, 2020
	Purman SRD Ripley County	Yes	January 15, 2020
	PWSD 1 Ripley County	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Saline	PWSD 2 Ripley County	Yes	March 25, 2020
	Ripley County Public Health Center	Yes	June 24, 2020
	Running Water SRD Ripley County	Yes	February 13, 2020
	Tucker Bay SRD Ripley County	Yes	February 13, 2020
	Wolfe Creek SRD Ripley County	Yes	February 13, 2020
	Blackburn Elmwood SRD Saline County	Yes	January 21, 2020
	Cole Lake Drainage District 2	Yes	February 5, 2020
	Fish Creek Reorganized DD	Yes	February 15, 2020
	Gilliam SRD Saline County	No	
	Grand Pass SRD Saline County	Yes	February 18, 2020
	Levee District 2 Saline County	Yes	January 14, 2020
	Malta Bend FPD	Yes	May 1, 2020
	Malta Bend Levee District	Yes	May 1, 2020
	Malta Bend SRD Saline County	Yes	February 5, 2020
	Marshall SRD Saline County	Yes	January 15, 2020
	PWSD 1 Saline County	Yes	January 29, 2020
	PWSD 2 Saline County	Yes	March 23, 2020
	PWSD 3 Saline County	No	
	Saline County 911 Board	Yes	June 12, 2020
	Saline County Ambulance District 3	Yes	February 24, 2020
	Saline County Health Department	Yes	May 29, 2020
	Saline County Rural FPD	No	
	Saline-Lafayette Levee District	Yes	January 20, 2020
	Slater Ambulance District 1	Yes	June 4, 2020
	Slater Rural FPD	Yes	May 2, 2020
	Slater SRD Saline County	Yes	January 16, 2020
	Sweet Springs Ambulance District	Yes	May 21, 2020
	Sweet Springs SRD Saline County	Yes	January 10, 2020
	West Central FPD	Yes	April 29, 2020
	West Glasgow Levee District	Yes	December 20, 2019
Schuyler	Consolidated PWSD 1 Schuyler County	No	
	Schuyler County Health Department	Yes	April 21, 2020
	Schuyler County Library District	Yes	June 3, 2020
Scotland	Bear Creek Watershed Subdistrict	No	
	Consolidated PWSD 1 Scotland County	No	
	Scotland County Ambulance District	Yes	June 29, 2020
	Scotland County Health Department	No	
	Scotland County Library District	Yes	June 12, 2020
Scott	NBC FPD	Yes	June 12, 2020
	Oran FPD	No	
	PWSD 1 Scott County	Yes	June 16, 2020
	PWSD 2 Scott County	Yes	January 10, 2020
	Scott County Health Department	No	
Scott	Scott County Rural FPD	Yes	March 19, 2020
	Southern Scott Ambulance District	Yes	January 24, 2020
Shannon	Shannon County Ambulance District	No	

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Shelby	Shannon County Health Department	No	
	Timber Community FPD	Yes	January 14, 2020
	Salt River Ambulance District	Yes	June 23, 2020
	Salt River NHD	Yes	June 10, 2020
	Shelbina FPD	Yes	March 21, 2020
Shelby	Shelbina SRD Shelby County	Yes	April 29, 2020
	Shelby County Health Department	Yes	January 3, 2020
St. Charles	501 South Main Street CID	Yes	April 30, 2020
	Augusta FPD	Yes	May 27, 2020
	BaratHaven CID	Yes	June 26, 2020
	BaratHaven TDD	Yes	April 28, 2020
	Bear Creek CID	No	
	Belleau CID	Yes	April 28, 2020
	Bogey Hills Plaza CID	Yes	April 29, 2020
	Boscherts Landing TDD	No	
	Bryan Road CID	Yes	April 30, 2020
	Caledonia CID	Yes	April 28, 2020
	Central County Fire & Rescue	No	
	Cottleville FPD	Yes	June 23, 2020
	Cottleville Greenway CID	Yes	April 28, 2020
	Crown CID	Yes	April 30, 2020
	Crown TDD	Yes	April 30, 2020
	Dardenne Town Square TDD	Yes	June 26, 2020
	Darst Bottom Levee District	No	
	Duckett Creek Sewer District	No	
	Elm & 370 CID	Yes	April 28, 2020
	Elm Point Commons CID	Yes	April 28, 2020
	Fairgrounds Road CID	Yes	April 30, 2020
	First Capital Drive TDD	Yes	April 30, 2020
	Fountain Lakes Commerce Center North CID	Yes	June 23, 2020
	Fountain Lakes Community Center South CID	Yes	June 23, 2020
	Greens Bottom Drainage District	Yes	June 30, 2020
	Hancock Drainage District	Yes	June 30, 2020
	Hutchings Farm Plaza TDD	No	
	Junction TDD	No	
	Kingsmill TDD	Yes	June 30, 2020
	Lake St. Louis FPD	Yes	June 25, 2020
	Mark Twain Mall TDD	Yes	June 28, 2020
	Megan Shoppes TDD	Yes	June 26, 2020
	Mexico Road TDD	No	
	Mid Rivers/North TDD	Yes	April 28, 2020
	New Melle FPD	No	
	New Town at St. Charles	No	
	New Town at St. Charles II	No	
	O'Fallon FPD	Yes	June 26, 2020
	O'Fallon Retail Walk CID	Yes	June 25, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Charles	Old Town Cottleville CID	Yes	April 28, 2020
	Orchard Farm FPD	Yes	April 8, 2020
	Plaza at Noah's Ark CID	Yes	April 30, 2020
	Rivers Pointe FPD	No	
	South Ridge CID	Yes	April 28, 2020
	St. Charles County AD	Yes	June 29, 2020
	St. Charles Riverfront CID	Yes	June 30, 2020
	St. Charles Riverfront TDD	Yes	June 30, 2020
	Suits U Mexico CID	Yes	May 1, 2020
	Veterans Memorial Parkway CID	Yes	April 28, 2020
	Waterbury Storm Water CID	Yes	March 9, 2020
	Wentzville Bend CID	Yes	June 23, 2020
	Wentzville Bluffs CID	Yes	March 31, 2020
	Wentzville Commons Connector TDD	Yes	June 24, 2020
	Wentzville FPD	Yes	June 12, 2020
	Wentzville II TDD	Yes	June 24, 2020
	Wentzville Industrial TDD	Yes	April 29, 2020
	Wentzville Parkway I TDD	Yes	June 23, 2020
	Wentzville TDD	Yes	June 23, 2020
	Wentzville Three TDD	Yes	June 26, 2020
St. Clair	West Clay Extension CID	No	
	West Pearce CID	Yes	February 12, 2020
	WingHaven TDD	Yes	June 22, 2020
	Appleton City SRD St. Clair County	Yes	January 23, 2020
	Chloe SRD St. Clair County	No	
	Collins CID	No	
	Collins FPD	Yes	June 15, 2020
	Collins SRD St. Clair County	Yes	April 10, 2020
	Hillsdale SRD St. Clair County	Yes	April 10, 2020
	Iconium FPD	Yes	January 17, 2020
	Lowry City SRD St. Clair County	No	
	Osceola SRD St. Clair County	Yes	April 10, 2020
St. Francois	Sac Osage FPD	No	
	St. Clair County Health Center	No	
	St. Clair County Library District	Yes	February 7, 2020
	Vista SRD St. Clair County	Yes	April 10, 2020
	Bismarck FPD	Yes	December 10, 2019
	Doe Run FPD	Yes	February 25, 2020
	Park Hills TDD	Yes	June 30, 2020
	Pilot Knob Rural Water District	No	
	PWSD 1 St. Francois County	No	
	PWSD 2 St. Francois County	Yes	March 23, 2020
	St. Francois Ambulance District	Yes	June 26, 2020
	St. Francois County 911 Board	Yes	June 1, 2020
St. Louis	St. Francois County Health Center	Yes	June 8, 2020
	1030 Woodcrest Terrace Drive CID	Yes	June 10, 2020

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	1030 Woodcrest Terrace Drive TDD	Yes	June 10, 2020
	12796 Manchester Road TDD	Yes	April 30, 2020
	370/MO Bottom Road/Taussig Road TDD	No	
	4576 Woodson Road TDD	No	
	8750 Manchester Road CID	Yes	April 23, 2020
	Adie/St. Charles Rock Road CID	Yes	April 29, 2020
	Affton FPD	Yes	June 29, 2020
	Affton Plaza CID	Yes	June 1, 2020
	Ballwin Town TDD	Yes	June 30, 2020
	Big Bend Crossing TDD	Yes	June 9, 2020
	Black Jack FPD	Yes	June 26, 2020
	Brentwood Pointe TDD	Yes	June 23, 2020
	Brentwood/Eager TDD	Yes	June 29, 2020
	Bridgeton NWP CID	Yes	April 29, 2020
	Bridgeton NWP TDD	Yes	April 28, 2020
	Castle Point Street Light District	Yes	June 25, 2020
	Centene Plaza TDD	No	
	Center at Kenrick Plaza CID	Yes	June 1, 2020
	Chambers/West Florissant CID	Yes	April 24, 2020
	Chesterfield Blue Valley CID	Yes	June 25, 2020
	Chesterfield Commons TDD	No	
	Chesterfield Valley TDD	Yes	June 29, 2020
	Clarkson Kehrs Mill TDD	Yes	June 29, 2020
	Colonial Marketplace CID	No	
	Community FPD	Yes	June 29, 2020
	Crestwood Market CID	Yes	June 29, 2020
	Crestwood Point CID	Yes	June 29, 2020
	Crestwood Point TDD	Yes	June 22, 2020
	Crestwood Square CID	Yes	March 30, 2020
	Creve Coeur FPD	Yes	May 20, 2020
	Crossings CID	No	
	Des Peres Corners TDD	Yes	June 22, 2020
	Dierbergs Des Peres TDD	Yes	June 23, 2020
	Ellisville Marketplace CID	Yes	June 23, 2020
	Elm Grove TDD	No	
	Elmwood Park Street Light District	No	
	Eureka Commercial Park TDD	Yes	April 28, 2020
	Eureka FPD	Yes	June 30, 2020
	Fenton FPD	Yes	June 3, 2020
	Florissant Valley FPD	Yes	June 25, 2020
	Fountain Plaza CID	Yes	June 24, 2020
	Francis Place TDD	No	
	Glasgow Village SLD	Yes	January 7, 2020
	Grant Center CID	Yes	April 30, 2020
	Gravois Bluffs TDD	Yes	June 26, 2020
	Green Trails CID	Yes	April 30, 2020

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Hancock Street Light District	Yes	February 14, 2020
	Hanley Road Corridor TDD	Yes	June 23, 2020
	Hanley Station TDD	Yes	June 30, 2020
	Hanley/Eager Road TDD	Yes	June 1, 2020
	Highway 367 & Parker Road TDD	Yes	April 28, 2020
	Hilltop CID	Yes	June 23, 2020
	Kenrick Plaza CID	Yes	April 30, 2020
	Kinloch FPD	No	
	Koch Plaza TDD	Yes	April 30, 2020
	Lafayette Center CID	Yes	April 28, 2020
	Lemay CID	Yes	June 11, 2020
	Lemay FPD	Yes	June 22, 2020
	Lindbergh East Concord TDD	Yes	March 3, 2020
	Loop Trolley TDD	Yes	January 14, 2020
	Lormil Heights TDD	Yes	June 22, 2020
	Lucas & Hunt/Chandler TDD	Yes	June 30, 2020
	MacKenzie Pointe Center CID	Yes	April 30, 2020
	Manchester Highlands TDD	No	
	Manchester/Ballas CID	Yes	May 28, 2020
	Market at McKnight TDD	Yes	June 22, 2020
	Maryland Heights FPD	Yes	June 9, 2020
	Maryland Oaks CID	Yes	April 30, 2020
	Mayfair Plaza CID	Yes	April 28, 2020
	Mehlville FPD	Yes	June 26, 2020
	Meramec Station Road & Hwy 141 TDD	Yes	June 29, 2020
	Metro North FPD	Yes	June 29, 2020
	Metro West FPD	Yes	May 13, 2020
	Metro Zoological Park & Museum District	Yes	June 22, 2020
	Metropolitan Taxicab Commission	No	
	Mid-County FPD St. Louis County	Yes	June 29, 2020
	Midwest Plaza CID	Yes	May 26, 2020
	Missouri Bottom Road CID	Yes	June 25, 2020
	Missouri Bottom Road TDD	Yes	June 25, 2020
	Missouri Clean Energy District	No	
	Monarch FPD	Yes	June 30, 2020
	Natural Bridge/St Charles Rock Road CID	Yes	April 29, 2020
	NEWCO TDD	Yes	June 23, 2020
	North Oaks Plaza Shopping Center CID	Yes	April 30, 2020
	North Outer Forty TDD	Yes	June 26, 2020
	Northeast Ambulance & FPD	No	
	NWP CID	Yes	April 29, 2020
	Old Dorsett Road CID	Yes	April 28, 2020
	Old Dorsett Road TDD	Yes	April 28, 2020
	Olive/Graeser TDD	Yes	January 14, 2020
	Olivette Gateway CID	No	
	Paddock Forest CID	Yes	April 30, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Pattonville FPD	Yes	June 29, 2020
	Pershall Road TDD	Yes	April 28, 2020
	Riverview FPD	Yes	June 17, 2020
	Robertson FPD	Yes	June 30, 2020
	Robinwood West CID	No	
	Seven Trails Drive TDD	Yes	June 24, 2020
	Shawneetown Acres CID	Yes	June 29, 2020
	Shoppes at Cross Keys TDD	Yes	June 23, 2020
	Shoppes at Hilltop TDD	Yes	May 31, 2020
	Shoppes at Old Webster TDD	Yes	June 15, 2020
	South Hanley Road CID	Yes	April 30, 2020
	South Manchester TDD	Yes	April 1, 2020
	Spanish Lake FPD	Yes	June 24, 2020
	St. Ann City-Wide TDD	Yes	April 2, 2020
	St. Charles Rock Road CID	Yes	June 30, 2020
	St. Charles Rock Road TDD	Yes	June 30, 2020
	St. Cyr Road TDD	Yes	May 29, 2020
	St. John Crossings TDD	Yes	June 30, 2020
	St. John's Church Road TDD	Yes	April 30, 2020
	St. Louis County Library District	Yes	May 5, 2020
	St. Louis Ice Center CID	Yes	June 30, 2020
	Station Plaza TDD	Yes	January 29, 2020
	Telegraph Crossing North CID	Yes	April 30, 2020
	Tori Pines Commons CID	Yes	June 22, 2020
	Town & Country Crossing TDD	Yes	June 29, 2020
	University Place TDD	Yes	June 29, 2020
	Upper West End Park CID	Yes	February 24, 2020
	Valley Park FPD	Yes	June 23, 2020
	Victoria Crossing CID	Yes	June 22, 2020
	Viking Conference Center CID	Yes	April 30, 2020
	Village Square CID	No	
	Watson-Laclede Station Road CID	Yes	March 13, 2020
	West County EMS & FPD	Yes	June 16, 2020
	West Overland EMS & FPD	Yes	June 23, 2020
	Westport Plaza I CID	Yes	April 28, 2020
	Westport Plaza II CID	Yes	April 28, 2020
	Westport Plaza TDD	Yes	April 28, 2020
St. Louis City	Wheaton Cook Lyndhurst SLD	No	
	620 Market TDD	No	
	Adler Lofts TDD	No	
	Bottle District TDD	Yes	April 29, 2020
	Broadway Carrie TDD	No	
	Broadway Hotel TDD	Yes	April 28, 2020
	CB 5421/5975 TDD	Yes	June 9, 2020
	Crowne Plaza TDD	No	
	Euclid Buckingham TDD	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis City	Hampton Berthold CID	No	
	Hampton/Berthold TDD	No	
	Highlands TDD	Yes	April 28, 2020
	Laclede's Landing CID	No	
	Laurel TDD	Yes	June 23, 2020
	Meadows TDD	Yes	June 30, 2020
	Merchant's Laclede TDD	Yes	June 29, 2020
	Southtown TDD	Yes	April 29, 2020
	St. Louis Food Hub TDD	No	
Ste. Genevieve	Tower Grove South Concerned Citizen SBD	No	
	Ozora CID	Yes	June 23, 2020
	PWSD 1 Ste. Genevieve County	Yes	February 10, 2020
	Ste. Genevieve County Health	Yes	June 30, 2020
Stoddard	Ste. Genevieve County PLD	No	
	Ste. Genevieve County SRD A	Yes	March 22, 2020
	Bluff SRD Stoddard County	Yes	February 24, 2020
	Crowder Zeta SRD Stoddard County	Yes	April 21, 2020
	DD 1 Reform 7-13-33-14-17-19	Yes	March 17, 2020
	Drainage District 12 Stoddard County	Yes	April 17, 2020
	Drainage District 15 Stoddard County	Yes	April 17, 2020
	Drainage District 28 Stoddard County	Yes	June 6, 2020
	Drainage District 31 Stoddard County	Yes	April 17, 2020
	Drainage District 4 Stoddard County	Yes	April 17, 2020
	Drainage District 5 Stoddard County	Yes	April 17, 2020
	Drainage District 6 Stoddard County	Yes	April 17, 2020
	Dudley SRD Stoddard County	No	
	Gray Ridge SRD Stoddard County	Yes	March 6, 2020
	Lavalle SRD Stoddard County	Yes	May 6, 2020
	PWSD 3 Stoddard County	No	
	PWSD 5 Stoddard County	No	
	PWSD 6 Stoddard County	Yes	February 11, 2020
	PWSD 7 Stoddard County	Yes	January 21, 2020
	Stoddard County 911 Board	Yes	January 7, 2020
	Stoddard County Ambulance District	Yes	January 30, 2020
	Stoddard County Public Health	No	
Stone	Hurley FPD	Yes	May 28, 2020
	Indian Ridge TDD	No	
	North Stone-Northeast Barry County FPD	Yes	May 15, 2020
	PWSD 1 Stone County	Yes	March 17, 2020
	PWSD 2 Stone County	Yes	January 23, 2020
	Sewer District 1 Stone County	Yes	January 23, 2020
	Southern Stone County FPD	Yes	March 17, 2020
	Stone County 911 Board	Yes	January 31, 2020
	Stone County Health Department	Yes	February 6, 2020
	Stone County Library District	No	
Sullivan	Flori Drive CID	No	

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Sullivan Taney	Harris SRD Sullivan County	Yes	April 30, 2020
	Locust Creek Watershed Subdistrict	No	
	Medicine Creek FPD	No	
	Milan SRD Sullivan County	Yes	March 12, 2020
	Sullivan County Ambulance District	Yes	February 26, 2020
	Sullivan County Health Department	Yes	January 13, 2020
	Sullivan County Library District	No	
	76 Entertainment CID	Yes	June 30, 2020
	Branson Commerce Park CID	No	
	Branson Creek CID	No	
	Branson Hills CID	Yes	February 13, 2020
	Branson Hills Infrastructure Fa CID	Yes	March 30, 2020
	Branson Landing TDD	Yes	June 16, 2020
	Branson Regional Airport TDD	Yes	June 30, 2020
	Cedarcreek FPD	No	
	Central Taney County FPD	Yes	April 29, 2020
	Fall Creek Valley CID	Yes	February 7, 2020
	Forsythe Road CID	No	
	Forsythe Road TDD	No	
	Historic Downtown Branson CID	Yes	May 26, 2020
	Protem FPD	Yes	May 31, 2020
	PWSD 1 Taney County	Yes	June 3, 2020
	PWSD 2 Taney County	No	
	PWSD 3 Taney County	No	
	Taney County Ambulance District	Yes	May 14, 2020
	Taney County Health Department	No	
	Taney County Regional SwrD	No	
	Western Taney County FPD	No	
Texas	Licking Route 32 CID	No	
	PWSD 1 Texas County	Yes	June 3, 2020
	PWSD 2 Texas County	No	
	PWSD 4 Texas County	No	
	TCMH CID	Yes	June 10, 2020
	Texas County EMS Board	No	
	Texas County Health Department	Yes	June 12, 2020
	Texas County Library District	Yes	January 18, 2020
	Texas County Memorial Hospital	Yes	June 30, 2020
Vernon	Consolidated PWSD 1 Vernon County	No	
	PWSD 2 Vernon County	Yes	June 2, 2020
	PWSD 7 Vernon County	No	
Warren	Vernon County Health Department	Yes	January 31, 2020
	Marthasville Community AD	Yes	January 18, 2020
	Marthasville Volunteer FPD	Yes	June 19, 2020
	Warren County 911 Board	Yes	June 26, 2020
	Warren County Ambulance District	Yes	June 26, 2020
	Wright City FPD	Yes	June 26, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Washington	Caledonia FPD	Yes	March 28, 2020
	Irondale FPD	Yes	March 11, 2020
	Potosi FPD	No	
	PWSD 1 Washington County	No	
	PWSD 4 Washington County	Yes	March 16, 2020
	Richwoods FPD	No	
Washington	Washington County 911 Board	No	
	Washington County Health Department	Yes	April 22, 2020
	Washington County Library District	Yes	May 11, 2020
Wayne	Clearwater FPD	No	
	PWSD 2 Wayne County	Yes	January 23, 2020
	PWSD 4 Butler-Wayne County	Yes	June 1, 2020
	Wayne County Health Center	No	
Webster	Marshfield FPD	Yes	May 20, 2020
	Niangua FPD	Yes	February 10, 2020
	Seymour SRD Webster County	Yes	March 15, 2020
	Southern Webster County FPD	No	
	Spindler TDD	Yes	January 13, 2020
	Webster County 911 Board	Yes	January 9, 2020
	Webster County Health Unit	Yes	May 31, 2020
	Webster County Library District	Yes	May 19, 2020
	Worth County 911 Board	Yes	May 15, 2020
	Worth County Ambulance District	Yes	June 10, 2020
Worth	Worth County FPD	Yes	February 11, 2020
	Mountain Grove SRD Wright County	No	
	PWSD 1 Wright County	Yes	January 6, 2020
Wright	Wright County Health Department	Yes	January 16, 2020
	Wright County Library District	Yes	June 17, 2020
Total Filed		1,093	
Total Partially Filed		1	
Total Not Filed		400	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
D&LD	Drainage and Levee District
DD	Drainage District
EMS	Emergency Services
FPD	Fire Protection District
NHD	Nursing Home District
PID	Port Improvement District
PLD	Public Library District
PWSD	Public Water Supply District
RRD	Regional Recreational District
SBD	Special Business District
SLD	Street Light Maintenance District

Appendix A
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
SRD	Special Road District		
SwrD	Sewer District		
TDD	Transportation Development District		
WSD	Watershed Subdistrict		

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2020
Filed in June 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Carroll	Cherry Valley Levee District	Yes	June 23, 2020
Schuyler	Schuyler County NHD	Yes	June 17, 2020
St. Louis	St. Louis County PID 1	Yes	June 11, 2020
Total Filed		3	

Acronyms:

NHD Nursing Home District
PID Port Improvement District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due April 30, 2020

Filed in June 2020

Fiscal Year Ended October 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Carroll	Baltimore Bend Levee District	Yes	June 23, 2020
Platte	PWSD 3 Platte County	Yes	June 11, 2020
Wayne	East Wayne Ambulance District	Yes	June 23, 2020
Total Filed		3	

Acronyms:

PWSD Public Water Supply District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due May 31, 2020
 Filed in June 2020

Fiscal Year Ended November 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Laclede	Lebanon SRD 1 Laclede County	Yes	June 22, 2020
Total Filed		1	

Acronyms:

SRD Special Road District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
June 2020**

Report No. 2020-043

August 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

June 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended December 31, 2019 Reports Due June 30, 2020.....	5
B	Status of Counties Required to File Addendums and Certifications - Fiscal Year Ended December 31, 2019 Filed in June 2020	15
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in June 2020	16
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due May 31, 2020 Filed in June 2020	17



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by June 30, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 257 cities, 11 towns, and 131 villages is presented in summary on page 3 and by individual entity in Appendix A. The filing status for 5 counties is presented in summary on page 4 and by individual entity in Appendix B. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in June 2020, after their filing deadline. The filing status for these 2 cities is presented in summary on pages 4 and by individual entity in Appendixes C to D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

June 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 257 cities, 11 towns, and 131 villages with a fiscal year end of December 31, 2019, whose financial report was due by June 30, 2020. Of the 399 municipalities required to file an annual financial report, 270 filed the report timely. Of the 221 municipalities required to file an addendum, 90 filed an addendum timely. Of the 112 municipalities required to file a certification, 56 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
June 2020
Executive Summary

This report includes the filing status for the 5 counties, with a fiscal year end of December 31, 2019, whose addendum and certification was due by June 30, 2020. Of these entities, 4 filed their addendum timely, and 5 filed their certification timely.

This report includes the filing status for 2 cities that filed at least one of the items (financial report, addendum, or certification) in June 2020, after their filing deadline. Of these municipalities, 2 filed an annual financial report and 1 filed an addendum.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Adair	City of Brashear	Yes	May 28, 2020	No	n/a
	City of Kirksville	Yes	June 24, 2020	Yes	n/a
	Village of Millard	Yes	January 13, 2020	n/a	n/a
Andrew	City of Bolckow	No		n/a	n/a
	Village of Cosby	Yes	March 31, 2020	n/a	n/a
	Village of Country Club	No		No	No
	Village of Rea	No		n/a	n/a
Atchison	Village of Rosendale	Yes	May 1, 2020	n/a	n/a
	City of Fairfax	Yes	June 30, 2020	No	n/a
	City of Rock Port	Yes	June 30, 2020	Yes	Yes
	Village of Watson	Yes	April 27, 2020	n/a	n/a
Audrain	Village of Rush Hill	No		No	n/a
Barry	Arrow Point Village, Inc.	Yes	January 30, 2020	n/a	n/a
	City of Butterfield	No		Yes	No
	City of Seligman	Yes	April 24, 2020	Yes	Yes
	City of Wheaton	Yes	April 27, 2020	No	No
	Village of Chain O Lakes	Yes	March 1, 2020	n/a	n/a
	Village of Emerald Beach	Yes	February 14, 2020	n/a	n/a
Barton	City of Liberal	No		No	n/a
	Village of Lamar Heights	Yes	January 13, 2020	n/a	n/a
Bates	City of Amoret	Yes	May 15, 2020	n/a	n/a
	City of Hume	No		n/a	n/a
	City of Rich Hill	Yes	June 25, 2020	No	n/a
	City of Rockville	No		n/a	n/a
	Village of Foster	Yes	February 3, 2020	n/a	n/a
	Village of Passaic	No		n/a	n/a
Benton	City of Cole Camp	Yes	June 17, 2020	No	No
	City of Lincoln	Yes	June 29, 2020	No	No
	City of Warsaw	No		No	No
Bollinger	Village of Glen Allen	No		n/a	n/a
	Village of Sedgewickville	No		n/a	n/a
Boone	Town of Harrisburg	Yes	June 11, 2020	n/a	n/a
	Town of McBaine	Yes	June 26, 2020	n/a	n/a
	Village of Pierpont	Yes	June 9, 2020	n/a	n/a
Buchanan	City of Easton	Yes	June 28, 2020	Yes	No
	Village of DeKalb	Yes	January 18, 2020	n/a	n/a
	Village of Rushville	Yes	January 19, 2020	n/a	n/a
Butler	City of Neelyville	No		n/a	n/a
	City of Poplar Bluff	No		No	No
Caldwell	City of Kidder	Yes	February 8, 2020	No	n/a
	City of Kingston	No		n/a	n/a
	City of Polo	Yes	May 27, 2020	Yes	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Callaway	City of Auxvasse	No		Yes	n/a
	City of Fulton	Yes	June 30, 2020	Yes	n/a
	City of Holts Summit	Yes	June 25, 2020	No	No
	City of Mokane	Yes	June 16, 2020	n/a	n/a
	City of New Bloomfield	Yes	May 19, 2020	No	n/a
Camden	City of Osage Beach	Yes	June 2, 2020	No	No
	Village of Four Seasons	Yes	February 7, 2020	Yes	n/a
Cape Girardeau	City of Jackson	Yes	June 2, 2020	No	No
	Town of Allenville	No		No	n/a
Carroll	City of Bosworth	No		No	n/a
	City of Hale	Yes	April 28, 2020	No	n/a
	Town of Carrollton	No		No	n/a
	Village of Tina	Yes	April 6, 2020	n/a	n/a
Carter	City of Grandin	Yes	January 16, 2020	Yes	n/a
	City of Van Buren	No		Yes	n/a
Cass	City of Drexel	Yes	June 9, 2020	Yes	n/a
	City of East Lynne	No		No	n/a
	City of Harrisonville	No		Yes	Yes
	City of Lake Winnebago	Yes	May 22, 2020	No	No
	City of Strasburg	No		No	n/a
	Village of Gunn City	No		n/a	n/a
	Village of Riverview Estates	Yes	February 10, 2020	n/a	n/a
	Village of West Line	Yes	February 13, 2020	n/a	n/a
Cedar	Village of Umber View Height	Yes	June 20, 2020	n/a	n/a
Chariton	City of Mendon	Yes	June 28, 2020	n/a	n/a
	City of Sumner	Yes	February 11, 2020	n/a	n/a
	Village of Rothville	Yes	May 29, 2020	n/a	n/a
Christian	City of Billings	Yes	April 24, 2020	Yes	Yes
	City of Fremont Hills	Yes	March 26, 2020	n/a	n/a
	City of Nixa	Yes	April 28, 2020	Yes	Yes
	City of Ozark	Yes	June 26, 2020	Yes	Yes
	Village of Saddlebrooke	Yes	January 3, 2020	n/a	n/a
Clark	City of Revere	No		n/a	n/a
	City of Wyaconda	No		n/a	n/a
	Village of Luray	No		n/a	n/a
Clay	City of Glenaire	Yes	May 5, 2020	No	n/a
	City of Liberty	Yes	June 30, 2020	No	No
	City of Missouri City	Yes	May 13, 2020	No	n/a
	City of Randolph	Yes	May 25, 2020	n/a	n/a
	Village of Prathersville	Yes	May 6, 2020	Yes	n/a
Clinton	City of Trimble	Yes	June 10, 2020	No	No
	Village of Turney	No		n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cole	City of Russellville	Yes	June 22, 2020	n/a	n/a
	Village of Wardsville	Yes	June 29, 2020	No	n/a
Cooper	City of Otterville	No		No	n/a
	Village of Windsor Place	No		No	n/a
Crawford	Village of Leasburg	No		No	n/a
	Village of West Sullivan	Yes	June 30, 2020	n/a	n/a
Dade	Village of Arcola	No		n/a	n/a
	Village of Dadeville	Yes	March 6, 2020	n/a	n/a
	Village of South Greenfield	No		n/a	n/a
Daviess	City of Gallatin	Yes	June 30, 2020	No	n/a
	Village of Jameson	Yes	February 4, 2020	n/a	n/a
	Village of Lock Springs	No		n/a	n/a
	Village of Winston	Yes	June 25, 2020	n/a	n/a
DeKalb	City of Stewartsville	No		No	n/a
	City of Union Star	No		No	n/a
Dunklin	City of Cardwell	No		Yes	Yes
	Village of Rives	No		n/a	n/a
Franklin	City of Gerald	No		No	n/a
	City of St. Clair	Yes	June 12, 2020	Yes	Yes
	Town of Charmwood	Yes	June 30, 2020	n/a	n/a
	Village of Oak Grove	No		n/a	n/a
Gentry	City of McFall	Yes	May 5, 2020	n/a	n/a
	City of Stanberry	No		No	n/a
Greene	City of Republic	Yes	June 18, 2020	Yes	Yes
	City of Walnut Grove	No		No	No
	City of Willard	Yes	June 17, 2020	Yes	Yes
Grundy	City of Laredo	Yes	March 4, 2020	n/a	n/a
Harrison	City of Bethany	Yes	June 26, 2020	No	n/a
	City of Cainsville	Yes	May 21, 2020	n/a	n/a
	City of Gilman City	No		No	n/a
	City of New Hampton	Yes	June 26, 2020	No	n/a
	City of Ridgeway	No		No	n/a
	Village of Blythedale	No		n/a	n/a
	Village of Eagleville	No		n/a	n/a
	City of Blairstown	No		n/a	n/a
Henry	City of Deepwater	Yes	January 21, 2020	No	n/a
	Village of Tightwad	No		n/a	n/a
	City of Cross Timbers	No		n/a	n/a
Hickory	Village of Preston	Yes	May 4, 2020	n/a	n/a
	City of Forest City	Yes	February 18, 2020	Yes	n/a
Holt	Village of Fortescue	No		n/a	n/a
	City of Armstrong	Yes	June 30, 2020	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Howell	City of Brandsville	Yes	March 12, 2020	n/a	n/a
	City of Willow Springs	No		No	Yes
Iron	City of Annapolis	Yes	January 3, 2020	No	n/a
	Village of Des Arc	No		n/a	n/a
Jackson	City of Grain Valley	Yes	June 8, 2020	Yes	No
	City of Lake Lotawana	No		No	n/a
Jasper	City of Levasy	Yes	June 23, 2020	n/a	n/a
	City of Oak Grove	Yes	June 29, 2020	Yes	Yes
	Town of Unity Village	Yes	May 18, 2020	n/a	n/a
	Village of River Bend	Yes	May 29, 2020	n/a	n/a
	Village of Sibley	Yes	April 10, 2020	n/a	n/a
	City of Carytown	Yes	May 26, 2020	n/a	n/a
	City of Duenweg	Yes	June 22, 2020	No	No
	City of Jasper	Yes	June 3, 2020	Yes	n/a
	City of Purcell	Yes	June 30, 2020	No	n/a
	City of Sarcoxie	Yes	March 5, 2020	No	n/a
	Village of Airport Drive	Yes	February 28, 2020	Yes	n/a
	Village of Avilla	No		n/a	n/a
	Village of Fidelity	Yes	April 3, 2020	n/a	n/a
	Village of Reeds	No		n/a	n/a
	City of Kimmswick	No		n/a	n/a
	City of Pevely	Yes	April 20, 2020	No	No
	Village of Cedar Hill Lakes	Yes	February 4, 2020	n/a	n/a
	Village of Lake Tekakwitha	Yes	May 26, 2020	n/a	n/a
	Village of Parkdale	Yes	February 14, 2020	n/a	n/a
	Village of Peaceful Village	No		n/a	n/a
Johnson	City of Centerview	Yes	January 21, 2020	Yes	n/a
	City of Chilhowee	Yes	January 30, 2020	No	n/a
	City of Kingsville	No		No	n/a
	City of Knob Noster	Yes	June 30, 2020	Yes	Yes
	City of Leeton	Yes	June 23, 2020	Yes	n/a
Knox	City of Baring	No		n/a	n/a
	City of Edina	Yes	April 14, 2020	No	n/a
	Village of Newark	No		n/a	n/a
	Village of Novelty	Yes	March 20, 2020	n/a	n/a
Laclede	Village of Phillipsburg	No		n/a	n/a
Lafayette	City of Bates City	Yes	June 25, 2020	No	No
Lawrence	City of Aurora	Yes	May 8, 2020	Yes	Yes
	City of Halltown	No		n/a	n/a
	City of Marionville	Yes	June 26, 2020	Yes	Yes
	City of Mount Vernon	Yes	May 1, 2020	Yes	Yes
	City of Stotts City	Yes	May 29, 2020	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Lawrence	Village of Freistatt	No		No	n/a
	Village of Hoberg	No		n/a	n/a
Lewis	Village of East Fenway	Yes	February 24, 2020	n/a	n/a
Lincoln	City of Elsberry	Yes	June 25, 2020	Yes	Yes
	City of Foley	Yes	February 14, 2020	No	n/a
	City of Hawk Point	Yes	January 22, 2020	No	n/a
	City of Moscow Mills	Yes	April 24, 2020	Yes	No
	City of Old Monroe	Yes	April 28, 2020	No	n/a
	City of Silex	No		No	n/a
	City of Winfield	Yes	June 24, 2020	No	No
	Village of Fountain 'N Lakes	No		No	n/a
	Village of Whiteside	Yes	January 15, 2020	n/a	n/a
	City of Browning	Yes	February 28, 2020	No	n/a
	City of Bucklin	Yes	January 6, 2020	No	n/a
Linn	City of Laclede	No		n/a	n/a
	City of Linneus	Yes	January 6, 2020	n/a	n/a
	City of Meadville	Yes	March 10, 2020	n/a	n/a
	City of Wheeling	No		n/a	n/a
	Village of Ludlow	No		n/a	n/a
Livingston	Village of Utica	No		n/a	n/a
	City of Elmer	Yes	June 30, 2020	n/a	n/a
	City of Ethel	Yes	June 23, 2020	n/a	n/a
Macon	City of Macon	Yes	June 25, 2020	Yes	n/a
	City of New Cambria	Yes	May 26, 2020	n/a	n/a
	Village of South Gifford	Yes	May 8, 2020	n/a	n/a
	City of Marquand	No		No	n/a
	Village of Junction City	No		n/a	n/a
McDonald	City of Goodman	No		No	No
	City of Lanagan	No		No	Yes
	City of Noel	Yes	February 6, 2020	No	No
	City of Pineville	Yes	February 7, 2020	Yes	Yes
	City of Southwest City	No		No	Yes
	Town of Jane	No		n/a	n/a
	Village of Ginger Blue	No		n/a	n/a
	Village of South Lineville	No		n/a	n/a
	City of Eldon	Yes	June 4, 2020	No	n/a
Mercer	City of Lake Ozark	Yes	June 2, 2020	Yes	Yes
	Village of St. Elizabeth	Yes	June 2, 2020	n/a	n/a
	Village of Tuscumbia	Yes	February 8, 2020	n/a	n/a
	City of Anniston	Yes	February 18, 2020	No	n/a
Mississippi	City of Wyatt	No		n/a	n/a
	Village of Pinhook	No		n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Moniteau	City of Jamestown	Yes	June 5, 2020	No	n/a
	City of Lupus	Yes	June 27, 2020	n/a	n/a
Monroe	Village of Holliday	Yes	January 24, 2020	n/a	n/a
	Village of Stoutsville	No		n/a	n/a
Montgomery	City of Bellflower	Yes	January 22, 2020	Yes	n/a
	City of High Hill	No		No	n/a
Morgan	City of Barnett	Yes	June 26, 2020	n/a	n/a
	City of Laurie	Yes	March 5, 2020	Yes	n/a
	City of Syracuse	Yes	March 6, 2020	No	No
	City of Versailles	Yes	January 27, 2020	Yes	Yes
New Madrid	City of Canalou	Yes	February 18, 2020	No	n/a
	City of Marston	Yes	June 29, 2020	Yes	No
	City of Matthews	No		No	No
	City of Morehouse	Yes	January 2, 2020	Yes	No
	City of New Madrid	No		No	n/a
Newton	Village of Tallapoosa	No		n/a	n/a
	City of Fairview	Yes	February 13, 2020	Yes	Yes
	City of Seneca	Yes	May 5, 2020	No	No
	Town of Loma Linda	Yes	June 18, 2020	n/a	n/a
	Village of Cliff Village	Yes	May 6, 2020	n/a	n/a
	Village of Leawood	Yes	March 19, 2020	No	No
	Village of Newtonia	Yes	May 31, 2020	n/a	n/a
	Village of Redings Mill	Yes	March 26, 2020	n/a	n/a
	Village of Ritchey	Yes	January 14, 2020	n/a	n/a
	Village of Shoal Creek Drive	Yes	June 9, 2020	n/a	n/a
	Village of Shoal Creek Estates	No		n/a	n/a
	City of Clearmont	Yes	May 4, 2020	No	n/a
	City of Conception Junction	No		No	n/a
	City of Graham	Yes	May 14, 2020	Yes	n/a
	City of Hopkins	Yes	February 25, 2020	No	n/a
Nodaway	City of Parnell	Yes	June 17, 2020	Yes	n/a
	City of Pickering	Yes	March 26, 2020	No	n/a
	Village of Clyde	Yes	February 7, 2020	No	n/a
	Village of Guilford	No		No	n/a
Osage	Village of Argyle	Yes	June 30, 2020	n/a	n/a
Pemiscot	City of Bragg City	No		n/a	n/a
	City of Homestown	Yes	June 10, 2020	n/a	n/a
	City of Pascola	No		n/a	n/a
	Village of Holland	No		n/a	n/a
	Village of Wardell	Yes	February 5, 2020	Yes	Yes
Perry	Village of Longtown	Yes	June 17, 2020	n/a	n/a
Pettis	City of Houstonia	No		No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Pettis	Village of Hughesville	Yes	May 29, 2020	No	n/a
Phelps	City of Edgar Springs	No		No	n/a
Pike	City of Curryville	Yes	June 4, 2020	n/a	n/a
	Town of Paynesville	Yes	January 6, 2020	n/a	n/a
	Village of Annada	Yes	May 1, 2020	n/a	n/a
Platte	City of Camden Point	No		No	n/a
	City of Dearborn	Yes	June 29, 2020	No	n/a
	City of Edgerton	Yes	April 6, 2020	No	n/a
	City of Lake Waukomis	Yes	June 29, 2020	No	n/a
	City of Parkville	No		No	No
	City of Tracy	Yes	May 30, 2020	No	n/a
	City of Weatherby Lake	Yes	May 28, 2020	Yes	Yes
	City of Weston	No		No	No
	Town of Ridgely	Yes	March 16, 2020	n/a	n/a
	Village of Farley	Yes	March 29, 2020	n/a	n/a
	Village of Ferrelview	Yes	March 18, 2020	Yes	n/a
	Village of Iatan	No		n/a	n/a
	City of Bolivar	Yes	June 30, 2020	Yes	Yes
	City of Fair Play	Yes	April 30, 2020	Yes	n/a
	City of Humansville	No		No	Yes
Polk	City of Pleasant Hope	Yes	May 8, 2020	No	n/a
	Village of Halfway	Yes	March 3, 2020	n/a	n/a
	City of Richland	Yes	June 29, 2020	No	No
	City of St. Robert	No		No	No
	City of Waynesville	Yes	June 30, 2020	Yes	Yes
Pulaski	City of Waynesville	Yes	June 30, 2020	Yes	Yes
	City of St. Robert	No		No	No
Putnam	City of Waynesville	Yes	June 30, 2020	Yes	Yes
	Village of Powersville	Yes	June 22, 2020	n/a	n/a
	Village of Worthington	Yes	June 30, 2020	n/a	n/a
Ralls	City of Center	Yes	May 28, 2020	No	n/a
Randolph	Village of Cairo	No		n/a	n/a
Ray	City of Camden	Yes	June 25, 2020	Yes	Yes
	City of Crystal Lakes	Yes	June 25, 2020	Yes	Yes
	City of Excelsior Estates	Yes	June 8, 2020	n/a	n/a
	City of Henrietta	Yes	June 25, 2020	Yes	Yes
	City of Homestead Village	No		No	n/a
	City of Orrick	Yes	February 4, 2020	Yes	No
	City of Centerville	No		n/a	n/a
Reynolds	City of Centerville	No		n/a	n/a
Ripley	City of Naylor	Yes	February 6, 2020	No	n/a
Saline	City of Blackburn	Yes	June 30, 2020	Yes	n/a
	City of Emma	Yes	June 30, 2020	No	n/a
	City of Gilliam	Yes	May 13, 2020	n/a	n/a
	City of Malta Bend	Yes	February 11, 2020	n/a	n/a
	City of Miami	No		n/a	n/a
	City of Miami	No		n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Saline	City of Slater	Yes	April 9, 2020	No	n/a
Schuyler	City of Downing	No		n/a	n/a
	City of Greentop	Yes	June 25, 2020	No	n/a
	City of Lancaster	Yes	June 30, 2020	Yes	n/a
	City of Queen City	Yes	June 30, 2020	No	n/a
	Village of Glenwood	No		n/a	n/a
	City of Morley	Yes	June 29, 2020	No	n/a
Scott	Village of Kelso	No		No	n/a
	City of Birch Tree	No		No	n/a
Shannon	City of Eminence	Yes	February 25, 2020	Yes	n/a
	City of Winona	Yes	June 29, 2020	Yes	n/a
	City of Shelbyville	Yes	June 23, 2020	No	n/a
Shelby	City of Cottleville	No		No	Yes
	City of Dardenne Prairie	Yes	June 18, 2020	No	No
St. Charles	City of Flint Hill	Yes	January 16, 2020	n/a	n/a
	City of Foristell	Yes	June 12, 2020	n/a	n/a
	City of New Melle	Yes	June 18, 2020	n/a	n/a
	City of O'Fallon	Yes	April 3, 2020	Yes	Yes
	City of St. Charles	Yes	June 26, 2020	Yes	Yes
	City of St. Paul	No		n/a	n/a
	City of Wentzville	Yes	June 16, 2020	Yes	Yes
	City of West Alton	No		n/a	n/a
	Town of Weldon Springs Heigl	No		n/a	n/a
	Village of Josephville	Yes	March 3, 2020	n/a	n/a
	Village of Collins	Yes	May 21, 2020	n/a	n/a
	Village of Roscoe	Yes	February 7, 2020	n/a	n/a
St. Francois	City of Iron Mountain Lake	Yes	January 28, 2020	No	No
St. Louis	City of Ballwin	Yes	May 19, 2020	Yes	Yes
	City of Bel Nor	Yes	June 30, 2020	Yes	Yes
	City of Bel Ridge	No		No	Yes
	City of Bellerive Acres	Yes	March 4, 2020	Yes	Yes
	City of Breckenridge Hills	Yes	June 30, 2020	Yes	No
	City of Brentwood	Yes	June 30, 2020	Yes	Yes
	City of Bridgeton	Yes	June 26, 2020	Yes	Yes
	City of Chesterfield	No		Yes	No
	City of Crestwood	Yes	June 30, 2020	Yes	Yes
	City of Crystal Lake Park	Yes	June 9, 2020	No	No
	City of Dellwood	Yes	June 26, 2020	No	No
	City of Des Peres	Yes	May 28, 2020	No	No
	City of Ellisville	Yes	May 22, 2020	Yes	No
	City of Fenton	Yes	June 26, 2020	Yes	Yes
	City of Green Park	Yes	June 30, 2020	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Huntleigh	No		n/a	n/a
	City of Ladue	Yes	June 17, 2020	Yes	Yes
	City of Lakeshire	Yes	June 17, 2020	Yes	Yes
	City of Manchester	Yes	June 29, 2020	Yes	Yes
	City of Maryland Heights	Yes	June 29, 2020	Yes	Yes
	City of Moline Acres	Yes	February 21, 2020	Yes	Yes
	City of Northwoods	No		Yes	Yes
	City of Shrewsbury	Yes	June 26, 2020	No	No
	City of St. Ann	No		No	Yes
	City of St. John	Yes	June 30, 2020	No	No
	City of Sunset Hills	Yes	June 29, 2020	Yes	Yes
	City of Town and Country	Yes	June 1, 2020	Yes	Yes
	City of Twin Oaks	Yes	June 22, 2020	n/a	n/a
	City of Wilbur Park	Yes	June 15, 2020	n/a	n/a
	City of Wildwood	Yes	June 30, 2020	Yes	No
	Village of Champ	Yes	February 12, 2020	No	No
	Village of Country Life Acres	Yes	March 9, 2020	n/a	n/a
	Village of Glen Echo Park	No		No	No
	Village of Marlborough	No		n/a	n/a
	Village of Riverview	Yes	June 30, 2020	Yes	Yes
	Village of Westwood	No		No	No
Ste. Genevieve	City of Bloomsdale	Yes	June 25, 2020	n/a	n/a
Stoddard	Village of Pendermon	No		n/a	n/a
Stone	City of Galena	Yes	June 3, 2020	Yes	No
	City of Kimberling City	Yes	June 16, 2020	Yes	Yes
	City of Reeds Spring	Yes	May 19, 2020	No	No
	Village of Indian Point	Yes	April 7, 2020	No	n/a
Sullivan	City of Green Castle	Yes	May 18, 2020	n/a	n/a
	City of Green City	Yes	June 22, 2020	No	n/a
	City of Harris	Yes	April 30, 2020	n/a	n/a
	Village of Humphreys	No		n/a	n/a
	Village of Newtown	Yes	January 16, 2020	n/a	n/a
	Village of Osgood	No		n/a	n/a
	Village of Pollock	Yes	March 6, 2020	n/a	n/a
Taney	City of Branson	Yes	June 29, 2020	Yes	Yes
	City of Merriam Woods	Yes	January 23, 2020	No	No
	Village of Kirbyville	Yes	June 30, 2020	n/a	n/a
	Village of Taneyville	Yes	June 28, 2020	n/a	n/a
Texas	City of Houston	No		No	No
	Village of Plato	Yes	January 24, 2020	n/a	n/a
	Village of Raymondville	Yes	March 30, 2020	n/a	n/a
Vernon	City of Bronaugh	Yes	March 27, 2020	Yes	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Vernon	City of Metz	No		n/a	n/a
	City of Nevada	No		No	Yes
	City of Richards	No		n/a	n/a
	City of Schell City	Yes	June 30, 2020	n/a	n/a
	City of Sheldon	Yes	April 17, 2020	No	n/a
	Village of Deerfield	No		n/a	n/a
	Village of Milo	Yes	March 27, 2020	n/a	n/a
	Village of Moundville	No		Yes	n/a
	Village of Stotesbury	Yes	February 19, 2020	n/a	n/a
Warren	City of Wright City	Yes	June 24, 2020	No	No
	Village of Pendleton	Yes	June 30, 2020	n/a	n/a
Washington	Village of Caledonia	Yes	June 29, 2020	n/a	n/a
	Village of Mineral Point	Yes	June 16, 2020	n/a	n/a
Wayne	Village of Mill Spring	Yes	May 22, 2020	Yes	No
Webster	City of Marshfield	Yes	April 24, 2020	Yes	No
Webster	City of Niangua	Yes	January 24, 2020	No	n/a
Worth	City of Grant City	Yes	February 26, 2020	Yes	n/a
	City of Sheridan	Yes	February 25, 2020	n/a	n/a
	Village of Allendale	Yes	May 30, 2020	n/a	n/a
	Village of Denver	No		n/a	n/a
	Village of Worth	Yes	June 12, 2020	No	No
Total Filed		270		90	56
Total Not Filed		129		131	56
Total n/a		0		178	287

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
 Status of Counties Required to File Addendums and Certifications
 Reports Due June 30, 2020

Fiscal Year Ended December 31, 2019

County	Filed Addendum	Filed Certification
Franklin County	No	Yes
Jackson County	Yes	Yes
Jefferson County	Yes	Yes
St. Charles County	Yes	Yes
St. Louis County	Yes	Yes
Total Not Filed	4	5
Total Filed	1	0

Appendix C
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due April 30, 2020
 Filed in June 2020

Fiscal Year Ended October 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Jasper	City of Asbury	Yes	June 25, 2020	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due May 31, 2020
Filed in June 2020

Fiscal Year Ended November 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Flordell Hills	Yes	June 25, 2020	Yes	No
Total Filed		1		1	0



Nicole Galloway, CPA

Missouri State Auditor

**Federal Funding
for COVID-19 Response
June 2020**

Report No. 2020-042

August 2020

auditor.mo.gov

Federal Funding for COVID-19 Response

June 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds June 1, 2020, through June 30, 2020	8
B	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through June 30, 2020	9
C	Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through June 30, 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to show Missouri's spending of federal assistance in the month of June 2020 for the Coronavirus Disease 2019 (COVID-19) emergency and the cumulative financial activity since the state began receiving funding in April 2020.

In March and April 2020, Congress passed several legislative measures signed into law to provide assistance to citizens, businesses, healthcare facilities, and government entities during the COVID-19 emergency. The funding received by or made available to Missouri state government agencies will help pay for the state's emergency response to COVID-19 and provides (1) additional federal matching funds for the state's Medicaid program, MO HealthNet, and (2) funding for various other assistance and benefit programs. The state is passing through some of the funding to local governments. Some funding authorized in the legislation also went directly to local government entities, healthcare facilities, and colleges and universities. The majority of the funding has specific restrictions on its use or state actions and must be spent in defined limited time periods.

In June, the state spent \$267 million from federal COVID-19 assistance (Appendix A). Through the end of June, the state has received \$2.59 billion and spent \$1.09 billion from this assistance. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation in Appendix C. The majority of the state's disbursements have been for MO HealthNet services (\$324 million) and funding passed through to counties and the City of St. Louis (\$521 million). In addition, the state is currently using \$250 million of COVID-19 relief funding for cash management needs.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Senior Auditor:	Jeffrey Roberts, CISA, CFE
Staff Auditor:	Kristin A. Clink, MBA, CFE

Federal Funding for COVID-19 Response

June 2020

Executive Summary

Executive Summary

Missouri has been awarded federal funding under the following federal laws enacted in March and April 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123; H.R. 6074)
- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139; H.R. 266)

The Coronavirus Preparedness and Response Supplemental Appropriations Act provides for grants to or cooperative agreements with states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The state has been awarded as of June 30, 2020, approximately \$17.6 million under this act for additional or new funding under various federal grant programs. Part of this funding went directly to community health centers from the federal government. Each grant program has a separate time limit on use of the funding.

The Families First Coronavirus Response Act provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the state's Medicaid program, MO HealthNet. The state's FMAP percentage was approximately 66 percent prior to this act.¹ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the COVID-19 public health emergency, including any extensions, ends. To qualify for the temporary FMAP increase, Missouri must:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020, (maintenance of effort requirement).
- Not charge premiums that exceed those that were in place as of January 1, 2020.

¹ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act.

Federal Funding for COVID-19 Response
June 2020
Executive Summary

- Cover, without impositions of any cost sharing, testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19.
- Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state (continuous coverage requirement).

Under the Families First Coronavirus Response Act, the state has also been awarded as of June 30, 2020, approximately \$36.2 million of additional or new funding under various federal grant programs for meal assistance, food subsidies, and administrative costs. Each grant program has a separate time limit on use of the funding.

The CARES Act specifies that payments provided to the state from the Coronavirus Relief Fund² may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the state; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The state has received approximately \$2.38 billion in Coronavirus Relief Fund assistance including nearly \$173.5 million for St. Louis County and \$122.7 million for Jackson County.³ Twenty-five percent of the remaining state share (approximately \$521 million) was distributed to other counties in the state and the City of St. Louis based on population. In early July, the Department of the Treasury Office of Inspector General (OIG) issued interim and quarterly reporting requirements for Coronavirus Relief Fund payments. The OIG is responsible for monitoring and oversight of the receipt, disbursement, and use of these payments.

Eligible expenditures for Coronavirus Relief Fund assistance include, but are not limited to, payment for:⁴

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.

² From the U.S. Department of the Treasury, CFDA number 21.019.

³ The funding for Jackson County and St. Louis County went directly to those local governments from the federal government.

⁴ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, April 22, 2020, <<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>>, accessed May 20, 2020.

Federal Funding for COVID-19 Response
June 2020
Executive Summary

- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
- Costs of providing COVID-19 testing, including serological testing.
- Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
- Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.

2. Public health expenses such as:

- Expenses for communication and enforcement by state, territorial, local, and tribal governments of public health orders related to COVID-19.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
- Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
- Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
- Expenses for public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.

3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:

- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.

Federal Funding for COVID-19 Response
June 2020
Executive Summary

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy CARES Act eligibility criteria.

The state may also use Coronavirus Relief Fund assistance to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures.⁵ If the state has not used the Coronavirus Relief Fund assistance it has received to cover costs that were incurred by December 30, 2020, as required by federal law, those funds must be returned to the federal government.

The General Assembly has authorized the Office of Administration (OA) to transfer up to \$750 million in Coronavirus Relief Fund assistance from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. Any transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund prior to June 30, 2021. In May, the OA transferred \$250 million from the stimulus

⁵ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, p.8, May 28, 2020, < <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>>, accessed May 29, 2020.

Federal Funding for COVID-19 Response
June 2020
Executive Summary

fund to the General Revenue Fund. No cash management transfers occurred in June.

Under the CARES Act, the state has also been awarded as of June 30, 2020, approximately \$2.67 billion of additional or new funding under other various federal grant programs for assistance for public schools, institutions of higher education, and healthcare facilities; child care and family services; health care worker training programs; public health education; expanded telehealth services; and numerous other assistance services or benefits. A significant part of this funding went directly to local governments or the awarded entity. Each grant program has a separate time limit on use of the funding.

The Paycheck Protection Program and Health Care Enhancement Act provides funding to states for expanded COVID-19 testing. Under the act, the state has been awarded approximately \$165 million with some of this funding going directly to rural health departments from the federal government.

In June, the state spent \$267 million from federal COVID-19 assistance (Appendix A). Through the end of June, the state has received \$2.59 billion and spent \$1.09 billion from this assistance. The majority of the state's disbursements have been for MO HealthNet services (\$324 million) and funding passed through to counties and the City of St. Louis (\$521 million). The state will be responsible for monitoring use of the funding it passes through to local governments. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation are presented in Appendix C.

Appendix A

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds June 1, 2020, through June 30, 2020

	Unaudited					Ending Fund Balance
	Beginning Fund Balance	Receipts	Disbursements	Transfers In	Transfers Out	
Secretary of State Election Administration Improvements Fund ¹	\$ 3,818,483	0	22,721	0	0	3,795,762
Coronavirus Emergency Supplemental Fund	11,631,106	0	7	0	0	11,631,099
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	55,722,998	52,894,172	108,617,170	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	5,193,481	22,138,408	27,306,180	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	0	54,594,527	54,594,527	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	0	4,114,462	4,114,460	0	0	2
Office of Administration Federal Stimulus Fund	203,467	0	95,039	0	54,361	54,067
Department of Public Safety Federal Stimulus Fund	2,213,222	0	156,991	0	83,882	1,972,349
State Emergency Management Federal Stimulus Fund ²	1,253,953,767	3,143,552	42,359,093	0	2,188,155	1,212,550,071
Department of Corrections Federal Stimulus Fund	11,395,347	0	1,394,882	0	824,084	9,176,381
Department of Mental Health Federal Stimulus Fund	9,502,168	63,556	2,217,793	0	1,041,771	6,306,160
Department of Health and Senior Services Federal Stimulus Fund	1,203,084	18,354,167	18,971,574	0	0	585,677
Department of Social Services Federal Stimulus Fund	762,072	6,245,417	5,976,250	0	52,798	978,441
Department of Labor & Industrial Relations Federal Stimulus Fund	43,953	1,995,000	1,511,266	0	32,547	495,140
Total all Funds	\$ 1,355,643,148	163,543,261	267,337,953	0	4,277,598	1,247,570,858

¹ For the fiscal year ending June 30, 2020, the Secretary of State is using this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. In addition, this fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. However, beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund will be used to account for all COVID-19 receipts (including any remaining balance transferred from the Election Administration Improvements Fund) and related disbursements from July 2020 going forward.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of June, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix B

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through June 30, 2020

			Unaudited		
	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 7,597,405	3,801,643	0	0	3,795,762
Coronavirus Emergency Supplemental Fund	11,631,106	7	0	0	11,631,099
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	324,391,170	324,391,170	0	0	0
Department of Elementary and Secondary Education Federal Stimulus Fund	41,919,981	41,894,272	0	0	25,709
Department of Elementary and Secondary Education Federal Emergency Relief Fund	67,469,751	67,469,751	0	0	0
Missouri Department of Transportation Federal Stimulus Fund	4,114,462	4,114,460	0	0	2
Office of Administration Federal Stimulus Fund	521,241,978	521,093,744	0	94,167	54,067
Department of Public Safety Federal Stimulus Fund	2,262,000	189,250	0	100,401	1,972,349
State Emergency Management Federal Stimulus Fund ²	1,542,293,502	77,492,504	0	252,250,927	1,212,550,071
Department of Corrections Federal Stimulus Fund	11,578,485	1,514,703	0	887,401	9,176,381
Department of Mental Health Federal Stimulus Fund	12,635,523	4,167,118	0	2,162,245	6,306,160
Department of Health and Senior Services Federal Stimulus Fund	37,490,096	36,904,419	0	0	585,677
Department of Social Services Federal Stimulus Fund	7,700,597	6,610,246	0	111,910	978,441
Department of Labor & Industrial Relations Federal Stimulus Fund	2,219,047	1,650,233	0	73,674	495,140
Total all Funds	\$ 2,594,545,103	1,091,293,520	0	255,680,725	1,247,570,858

¹ For the fiscal year ending June 30, 2020, the Secretary of State is using this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. In addition, this fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. However, beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund will be used to account for all COVID-19 receipts (including any remaining balance transferred from the Election Administration Improvements Fund) and related disbursements from July 2020 going forward.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of June, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through June 30, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUND			
Department of Public Safety (DPS) - Office of the Director - Coronavirus Emergency Supplemental Fund grants - personal service	\$ 675,494	0	675,494
DPS - Office of the Director - Coronavirus Emergency Supplemental Fund grants - expense and equipment	10,758,773	7	10,758,766
Total Coronavirus Emergency Supplemental Fund	11,434,267	7	11,434,260
FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE) ENHANCEMENT FUND			
Department of Social Services (DSS) - MO HealthNet Division - Medicare Part D Clawback payments	100,000,000	74,391,170	25,608,830
DSS - MO HealthNet Division - payment to comprehensive prepaid health care plans as provided by federal or state law or for payments to programs authorized by the Frail Elderly Demonstration Project Waiver as provided by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508, Section 4744) and by Section 208.152 (16), RSMo, provided that the department shall implement programs or measures to achieve cost-savings through emergency room services reform, and further provided that MO HealthNet eligibles described in Section 501(a)(1)(D) of Title V of the Social Security Act may voluntarily enroll in the Managed Care Program.	250,000,000	250,000,000	0
Total FMAP Enhancement Fund	350,000,000	324,391,170	25,608,830
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) FEDERAL STIMULUS FUND			
Free public schools - all expenditures	1,515,839,292	0	1,515,839,292
School Nutrition Services Program - reimbursements to schools for school food programs	117,552,821	41,894,272	75,658,549
Total DESE Federal Stimulus Fund	1,633,392,113	41,894,272	1,591,497,841
DESE FEDERAL EMERGENCY RELIEF FUND			
Distributions to free public schools under the Coronavirus Aid, Relief, and Economic Security (CARES) Act	300,000,000	67,469,751	232,530,249
Total DESE Federal Emergency Relief Fund	300,000,000	67,469,751	232,530,249

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 through June 30, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
DEPARTMENT OF HIGHER EDUCATION AND WORKFORCE DEVELOPMENT (DHEWD)			
FEDERAL STIMULUS FUND			
Crowder College	1,718,186	0	1,718,186
Crowder College - maintenance and repair	65,732	0	65,732
Crowder College - equity	133,645	0	133,645
East Central College	1,622,326	0	1,622,326
East Central College - maintenance and repair	47,965	0	47,965
East Central College - equity	126,188	0	126,188
Jefferson College	2,326,275	0	2,326,275
Jefferson College - maintenance and repair	114,448	0	114,448
Jefferson College - equity	180,943	0	180,943
Metropolitan Community College	9,402,075	0	9,402,075
Metropolitan Community College - maintenance and repair	395,635	0	395,635
Metropolitan Community College - equity	731,315	0	731,315
Mineral Area College	1,691,577	0	1,691,577
Mineral Area College - maintenance and repair	68,720	0	68,720
Mineral Area College - equity	131,575	0	131,575
Moberly Area Community College	1,904,480	0	1,904,480
Moberly Area Community College - maintenance and repair	45,518	0	45,518
Moberly Area Community College - equity	148,135	0	148,135
North Central Missouri College	811,508	0	811,508
North Central Missouri College - maintenance and repair	16,606	0	16,606
North Central Missouri College - equity	63,121	0	63,121
Ozarks Technical Community College	4,398,254	0	4,398,254
Ozarks Technical Community College - maintenance and repair	68,116	0	68,116
Ozarks Technical Community College - equity	342,106	0	342,106
St. Charles Community College	2,760,428	0	2,760,428

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through June 30, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
St. Charles Community College - maintenance and repair	63,893	0	63,893
St. Charles Community College - equity	214,713	0	214,713
St. Louis Community College	12,960,637	0	12,960,637
St. Louis Community College - maintenance and repair	473,822	0	473,822
St. Louis Community College - equity	1,008,108	0	1,008,108
State Fair Community College	1,858,709	0	1,858,709
State Fair Community College - maintenance and repair	64,102	0	64,102
State Fair Community College - equity	144,575	0	144,575
Three Rivers College	1,588,805	0	1,588,805
Three Rivers College - maintenance and repair	41,015	0	41,015
Three Rivers College - equity	123,581	0	123,581
State Technical College of Missouri	2,010,124	0	2,010,124
University of Central Missouri	18,446,119	0	18,446,119
Southeast Missouri State University	15,293,156	0	15,293,156
Missouri State University	31,333,687	0	31,333,687
Lincoln University	5,859,958	0	5,859,958
Lincoln University - land grant match	1,296,773	0	1,296,773
Truman State University	13,886,774	0	13,886,774
Northwest Missouri State University	10,395,373	0	10,395,373
Missouri Southern State University	8,010,414	0	8,010,414
Missouri Western State University	7,415,585	0	7,415,585
Harris-Stowe State University	3,487,087	0	3,487,087
University of Missouri	138,745,625	0	138,745,625
Total DHEWD Federal Stimulus Fund	304,037,512	0	304,037,512
DHEWD FEDERAL EMERGENCY RELIEF FUND			
Distributions to institutions of higher education under the CARES Act	200,000,000	0	200,000,000
Total DHEWD Federal Emergency Relief Fund	200,000,000	0	200,000,000

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through June 30, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
MISSOURI DEPARTMENT OF TRANSPORTATION (MoDOT) FEDERAL STIMULUS FUND			
Transit Program - grants to non-urbanized areas under Sections 5311 and 5340, Title 49, United States Code	20,000,000	4,114,460	15,885,540
Aviation Program - construction, capital improvements, or planning of publicly owned airfields by cities or other political subdivisions, including land acquisition, pursuant to provisions of the state Block Grant Program administered through the Federal Airport Improvement Program	1,000,000	0	1,000,000
Total MoDOT Federal Stimulus Fund	21,000,000	4,114,460	16,885,540
OFFICE OF ADMINISTRATION (OA) FEDERAL STIMULUS FUND			
Distribution of federal funds to units of local government as provided in the CARES Act	1,071,000,000	520,925,478	550,074,522
Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	316,500	158,016	158,484
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	16,000	10,250	5,750
Total OA Federal Stimulus Fund	1,071,332,500	521,093,744	550,238,756
DEPARTMENT OF PUBLIC SAFETY (DPS) FEDERAL STIMULUS FUND			
Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	2,262,000	189,250	2,072,750
Total DPS Federal Stimulus Fund	2,262,000	189,250	2,072,750
STATE EMERGENCY MANAGEMENT FEDERAL STIMULUS FUND			
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - state agency disasters	1,253,200,000	76,373,438	1,176,826,562
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - alternate treatment facility personal service	35,000,000	1,119,066	33,880,934

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through June 30, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
Funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020.	90,000,000	0	90,000,000
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency and for first responder training programs	1,800,000	0	1,800,000
Emergency assistance expenses as provided in Section 44.032, RSMo	10,000,000	0	10,000,000
Total State Emergency Management Federal Stimulus Fund	1,390,000,000	77,492,504	1,312,507,496
DEPARTMENT OF CORRECTIONS (DOC) FEDERAL STIMULUS FUND			
Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	11,578,485	1,514,706	10,063,779
Total DOC Federal Stimulus Fund	11,578,485	1,514,706	10,063,779
DEPARTMENT OF MENTAL HEALTH (DMH) FEDERAL STIMULUS FUND			
Office of the Director - personal service	75,000	2,298	72,702
Office of the Director - expense and equipment	5,000,000	0	5,000,000
Division of Behavioral Health - suicide prevention initiatives - expense and equipment	900,000	0	900,000
Division of Developmental Disabilities - community program funding, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need services - expense and equipment	15,364,800	0	15,364,800
Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	8,175,000	4,101,264	4,073,736
Office of the Director - Emergency COVID-19 Directed Treatment Services Program - expense and equipment	2,000,000	63,556	1,936,444
Total DMH Federal Stimulus Fund	31,514,800	4,167,118	27,347,682

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 through June 30, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
DEPARTMENT OF HEALTH AND SENIOR SERVICES (DHSS) FEDERAL STIMULUS FUND			
Division of Community and Public Health - community health programs funding and related expenses	671,000	0	671,000
Division of Community and Public Health - Office of Emergency Coordination - personal service, provided that ten percent (10%) flexibility is allowed from personal service to expense and equipment	445,516	0	445,516
Division of Community and Public Health - Office of Emergency Coordination - expense and equipment and program distribution, provided that ten percent (10%) flexibility is allowed from personal service to expense and equipment	32,556,018	438,189	32,117,829
Division of Community and Public Health - Office of Rural Health and Primary Care - expense and equipment	4,500,000	0	4,500,000
Division of Senior and Disability Services - funds for supportive services and meals to be distributed to each Area Agency on Aging - expense and equipment	25,000,000	6,404,165	18,595,835
Division of Community and Public Health - medications	1,620,000	0	1,620,000
Child nutrition and commodity assistance programs	30,062,065	30,062,065	0
Total DHSS Federal Stimulus Fund	94,854,599	36,904,419	57,950,180
DEPARTMENT OF SOCIAL SERVICES (DSS) FEDERAL STIMULUS FUND			
Family Support Division - Emergency Solutions Grant Program payments	30,000,000	0	30,000,000
Family Support Division - Food Distribution Program and the receipt and disbursement of donated food program payments	4,326,000	245,203	4,080,797
Family Support Division - grants to not-for-profit organizations for service and programs to assist victims of domestic violence	528,000	0	528,000

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through June 30, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
Children's Division - child care services to provide immediate financial assistance to child care providers to prevent them from going out of business and to support child care for families, including healthcare workers, first responders, and other professionals in critical roles during the COVID-19 pandemic, the general administration of the programs, including development and implementation of automated systems to enhance time, attendance reporting, contract compliance and payment accuracy, and to support the Educare Program	20,000,000	6,170,293	13,829,707
Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	1,294,500	194,750	1,099,750
Total DSS Federal Stimulus Fund	56,148,500	6,610,246	49,538,254
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) FEDERAL STIMULUS FUND			
Business and Community Solutions Division - Community Development Block Grant Program - projects awarded on or after July 1, 2019, provided no funds shall be expended at higher education institutions not headquartered in Missouri for purposes of accreditation	20,000,000	0	20,000,000
Total DED Federal Stimulus Fund	20,000,000	0	20,000,000
DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS (DOLIR) FEDERAL STIMULUS FUND			
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - personal service	1,000,000	139,422	860,578
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - expense and equipment	700,000	687,146	12,854
OA - Information Technology Services Division - for DOLIR - expense and equipment	1,000,000	823,665	176,335
Total DOLIR Federal Stimulus Fund	2,700,000	1,650,233	1,049,767
Total All Funds	\$ 5,500,254,776	1,087,491,880	4,412,762,896

* The appropriation authority is the maximum amount that may be expended for the purpose as documented and approved through appropriations bills.

Source: Statewide Accounting System (SAM II). The appendix is presented on the state's legal budgetary basis of accounting that records expenditures when the liabilities are recorded, rather than when cash is disbursed.



Nicole Galloway, CPA

Missouri State Auditor

Department of Revenue

Sales and Use Tax

Report No. 2020-041

August 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of the Department of Revenue - Sales and Use Tax

Ongoing Sales and Use Tax Issues

Several previous audit reports have included concerns and recommendations relating to timely sales and use tax discounts and internet sales. State laws allowing retailers to retain a portion of sales and use taxes collected if they remit the taxes to the Department of Revenue timely result in the state and local governments forgoing significant revenues. Missouri's timely sales and use tax discount is the most generous such discount in the nation, and significantly benefits the state's largest retailers. In addition, Missouri is one of two states with statewide sales taxes that have not passed legislation to allow for the collection of sales tax on online purchases made from out-of-state sellers or to participate in the Streamlined Sales and Use Tax Agreement, costing the state millions in potential sales tax revenue.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Department of Revenue

Sales and Use Tax

Table of Contents

State Auditor's Report	2
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Introduction	
Background	4

Management Advisory Report - State Auditor's Findings	1. Ongoing Sales and Use Tax Issues.....	9
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Organization and Statistical Information		13
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Appendixes

A	Department of Revenue Response.....	16
B	Combined Statement of Receipts and Distributions - State Funds Year Ended June 30, 2019	17
C	Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds Year Ended June 30, 2019	18
D	Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts Year Ended June 30, 2019	19
E	Combined Statement of Distributions - Local Funds Year Ended June 30, 2019	20
F	Comparative Statement of State and Local Sales and Use Tax Collections 10 Years Ended June 30, 2019.....	21
G	Comparative Statement of State and Local Sales and Use Tax Collections - Adjusted for Inflation 10 Years Ended June 30, 2019.....	22
H	Comparative Statement of Distributions - Local Funds 10 Years Ended June 30, 2019.....	23



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Kenneth J. Zellers, Director
Department of Revenue
Jefferson City, Missouri

We have audited certain operations of the Department of Revenue, sales and use tax collections, as required by Section 32.087, RSMo, and in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate the department's internal controls over significant management and financial functions.
2. Evaluate the department's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

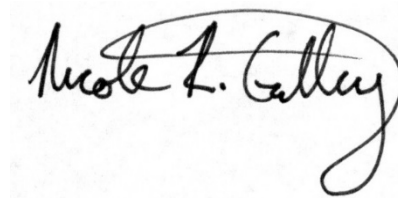
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the department, as well as certain external parties; analysis of comparative data obtained from internal sources; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

Except as discussed in the following paragraph, we conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

Government Auditing Standards require us to obtain and report the views of responsible officials of the audited entity concerning the findings, conclusions, and recommendations included in the audit report. Due to the nature of this report, and due to the findings being legislative in nature, we were unable to obtain views of responsible officials for the findings, conclusions, and recommendations outlined in the Management Advisory Report. The views of responsible Department of Revenue officials were obtained and included herein.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the procedures applied in our audit of the department.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our finding arising from our audit of the Department of Revenue, sales and use tax collections.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Shelbi M. Becker
Audit Staff:	Ethan D. Evans
	Sacha Tejan, CFE
	Emma Hoglebe

Department of Revenue

Sales and Use Tax

Introduction

Background

The state's sales tax is imposed on the purchase price of tangible personal property or taxable services sold at retail. Use tax is imposed on the storage, use, or consumption of tangible personal property in this state. Cities and counties may impose a local sales and use tax. Special taxing districts (such as transportation development districts) may also impose additional sales taxes. State and local sales and use taxes are collected by the Department of Revenue (DOR). The DOR then distributes the local sales and use taxes to the cities, counties, and districts.

Sales and use tax receipts collected from businesses and motor vehicle sales tax receipts collected from businesses and individuals are deposited into various state and local funds. Marine and ATV sales and use tax collections are deposited into the same funds as state sales and use tax. Motor vehicle leasing sales tax collections are deposited into the same funds as motor vehicle sales tax.

For operating purposes, the DOR has been charged with the responsibility of administering transactions in the following funds and accounts.

State Funds

The State Treasurer, as fund custodian, and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly for all state funds.

General Revenue Fund: This fund, authorized by Section 144.700, RSMo, receives collections from a general 3 percent state sales and use tax. State sales tax is collected pursuant to Section 144.020, RSMo, and state use tax is collected pursuant to Section 144.610, RSMo. Retail sales of food are not subject to the 3 percent tax as provided by Section 144.014, RSMo. This fund also receives payments from common carriers in interstate air transportation, as authorized by Section 144.807, RSMo. In addition, the General Revenue Fund pays all motor vehicle sales tax refunds and receives motor vehicle sales tax collections as reimbursement from other state funds for their applicable share of the refunds.

Aviation Trust Fund: This fund, authorized by Section 144.805, RSMo, receives collections from a sales and use tax on aviation jet fuel from common carriers. These taxes are paid as a result of exemptions to General Revenue sales tax. The exemptions are a result of direct-pay agreements between common carriers and the DOR.

Conservation Commission Fund: This fund, authorized by Section 254.020, RSMo, receives collections of the 0.125 percent state sales and use tax and motor vehicle sales tax provided for in Article IV, Section 43(a), Missouri Constitution.



Department of Revenue
Sales and Use Tax
Introduction

State Highways and Transportation Department Fund: This fund received 75 percent of the collections from the 4 percent highway use tax during fiscal years 2013 and 2012. Effective July 5, 2013, the highway use tax was repealed and all motor vehicle transactions are now assessed a sales tax as authorized by Section 144.020, RSMo, which goes into the State Road Fund and the State Road Bond Fund. This fund continues to receive some residual highway use tax collections.

Parks Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax and motor vehicle sales tax.

School District Trust Fund: This fund, authorized by Section 144.701, RSMo, receives collections from a 1 percent state sales and use tax pursuant to Section 144.701, RSMo. Retail sales of food are subject to a 1 percent tax to be deposited into this fund as provided by Section 144.014, RSMo. In addition, this fund receives 12.5 percent of collections from the 4 percent motor vehicle sales tax pursuant to Article IV, Section 30(b)2, Missouri Constitution.

Soil and Water Sales Tax Fund: This fund, authorized by Article IV, Section 47(a) and 47(b), Missouri Constitution, receives 50 percent of the collections from a 0.1 percent state sales and use tax and motor vehicle sales tax.

State Road Bond Fund: This fund, authorized by Article IV, Section 30(b), Missouri Constitution (Amendment 3), receives 37.5 percent of the collections from the 4 percent motor vehicle sales tax.

State Road Fund and State Transportation Fund: These funds, authorized by Article IV, Section 30(b), Missouri Constitution, receive 37.5 percent of the collections from the 4 percent motor vehicle sales tax, which is deposited 36.5 percent to the State Road Fund and 1 percent to the State Transportation Fund.

Local Funds

Sales and use tax collections for local funds are deposited into interest-bearing bank accounts until distributed. Subsequently 99 percent of the collections and earned interest are distributed to the various political subdivisions with the remaining 1 percent going to the General Revenue Fund for a collection fee, except for the Local Fuel Tax and Bond Trust Fund, which has no collection fee withheld from distributions to the fund. The DOR has sole responsibility for maintaining and disbursing fund resources for all local funds.

Local Fuel Tax and Bond Trust Fund: This fund, authorized by Article IV, Section 30(b), Missouri Constitution, receives 12.5 percent of the collections from the 4 percent motor vehicle sales tax. In addition, this fund receives collections from the motor fuel tax authorized by Section 142.803, RSMo.



Department of Revenue
Sales and Use Tax
Introduction

Local Sales and Use Tax Trust Fund: This fund receives collections generated from local sales taxes imposed by local political subdivisions, as authorized by Chapters 66, 67, 70, 92, 94, 162, 190, 238, 321, and 644, RSMo. In addition, this fund receives collections generated by a use tax, authorized by Section 144.757, RSMo, based on the local sales tax in effect, upon all transactions subject to taxes imposed under Sections 144.600 to 144.745, RSMo, except as otherwise provided. Net taxes and interest are subsequently distributed to the cities and counties.

Custodial Accounts

The DOR has been charged with the responsibility of administering transactions in the custodial accounts. Except for the Sales Tax Bond Account held by the State Treasurer, actual custody of the resources in the accounts rests with the DOR. Collections for the custodial accounts held by the DOR are deposited in interest-bearing bank accounts.

Compliance Clearing Account: This account receives tax payments from taxpayer audits. The DOR holds these payments in this account pending final audit review. Depending on the results of the audit review, the DOR transfers the tax payment to the appropriate state and local funds or issues a refund to the taxpayer.

Motor Vehicle Clearing Account: This account receives collections from motor vehicle agent offices and the central office for various taxes and fees. These receipts are subsequently transferred to various state and local funds.

Sales Tax Bond Account: The DOR receives cash bonds posted by taxpayers as authorized by Section 144.087, RSMo. All bond collections are deposited in the General Revenue Fund and reported by the DOR in this account. Cash bonds and related interest are to be refunded to the taxpayer after 1 year if the taxpayer is determined to have satisfactory tax compliance and if the bond was posted before January 1, 1984. If the bond was posted on or after January 1, 1984, the Attorney General has determined that no interest should be refunded. In the event of uncollectible sales tax liabilities, the bonds and related interest, if any, are forfeited to the DOR. The department subsequently distributes the monies to the state and the appropriate political subdivisions. Effective August 28, 2018, a bond is no longer required to obtain a retail sales license, but may be required of licensees in default of filing a return and paying taxes when due.

Protested Sales Tax General Revenue Account: This account is not separately presented in Appendix D for fiscal year 2019. These payments, consisting of the 4.225 percent state portion of sales taxes paid under protest, are deposited in the General Revenue Fund.

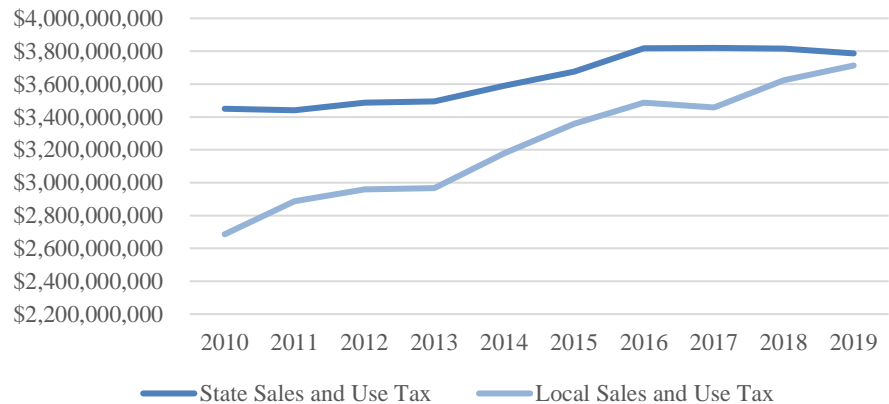


Department of Revenue Sales and Use Tax Introduction

Historical sales and use tax trends and information

As shown in Figure 1, when adjusted for inflation, state and local sales and use tax collections have increased for most years between fiscal year 2010 and fiscal year 2019. Adjusted state sales and use tax collections increased from \$3.45 billion to \$3.79 billion (10 percent), while adjusted local sales and use tax collections increased from \$2.69 billion to \$3.71 billion (38 percent) during this time period.

Figure 1: State and local sales and use tax collections, 2010-2019, by fiscal year, adjusted for inflation



Source: DOR annual reports, SAO analysis of Consumer Price Index data from <https://fred.stlouisfed.org/series/CPIAUCSL>, and Appendix G.

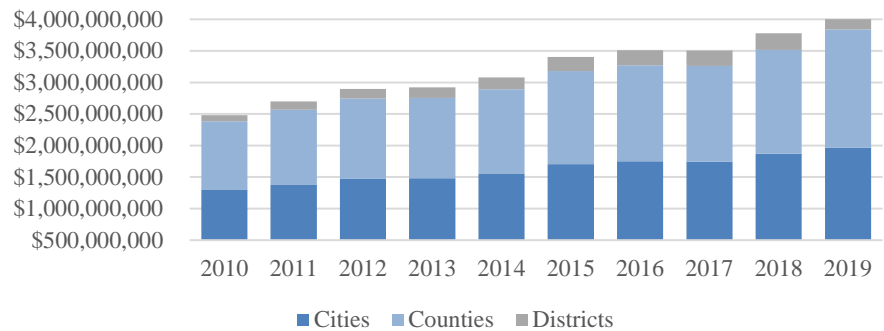
The state sales and use tax rate has remained at 4.225 percent during these 10 years. In comparison, local sales and use tax rates imposed by local political subdivisions are continuously changing as local taxing jurisdictions impose new tax rates and others expire. In addition, the increasing number of districts has contributed to the total increase in local sales tax collections. The total number of districts increased from approximately 320 in fiscal year 2010 to approximately 640 in fiscal year 2019 (100 percent).



Department of Revenue Sales and Use Tax Introduction

Local sales and use tax collections are distributed by the DOR to cities, counties, and districts. As shown in Figure 1, and as further illustrated in Figure 2, local sales and use tax collections and subsequent distributions have increased for most years between fiscal year 2010 and fiscal year 2019.¹

Figure 2: Local sales and use tax distributions by political subdivision type, 2010-2019, by fiscal year



Source: DOR Records, see Appendix H

Sales and use tax exemptions

As noted in several previous audit reports,² the DOR does not adequately capture and track information regarding some sales and use tax exemptions. As a result, the fiscal impact of each exemption and the cumulative fiscal impact of all exemptions on state and local revenues cannot be determined. According to DOR records, as of June 30, 2019, state law provided for 211 sales and use tax exemptions.

DOR officials have stated that reporting exemptions would substantially increase the burden on businesses and based on prior attempts to track limited exemptions, the data collected is likely to be highly inaccurate due to reporting errors by businesses. However, by not requiring businesses to track these adjustments, the DOR is unable to determine the cost of the various sales tax exemptions. Without this information the legislature cannot make informed decisions regarding the effectiveness and cost of the various exemptions. Although not repeated in this report, our recommendation remains as previously stated.

¹ For more detail on local sales and use tax distribution amounts, see Appendix H.

² Report No. 2019-067, *Sales and Use Tax*, issued in August 2019; Report No. 2017-113, *Cost of Tax Incentives and Exemptions*, issued in October 2017; Report No. 2015-080, *Sales and Use Tax*, issued in September 2015; and Report No. 2013-015, *Sales and Use Tax*, issued in February 2013.

Department of Revenue

Sales and Use Tax

Management Advisory Report - State Auditor's Findings

1. Ongoing Sales and Use Tax Issues

Several previous audit reports² have included concerns and recommendations relating to timely sales and use tax discounts and internet sales. These sales and use tax issues continue to be ongoing concerns.

1.1 Timely sales and use tax discounts

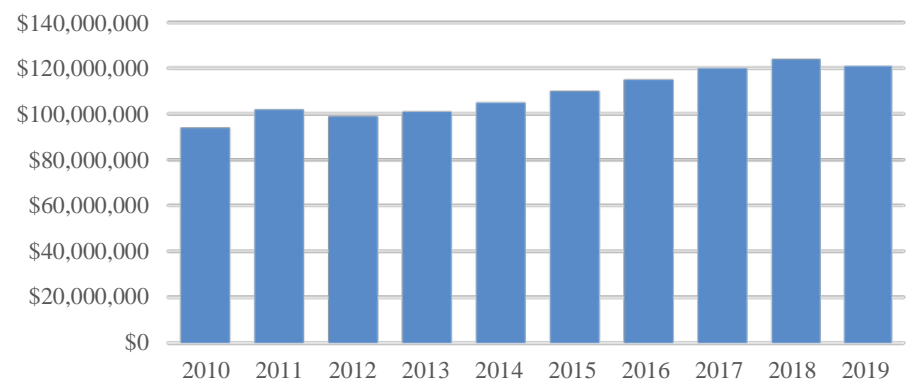
State laws allowing retailers to retain a portion of sales and use taxes collected if they remit the taxes to the Department of Revenue (DOR) timely result in the state and local governments forgoing significant revenues. Missouri's timely sales and use tax discount is the most generous such discount in the nation, and significantly benefits the state's largest retailers. In addition, the DOR does not routinely report to the General Assembly (GA) the amount of timely sales and use tax discounts retained by businesses.

Missouri's discount is the most generous in the nation

Missouri's timely sales and use tax discount is the most generous discount in the nation.³ Sections 144.140 and 144.710, RSMo, allow businesses remitting sales and use taxes to retain 2 percent of taxes payable to the DOR if the business remits payments timely.⁴ The amount of the discount is not capped.

As shown in Figure 3, the amount of sales and use tax revenues foregone as a result of the timely discount retained has increased for most years between fiscal year 2010 and fiscal year 2019. State and local sales tax revenues of approximately \$124 million and \$121 million were collected from purchasers, but retained as discounts by businesses remitting sales and use taxes in fiscal years 2018 and 2019, respectively.

Figure 3: Timely discount totals, 2010-2019, by fiscal year



Source: DOR records

³ Effective January 2020, Colorado's discount is now capped at \$1,000 per filing period, making Missouri's discount the most generous.

⁴ Per Section 144.080, RSMo, if filing annually applicable taxes are due by January 31 of the following year, if filing quarterly applicable taxes are due the last day of the month following the completed quarter, and if filing monthly applicable taxes are due the 20th of the following month. Per Section 144.081, RSMo, if filing quarter-monthly applicable taxes are due within 3 business days following the completed quarter-monthly period.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

In fiscal year 2019, sales and use taxes comprised approximately 21 percent of the state's general revenue. With sales and use tax revenues being used to fund significant portions of state and local government budgets, such large discounts are significant.

According to the Federation of Tax Administrators,⁵ 26 other states offer similar vendor discounts; however, 17⁶ of those states have established ceilings to limit the amount of discount and/or compensation retained by businesses. In addition, the other 9 states either have a lower discount rate than Missouri or only apply the highest discount rate to a limited dollar amount of sales tax collected (e.g., the first \$3,000, then a lower rate applies).

Cap on discount would result in increased revenue

Changing state law to include a monthly cap on the amount of timely discount eligible to be retained would significantly increase state and local revenues. For example, as reported in our audit of state tax incentives and exemptions,⁷ applying a cap of \$2,500 per month (formerly⁸ the largest cap of contiguous states) to Missouri would result in approximately \$52 million in additional state and local sales tax revenue.⁹

Cap on discount would only impact the state's largest retailers

As further discussed in the audit of state tax incentives and exemptions, a monthly timely discount cap of \$2,500 would not affect the majority of sales tax filers. Based on the state's average sales tax rate of 7.86 percent,¹⁰ only businesses with monthly taxable sales of approximately \$1.6 million would have their timely discount capped. Retailers with less than \$1.6 million in monthly taxable sales would continue to receive the full 2 percent timely discount. In fiscal year 2016, the 50 largest sales tax collecting businesses retained approximately 72 percent of timely discounts exceeding \$2,500, with the top 5 largest sales tax collecting businesses receiving a total of \$17 million in discounts.

The state established the timely sales tax discount so businesses could recover a portion of their costs for compliance with state sales tax laws and to encourage timely remittance of sales and use taxes. With increased use of electronic systems to calculate and remit sales tax collections, it is not clear if the continued use of such a discount is necessary to achieve these

⁵ "State Sales Tax Rates and Vendor Discounts (January 1, 2020),"

<<https://www.taxadmin.org/assets/docs/Research/Rates/vendors.pdf>>, accessed on February 27, 2020.

⁶ The number of states with established ceilings has been updated to include Colorado which established a cap, effective January 2020.

⁷ Report No. 2017-113, Cost of Tax Incentives and Exemptions, issued in October 2017.

⁸ As of July 2019, Oklahoma no longer offers a timely discount to sales tax filers.

⁹ Based on fiscal year 2016 data.

¹⁰ Scott Drenkard and Nicole Kaeding, "State and Local Sales Tax Rates in 2016,"

<<https://taxfoundation.org/state-and-local-sales-tax-rates-2016/>>, (March 2016), accessed on June 7, 2017. Calculation regarding the estimated monthly taxable sales was based on this estimated average sales tax rate.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

objectives.¹¹ The current law allowing uncapped timely discounts results in the state and local governments providing a sizable subsidy to the largest retailers in the state, and is more generous than any other state. Implementing a cap on timely discounts would result in additional revenues to the state and local governments without increasing taxes on consumers.

Other states have taken action to change timely discount laws

Some states are reviewing their timely discount structure and making changes to reduce the amount of sales and use tax revenues retained by businesses. For example, Oklahoma had a discount of 1 percent with a cap of \$2,500 per month. However, as of July 2019, Oklahoma no longer offers a timely discount to sales tax filers. In addition, Colorado did not have a cap on the timely discount amount until January 2020, when a cap of \$1,000 per filing period was established.

Amounts of timely discounts are not routinely reported

The DOR is not required to report, and does not routinely report the amount of timely discounts retained by businesses to the GA, local governments impacted, or the general public. DOR officials have stated this data is provided upon request. However, this information could be useful to the GA when making various budget decisions and ensuring the state and local policymakers and the general public are informed of the continuous cost of these discounts.

1.2 Internet sales

Missouri is one of two states with statewide sales taxes that have not passed legislation to allow for the collection of sales tax on online purchases made from out-of-state sellers or to participate in the Streamlined Sales and Use Tax Agreement (SSUTA), costing the state millions in potential sales tax revenue. While legislation was proposed during the 2020 legislative session to address this issue, it failed to become law.

Other states have taken action to update sales tax laws related to online sales

State law currently requires Missouri businesses to collect use tax on online sales only if the business has a physical presence in the state. On June 21, 2018, the United States Supreme Court ruled in *South Dakota v. Wayfair, Inc.*, 585 U.S. (2018), that states may charge tax on purchases made from out-of-state sellers, even if the seller does not have a physical presence in the taxing state. This decision overturned *Quill Corp. v. North Dakota*, 504 U.S. 298 (1992), which restricted state taxation of interstate commerce. Following the *South Dakota v. Wayfair, Inc.* ruling, 43 of 45¹² states with statewide sales taxes have adopted collection and remittance obligations for remote sellers, with Missouri and Florida being the only 2 states that still require a physical presence in the state.

¹¹ "Timely Filing Discount Costs Missourians Millions," <<http://www.mobudget.org/timely-filing-discount/>>, (October 2016), accessed on September 18, 2017.

¹² Jared Walczak and Janelle Cammenga, "State Sales Taxes in the Post-Wayfair Era," <<https://taxfoundation.org/state-remote-sales-tax-collection-wayfair/>>, (December 2019), accessed on May 21, 2020.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Online sales increasing

With the increasing popularity and usage of online shopping, e-commerce sales have grown significantly in recent years. Estimates from the U.S. Census Bureau¹³ show e-commerce sales for the fourth quarter 2019 now account for approximately \$158 billion of \$1.39 trillion in total retail sales (approximately 11 percent), up from approximately \$44 billion in the fourth quarter 2010. As reported in our audit of state tax incentives and exemptions, several studies have estimated the state is forgoing sales tax revenues in the hundreds of millions of dollars by not consistently collecting sales tax revenue on out of state internet sales. These studies also noted local vendors face a competitive disadvantage because consumers who make purchases online avoid paying sales/use taxes. In addition, the recent COVID-19 pandemic has resulted in increased online shopping. The acceleration of this trend may impact the state's sales and use tax revenues.

Streamlined Sales and Use
Tax Agreement

The SSUTA, adopted in November 2002, is a cooperative effort among states, local governments, and businesses to simplify and make more uniform the sales and use tax collection and administration for retailers and states. The SSUTA aims to minimize costs and administrative burdens on retailers that collect sales tax, while also encouraging out-of-state sellers to collect tax on sales to customers in member states. Forty-four states, including Missouri, participated in the Streamline Sales Tax project. However, only 24 of these states (member states) have enacted legislation to conform to at least part of the SSUTA, which allows them to collect sales taxes from vendors in other states.

Recommendations

The General Assembly:

- 1.1 Evaluate the necessity of a timely sales tax discount. If such a discount is deemed necessary, consider the implementation of a monthly cap on the amount of discount retained, and also consider changes to current state laws to require the DOR annually report the reduction of state revenue related to the timely discount to the General Assembly, applicable political subdivisions, and to the general public.
- 1.2 Continue to pursue legislation to collect sales taxes from out-of-state sellers.

Auditee's Response

Due to these recommendations being legislative in nature, no management response can be obtained. While the recommendations are not addressed to the DOR, department officials provided a written response. That response is included at Appendix A.

¹³ U.S. Department of Commerce, "Quarterly Retail E-Commerce Sales 4th Quarter 2019," <https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf>, accessed on March 19, 2020.

Department of Revenue

Sales and Use Tax

Organization and Statistical Information

The Department of Revenue (DOR) was created by Article IV, Section 12, Missouri Constitution as the central collection agency for state revenues. The Director of Revenue is appointed by the Governor, with the advice and consent of the Senate, and is responsible for all operations and policies. DOR responsibilities include:

1. Administering and collecting state taxes and fees, including sales and use tax and motor vehicle sales tax.
2. Collecting certain taxes and fees for local governments, including local sales and use tax.
3. Titling and licensing motor vehicles, trailers, and boats.
4. Licensing motor vehicle operators.

The DOR consists of 3 divisions, the General Counsel's office, and the Director's office.

Motor Vehicle and Driver Licensing Division: This division collects motor vehicle sales and use taxes and consists of 3 bureaus. (1) The Motor Vehicle Bureau issues titles and registers motor vehicles, trailers, all-terrain vehicles, manufactured homes, and marine craft. The bureau also issues registration certificates to motor vehicle and salvage dealers and leasing companies. (2) The Driver License Bureau issues, renews, suspends, revokes, and reinstates driver and nondriver licenses and driving permits. The bureau processes and maintains records relating to license issuance, traffic violation point assessments, failure to appear in court for traffic violations, and administers the alcohol and abuse laws for alcohol/drug offenders. (3) The License Offices Bureau manages the operations of the contract license offices throughout the state. These local offices provide driver licensing and motor vehicle services and are operated by individuals or businesses approved through the state of Missouri bid process.

Taxation Division: This division consists of 5 bureaus that collect taxes and administer state tax law. (1) The Processing Bureau processes returns and payments for individual income, corporate income, property tax credit, sales, use, employer withholding, insurance, financial institution tax, and tire and lead-acid battery fees. This bureau also processes business tax registration applications, business tax account updates, MyTax portal communications, and handles tax-related cashing functions. (2) The Income Tax Bureau administers individual, corporate, property tax credit, fiduciary, and partnership taxes. This bureau's functions include manually reviewing exceptions, processing incoming correspondence, returned refunds and returned mail, answering correspondence, responding to protests, and identification of non-filers and under-reporters for income tax. The bureau is also responsible for the administration of several tax credit programs and the redemption of tax credits claimed by individual and corporate taxpayers. This bureau also identifies and works to prevent individual income tax fraud. (3)



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

The Business Tax Bureau administers motor fuel, cigarette and other tobacco products, financial institutions, sales and use, and employer withholding taxes, along with multiple county, and tire and battery fees. Administrative functions include answering correspondence, processing sales and use tax exemptions, responding to protests, and distribution of funds to both state and local jurisdictions. (4) The Collections and Taxpayer Assistance Bureau provides tax assistance to individuals and businesses and follows procedures for unpaid tax liabilities. This bureau is comprised of 3 main areas of focus: call center, taxpayer assistance, and collections enforcement. The overall focus is account resolution and customer assistance. (5) The Field Compliance Bureau conducts audits to help educate Missouri businesses on their sales, consumer use, vendor use, employer withholding, and corporate income taxes, in addition to tire and battery fee obligations. The bureau also conducts audits of certain large sales and use tax refund claims. The Nexus section identifies taxpayers who have not complied with the business tax laws of Missouri and works with those taxpayers to become compliant. The Electronic Services section maintains the electronic interfaces between Missouri taxpayers, taxpayer representatives, and software developers. This section also handles the system administration functions for several internal and contracted applications.

Administration Division: This division provides administrative support to all other areas of the DOR and consists of 2 bureaus. (1) The Human Resources and Total Rewards Bureau is responsible for the DOR's personnel matters, process improvements, and training. (2) The Financial and General Services Bureau is responsible for all accounting, procurement, banking, and general service matters. This bureau also coordinates space and location needs, telecommunications, safety issues, maintenance, and improvement of the work environment within the DOR.

General Counsel's Office: This office ensures the DOR's compliance with law and internal policies, advises the director and divisions on legal matters relative to the DOR, and represents the DOR in courts and administrative tribunals. This office also consists of 2 investigation bureaus. (1) The Criminal Tax Investigation Bureau investigates and develops information leading to local prosecution of individuals and businesses suspected of violating state statutes related to sales, withholding, and income tax. (2) The Compliance and Investigation Bureau conducts investigations involving allegations of fraud relating to motor vehicle sales tax, titling and registration, odometer, and motor fuel sales tax as well as cigarette tax fraud, driver's license fraud and license plate fraud. The bureau also ensures the compliance of motor vehicle dealers, salvage businesses, and marine dealers with statutes and licensure regulations. In addition to external investigations, the bureau conducts internal audits and investigations of the DOR and contract license offices.



Department of Revenue
Sales and Use Tax
Management Advisory Report - State Auditor's Findings

Director's Office: This office includes the Director, Chief Operating Officer, and key administrative staff responsible for the overall guidance and direction of the DOR. This office includes the Public Information Office, the Legislative Office, and the Communications Office. The Public Information Office develops and maintains positive media and public relations for the DOR. The Legislative Office serves as the DOR's liaison to the General Assembly. The office provides technical assistance, develops fiscal and revenue estimates on proposed legislation, and monitors the progress of bills through the Legislature. The Communications Office develops and maintains department forms, policies, and procedures. The office also maintains the public and internal website, as well as manages the DOR's social media accounts.

Joel W. Walters served as Director of Revenue from April 2017 through March 22, 2019. Kenneth J. Zellers was appointed Acting Director of Revenue on March 22, 2019, and appointed Director of Revenue on October 2, 2019.



Appendix A
Department of Revenue-Sales and Use Tax
Department of Revenue Response



MICHAEL L. PARSON
GOVERNOR

KENNETH J. ZELLERS
DIRECTOR OF REVENUE

MISSOURI DEPARTMENT OF REVENUE
POST OFFICE BOX 311
JEFFERSON CITY, MISSOURI 65105-0311
PHONE: (573) 751-4450
FAX: (573) 751-7150
WEBSITE: www.dor.mo.gov

July 2, 2020

Nicole Galloway, CPA
Missouri State Auditor
Missouri State Auditor's Office
PO Box 869
Jefferson City, MO 65102

Dear Ms. Galloway:

The Department of Revenue acknowledges the recommendations of the Missouri State Auditor's report on Sales and Use Tax.

Recommendation 1.1 — The General Assembly evaluate the necessity of a timely sales tax discount. If such a discount is deemed necessary, consider the implementation of a monthly cap on the amount of discount retained, and also consider changes to current state laws to require the DOR annually report the reduction of state revenue related to the timely discount to the General Assembly, applicable political subdivisions, and to the general public.

Recommendation 1.2 — The General Assembly continue to pursue legislation to collect sales taxes from out-of-state sellers.

DOR Response — If the General Assembly passes legislation that requires action, the Department of Revenue will incorporate those provisions into our processes and comply with any state laws regarding these recommendations.

If you have any questions, please contact me at 751-1115, or Joshua.Shope@dor.mo.gov.

Sincerely,

Ken Zellers

KZ/jks

c: Lynn Kempker Joel Allison Maria Sanders
 Spencer Bartlett Mark Godfrey Esta Zaring

Appendix B

Department of Revenue
Sales and Use Tax
Combined Statement of Receipts and Distributions - State Funds
Year Ended June 30, 2019

	General Revenue Fund	Aviation Trust Fund	Conservation Commission Fund	State Highways and Transportation Department Fund	Parks Sales Tax Fund	School District Trust Fund	Soil and Water Sales Tax Fund	State Road Bond Fund	State Road Fund	State Transportation Fund	Total (Memorandum Only)
RECEIPTS											
Marine/ATV/Manufactured sales and use tax	\$ 8,263,870	0	339,570	0	135,828	2,715,975	135,829	0	0	0	11,591,072
Motor vehicle sales and use tax ¹	4,092,907	0	13,886,286	(3,022)	5,554,520	55,570,806	5,554,521	166,641,801	162,196,725	4,443,781	417,938,325
Sales and use tax	2,218,506,378	6,840,745	106,516,975	0	42,606,840	848,358,580	42,606,622	11,354,306	11,051,471	302,768	3,288,144,685
Total Receipts	2,230,863,155	6,840,745	120,742,831	(3,022)	48,297,188	906,645,361	48,296,972	177,996,107	173,248,196	4,746,549	3,717,674,082
DISTRIBUTIONS											
Transmitted to State Treasurer	2,230,863,155	6,840,745	120,742,831	(3,022)	48,297,188	906,645,361	48,296,972	177,996,107	173,248,196	4,746,549	3,717,674,082
Total Distributions	2,230,863,155	6,840,745	120,742,831	(3,022)	48,297,188	906,645,361	48,296,972	177,996,107	173,248,196	4,746,549	3,717,674,082
RECEIPTS OVER (UNDER) DISTRIBUTIONS	\$ 0	0	0	0	0	0	0	0	0	0	0

¹ Negative receipts are due to the timing of adjustments for coding corrections.

Source: DOR records

Appendix C

Department of Revenue

Sales and Use Tax

Combined Statement of Receipts, Distributions, and Changes in Cash and Investments - Local Funds

Year Ended June 30, 2019

	Local Fuel Tax and Bond Trust Fund	Local Sales and Use Tax Trust Fund	Total (Memorandum Only)
RECEIPTS			
Motor fuel taxes and fees	\$ 209,987,974	0	209,987,974
Sales tax	55,547,266	3,540,325,565	3,595,872,831
Use tax ¹	(431)	172,662,042	172,661,611
Miscellaneous tax	0	42,924,543	42,924,543
Protested tax	0	67,824	67,824
Motor fuel bond	3,000	0	3,000
Motor fuel pool bond	9,515	0	9,515
Interest income	208,809	6,405,039	6,613,848
Total Receipts	<u>265,756,133</u>	<u>3,762,385,013</u>	<u>4,028,141,146</u>
DISTRIBUTIONS			
Political subdivisions	274,961,367	3,710,857,090	3,985,818,457
General Revenue Fund	6,500	35,985,600	35,992,100
Protest settlements	0	44,911	44,911
Total Distributions	<u>274,967,867</u>	<u>3,746,887,601</u>	<u>4,021,855,468</u>
RECEIPTS OVER (UNDER) DISTRIBUTIONS	(9,211,734)	15,497,412	6,285,678
CASH AND INVESTMENTS, JULY 1	26,317,968	477,356,213	503,674,181
CASH AND INVESTMENTS, JUNE 30	<u>\$ 17,106,234</u>	<u>492,853,625</u>	<u>509,959,859</u>

¹ Negative receipts are due to the timing of adjustments for coding corrections.

Source: DOR records

Appendix D

Department of Revenue

Sales and Use Tax

Combined Statement of Additions, Deductions, and Changes in Cash and Investments - Custodial Accounts

Year Ended June 30, 2019

	Compliance Clearing Account ¹	Motor Vehicle Clearing Account ¹	Sales Tax Bond Account ²	Total (Memorandum Only)
ADDITIONS				
Miscellaneous tax collections	\$ 6,673,305	1,118,162,136	0	1,124,835,441
Protested tax collections	0	0	0	0
Bond collections	0	0	537,190	537,190
Interest income	13,940	338,742	0	352,682
Total Additions	<u>6,687,245</u>	<u>1,118,500,878</u>	<u>537,190</u>	<u>1,125,725,313</u>
DEDUCTIONS				
Miscellaneous taxes and interest	6,062,758	1,118,313,850	0	1,124,376,608
Protested taxes and interest	0	0	0	0
Bonds and interest	0	0	16,883,409	16,883,409
Total Deductions	<u>6,062,758</u>	<u>1,118,313,850</u>	<u>16,883,409</u>	<u>1,141,260,017</u>
ADDITIONS OVER (UNDER) DEDUCTIONS	624,487	187,028	(16,346,219)	(15,534,704)
CASH AND INVESTMENTS, JULY 1³	<u>1,067,085</u>	<u>26,957,934</u>	<u>26,906,814</u>	<u>54,931,833</u>
CASH AND INVESTMENTS, JUNE 30	<u><u>\$ 1,691,572</u></u>	<u><u>27,144,962</u></u>	<u><u>10,560,595</u></u>	<u><u>39,397,129</u></u>

¹ Held by the department in trust.

² Held by the State Treasurer in trust.

³ The Protested Sales Tax General Revenue Account is not presented in this Appendix for fiscal year 2019.
These protested sales tax monies are deposited into the General Revenue Fund.

Source: DOR records

Appendix E

Department of Revenue
Sales and Use Tax
Combined Statement of Distributions - Local Funds
Year Ended June 30, 2019

	Local Fuel Tax and Bond Trust Fund	City Sales Tax Trust Fund	City Alternate Sales Tax Trust Fund	St. Louis Capital Improvements Trust Fund	Public Mass Transportation Sales Tax Trust Fund	Local Option Use Tax Trust Fund	County Sales Tax Trust Fund	County Alternate Sales Tax Trust Fund	Districts Sales Tax Trust Fund	Total (Memorandum Only)
Cities ¹	\$ 158,119,319	645,508,505	723,344,618	36,969,551	281,015,932	120,365,211	0	0	0	1,965,323,136
Counties ¹	116,842,048	0	0	0	218,883,114	49,679,793	486,169,146	1,002,123,721	0	1,873,697,822
Districts ¹ :										
Ambulance Districts	0	0	0	0	0	0	0	0	57,995,103	57,995,103
Emergency Service Districts	0	0	0	0	0	0	0	0	14,855,612	14,855,612
Fire Protection Districts	0	0	0	0	0	0	0	0	19,686,410	19,686,410
Hospital Districts	0	0	0	0	0	0	0	0	586,903	586,903
Public Library Districts	0	0	0	0	0	0	0	0	1,718,768	1,718,768
Regional Jail Districts	0	0	0	0	0	0	0	0	1,087,843	1,087,843
Regional Recreation Districts	0	0	0	0	0	0	0	0	14,045	14,045
Tourism Community Districts	0	0	0	0	0	0	0	0	8,393,574	8,393,574
Zoological Districts	0	0	0	0	0	0	0	0	17,824,419	17,824,419
Transportation Development Districts	0	0	0	0	0	0	0	0	79,642,576	79,642,576
Community Improvement Districts	0	0	0	0	0	1,258,478	0	0	66,546,734	67,805,212
Port Improvement Districts	0	0	0	0	0	56,274	0	0	157,871	214,145
Total	\$ <u>274,961,367</u>	<u>645,508,505</u>	<u>723,344,618</u>	<u>36,969,551</u>	<u>499,899,046</u>	<u>171,359,756</u>	<u>486,169,146</u>	<u>1,002,123,721</u>	<u>268,509,858</u>	<u>4,108,845,568</u>

¹ Local sales and use tax distributions by political subdivision are available in the Department of Revenue's annual Financial and Statistical Report. However, the Department of Revenue does not report distributions for political subdivisions with less than 6 taxpayers. For this schedule, all local sales and use tax distributions have been included in the amounts reported. The Department of Revenue's annual Financial and Statistical Report is accessible through the Department of Revenue's website at <http://www.dor.mo.gov>.

Source: DOR records

Appendix F

Department of Revenue

Sales and Use Tax

Comparative Statement of State and Local Sales and Use Tax Collections

	Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
State Sales and Use Tax	\$ 2,951,026,637	3,007,369,328	3,131,793,823	3,192,624,294	3,331,915,714	3,430,314,960	3,588,844,184	3,659,746,431	3,742,345,985	3,786,770,305
Local Sales and Use Tax	2,298,017,458	2,522,963,128	2,657,636,085	2,710,095,629	2,950,216,388	3,134,151,262	3,277,995,153	3,312,491,891	3,552,265,312	3,713,055,431
Total Collections	\$ <u>5,249,044,095</u>	<u>5,530,332,456</u>	<u>5,789,429,908</u>	<u>5,902,719,923</u>	<u>6,282,132,102</u>	<u>6,564,466,222</u>	<u>6,866,839,337</u>	<u>6,972,238,322</u>	<u>7,294,611,297</u>	<u>7,499,825,736</u>

Source: DOR annual reports

Appendix G

Department of Revenue

Sales and Use Tax

Comparative Statement of State and Local Sales and Use Tax Collections - Adjusted for Inflation

	Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
State Sales and Use Tax	\$ 3,449,284,896	3,440,477,146	3,486,743,218	3,494,220,474	3,590,517,718	3,675,583,085	3,818,131,613	3,820,040,372	3,816,610,925	3,786,770,305
Local Sales and Use Tax	2,686,020,115	2,886,308,941	2,958,845,671	2,966,108,994	3,179,193,329	3,358,243,630	3,487,422,769	3,457,576,363	3,622,758,198	3,713,055,431
Total Collections	\$ <u>6,135,305,011</u>	<u>6,326,786,087</u>	<u>6,445,588,889</u>	<u>6,460,329,468</u>	<u>6,769,711,047</u>	<u>7,033,826,715</u>	<u>7,305,554,382</u>	<u>7,277,616,735</u>	<u>7,439,369,123</u>	<u>7,499,825,736</u>

Source: DOR annual reports, SAO analysis of Consumer Price Index data from <<https://fred.stlouisfed.org/series/CPIAUCSL>>

Appendix H

Department of Revenue
Sales and Use Tax
Comparative Statement of Distributions - Local Funds

	Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Cities ¹	\$ 1,302,336,515	1,375,434,603	1,472,512,205	1,479,663,181	1,556,763,139	1,702,603,661	1,751,813,928	1,743,115,737	1,870,426,160	1,965,323,136
Counties ¹	1,084,318,714	1,190,874,338	1,273,528,036	1,275,642,722	1,336,010,850	1,477,149,378	1,521,425,739	1,520,155,318	1,645,773,164	1,873,697,822
Districts ¹										
Ambulance Districts	35,834,162	37,614,539	40,232,711	40,622,866	43,754,650	49,247,153	53,054,189	54,854,636	57,517,087	57,995,103
Emergency Service Districts	3,887,078	7,143,953	7,519,253	7,524,813	10,430,448	13,184,536	13,813,028	14,101,642	14,829,750	14,855,612
Fire Protection Districts	11,767,709	13,060,004	14,105,320	14,207,178	15,240,684	16,945,905	17,701,780	17,955,973	19,333,947	19,686,410
Hospital Districts	0	0	97,546	329,590	383,322	394,732	417,350	403,102	369,693	586,903
Public Library Districts	0	0	0	623,720	1,064,213	1,202,701	1,227,514	1,194,950	1,520,400	1,718,768
Regional Jail Districts	857,842	872,570	925,244	895,020	936,890	1,035,556	1,058,124	1,081,865	1,079,528	1,087,843
Regional Recreation Districts	0	0	1,029	3,146	3,857	5,383	3,528	4,639	13,888	14,045
Tourism Community Districts	7,089,429	7,451,557	6,052,170	7,401,168	7,531,710	7,936,743	8,217,319	8,127,822	8,359,606	8,393,574
Zoological Districts	0	0	4,542,779	14,249,348	14,986,687	16,515,801	17,239,588	17,131,267	17,862,598	17,824,419
Transportation Development Districts	14,144,062	45,774,991	51,150,119	51,515,254	60,401,992	71,639,918	74,911,843	74,945,567	78,091,563	79,642,576
Community Improvement Districts ²	15,047,449	18,518,718	24,057,173	27,846,354	30,357,558	40,712,899	46,456,789	49,905,510	62,795,570	67,805,212
Community Development Districts	3,048,250	2,896,714	3,131,750	3,177,621	3,238,916	3,607,775	3,770,163	3,854,222	0	0
Port Improvement Districts	0	0	0	0	0	0	131,268	205,849	278,081	214,145
Total Districts	91,675,981	133,333,046	151,815,094	168,396,078	188,330,927	222,429,102	238,002,483	243,767,044	262,051,711	269,824,610
Total Local Distributions	\$ 2,478,331,210	2,699,641,987	2,897,855,335	2,923,701,981	3,081,104,916	3,402,182,141	3,511,242,150	3,507,038,099	3,778,251,035	4,108,845,568

¹ For fiscal years prior to fiscal year 2015, sales and use tax distributions for political subdivisions with less than 6 taxpayers are not included in the amounts reported.

² In fiscal year 2018, the Department of Revenue combined Community Development Districts with Community Improvement Districts.

Source: DOR records



Nicole Galloway, CPA

Missouri State Auditor

Valley R-VI School District Attendance Procedures

Report No. 2020-040

July 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Valley R-VI School District Attendance Procedures

Low Attendance	Student attendance decreased significantly after the Superintendent's April 2019 letter that discouraged attendance. Although the Department of Elementary and Secondary Education disallowed the student attendance data for the date included in the Superintendent's letter, the district continued to experience low attendance during the remainder of the school year. As a result, the district met the goal noted in the letter of a lower Average Daily Attendance and was eligible for additional funding.
Attendance procedures and controls	The district's attendance system does not limit the time period when changes can be made and there is no review by district officials to ensure changes made to current school year attendance records are appropriate. The Superintendent has more access in the attendance system than required for his job duties.

Due to the nature of this report, no rating is provided.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Valley R-VI School District Attendance Procedures

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
1. Low Attendance	6
2. Attendance Procedures and Controls.....	10

Organization and Statistical	13
Information	

Appendixes

A	Superintendent's Letter	14
B	Department of Elementary and Secondary Education's Response to the Superintendent's Letter	15
C	Statement of Receipts, Disbursements and Changes in Fund Balance - Cash Basis.....	17



NICOLE GALLOWAY, CPA

Missouri State Auditor

Board of Education
Valley R-VI School District

The State Auditor conducted an audit of the Valley R-VI School District Attendance Procedures under authority granted in Section 29.205, RSMo. Due to concerns regarding attendance rates raised by the Department of Elementary and Secondary Education, the State Auditor initiated the audit. We have audited certain operations of the district in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019, and the period of July 1, 2019, to October 31, 2019. The objectives of our audit were to:

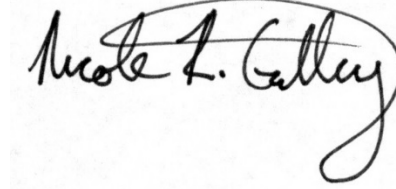
1. Evaluate the district's internal controls over significant management and financial functions related to enrollment and attendance recording and reporting.
2. Evaluate the district's compliance with certain legal provisions related to enrollment and attendance recording and reporting.
3. Evaluate the economy and efficiency of certain management practices and procedures related to enrollment and attendance recording and reporting.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the district, as well as certain external parties; and testing enrollment and attendance data. We obtained an understanding of internal controls that are significant to the audit objectives and assessed the design and implementation of such internal controls to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the district's management and was not subjected to the procedures applied in our audit of the district.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Valley R-VI School District Attendance Procedures.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Mackenzie J. Wooster
Audit Staff:	Dacia Rush, M.Acct., CIA, CFE, CGAP

Valley R-VI School District Attendance Procedures

Introduction

Background

In July 2019, Department of Elementary and Secondary Education (DESE) officials contacted and met with the State Auditor's Office (SAO) and requested an audit based on concerns over the attendance rates reported by the Valley R-VI School District. The SAO conducted an initial review of these concerns under Section 29.221, RSMo, and determined further investigation was warranted.

The Superintendent sent a letter to parents in the district encouraging students not to attend school on April 19, 2019, and added there may be additional similar days later in the school year, if necessary. See Appendix A for a copy of this letter. In the letter, the Superintendent stated the school district needed to have an Average Daily Attendance (ADA) of 350 or less to maintain small school status, allowing the district to receive additional state funding. DESE officials also indicated they were contacted by parents concerned that district personnel were requesting parents keep students home on other school days.

After learning about this letter, DESE officials sent a letter to the school district disallowing the day to be counted in the attendance for the 2018-2019 school year, and requiring the district make up the day on August 15, 2019. The DESE letter stated this action could impact the district's accreditation classification, because "Manipulation of data for District gain is a violation of state law." See Appendix B for a copy of this letter.

Attendance reporting

The DESE requires all school districts to track attendance accurately by attendance hour. The DESE uses attendance data reported by districts in the Missouri Student Information System (MOSIS) to determine the district's ADA and the appropriate amount of state funding for each school district and charter school through the state funding formula. The ADA is calculated by dividing the actual attendance hours for the school year by the potential attendance hours to determine the attendance rate. The attendance rate is multiplied by the enrollment¹ amount to determine the ADA. In addition, a fraction of the number of students eligible for (1) free and reduced lunches, (2) special education, and (3) limited English proficiency are added to the school's ADA to determine its weighted average daily attendance (WADA).

Information about the enrollment of a district, the courses the schools in the district will offer, and the hours in a regular school day is reported to the DESE through the MOSIS several times a year. District attendance data is submitted in June each year. For the Valley R-VI School District, the Superintendent is responsible for completing and certifying the final submissions of the school district's attendance data to the DESE.

¹ Head count taken the last Wednesday in September of all resident and non-resident students in the attendance center and reported to the DESE for the October reporting cycle.



Valley R-VI School District Attendance Procedures Introduction

Small school funding

State law provides additional state funding to small schools defined as those with an enrollment under 350 students. Section 163.031.2, RSMo, includes a hold harmless provision for school districts with an ADA less than or equal to 350, which states no district shall receive less state aid under the current funding formula than it did in the greater of the 2004-2005 or 2005-2006 school years. The Valley R-VI School District was authorized to receive a basic formula payment that included hold harmless funding totaling \$2,350,457 during the year ended June 30, 2020, based on the ADA from the 2018-2019 school year of 349. If the ADA had been over 350 during the 2018-2019 school year, the district basic formula payment would have been reduced by approximately \$585,000 based on the funding formula calculations.

In addition, Section 163.044, RSMo, authorizes payments to small schools, defined as districts with an ADA (including summer school) of 350 or less. The allocation of the \$15 million annually appropriated under the statute requires distribution of (1) \$10 million to the eligible districts on an equal amount based on the prior year ADA and (2) \$5 million to the eligible districts with an operating levy that meets the requirements of the statute. The Valley R-VI School District was eligible to receive an allocation from both funding portions of the appropriation. The district was authorized to receive small school funding from the annual appropriations totaling \$150,106 during the year ended June 30, 2020, based on the ADA from the 2018-2019 school year.

The following table shows enrollment and ADA for the Valley R-VI School District in the past 5 years:

School Year	Enrollment	ADA
2014-2015	398	348
2015-2016	405	356
2016-2017	411	366
2017-2018	395	349
2018-2019	395	349

Source: DESE Missouri Comprehensive Data Systems (MCDS) School Finance Report

Valley R-VI School District Attendance Procedures

Management Advisory Report

State Auditor's Findings

1. Low Attendance

Student attendance decreased significantly after the Superintendent's April 2019 letter that discouraged attendance. Although the Department of Elementary and Secondary Education (DESE) disallowed the student attendance data for the date included in the Superintendent's letter (April 19, 2019), the district continued to experience low attendance during the remainder of the school year. As a result, the district met the goal noted in the letter of a lower Average Daily Attendance (ADA) and was eligible for additional funding.

From April 22 to May 24, 2019 (the last date of school), the attendance rate was 85.48 percent, including 7 school days with attendance less than 85 percent. Prior to this period, the attendance rate was 93.78 percent. The low attendance during this period decreased the attendance rate for the entire year to 92.69 percent. If the attendance rate had not decreased for this period, the district's ADA would have exceeded the 350 ADA small school threshold. DESE officials estimated this change would have reduced the district's state funding for the 2019-2020 school year by approximately \$735,000, which is 15 percent of the district's total revenue and 29 percent of the district's state funding for that year.

School officials indicated some lower attendance can be expected at the end of the year due to policy and parent choice. However, we compared a sample of 2018-2019 school year attendance to a similar period for the 2017-2018 school year and determined the 2018-2019 attendance was lower, indicating the 2018-2019 school year attendance may not reflect normal end of the year reductions. Building secretaries indicated parents do not consistently send students to school after the Missouri Assessment Program (MAP) testing is completed, which was before May 10, 2019. Our comparison of attendance for the week after MAP testing in May 2019 to the comparable week in May 2018 determined the May 2019 attendance was 5 percent lower.

Of the 7 low attendance days noted above, 5 were from the last week of school, when final exams were administered. The official junior high and high school student handbook allows students to be exempt from final exams who maintain a grade of 84 percent or higher in each of their classes and have an attendance percentage that is at least 94 percent. Students that are exempt from final exams do not have to attend school during this time period. While this policy may explain the low attendance for the junior high and high school students, there is no corresponding explanation for the lower attendance of the elementary school students.

Section 167.031, RSMo, states that any parent or guardian must ensure that the child is enrolled in and regularly attends school for the full term of the school year. Section 167.111, RSMo, requires superintendents and school boards to enforce the compulsory school attendance. Manipulating the attendance data of the district in the manner suggested in the Superintendent's



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

letter discourages attendance and decreases the instructional time received by the students.

Recommendation

The Board of Education refrain from practices that encourage absenteeism and ensure all laws relating to compulsory school attendance are enforced as required by statute.

Auditee's Response

The Valley R-VI Board of Education and the Superintendent of Schools agree to refrain from practices that encourage absenteeism and ensure all laws relating to compulsory school attendance are enforced as required by statute.

Addressing the letter sent by the superintendent: The letter sent out to students' parents and the contents therein were an error in judgement. As a first year superintendent, I was faced with the situation of a fraction of a student's attendance (less than one student) causing the district to lose a large portion of funds. According to the Department of Elementary and Secondary Education (DESE) officials' explanation in this report, the sum would equal a loss of \$735,000, which is 15 percent of the district's total revenue and 29 percent of the district's state funding for the 2019-20 school year. That money is used each year to pay for educational student programs provided at our school, used to hire and retain quality staff to serve district students, and used for a multitude of other educational and social services for district students. After spending time my first year as superintendent speaking with DESE officials at "new superintendent" meetings, personally meeting with DESE financial officials in DESE's offices, and traveling to meet with legislators in Jefferson City, sending that letter was a desperate act to try to do something to help our situation. I did not understand to the fullest degree what I was doing by sending that letter, and as stated above, I was wrong to do this.

Shortly after sending out the letter and having low attendance on the half day of school before Spring Break, 2019, I received a phone call from an official from the DESE asking if I had sent out a letter to parents and explaining why I could not do that, ordering me to cease any further plans related to this letter. My responses during and after this call were as follows:

- 1. I was immediately forthcoming, answering all questions truthfully, and admitted to sending the letter. (I sent the letter publicly to all parents because no matter how dire our situation, I did not want to do anything deceitful. I mistakenly felt that this was an open and acceptable plan to help our situation.)*
- 2. I agreed immediately to stop any further plans.*
 - a. Although not ordered by the DESE, I immediately made personal phone calls to each Board member describing the conversation with*



Valley R-VI School District Attendance Procedures
Management Advisory Report - State Auditor's Findings

the DESE, and explaining that we were ordered to stop any future plans, and stated that I intended to follow those orders.

- b. Also not ordered by the DESE, I called a meeting with the district faculty and explained the same thing, and explained that moving forward, no one was to do anything resembling what was explained in the letter.*
- 3. Part of my guidance from the DESE official on the phone call was to begin to work with the Board over the next three to five years to manage our school budget to match our finances as if we had ADA above 350, and if we had a year we fell under, to put those moneys in reserves.*
 - a. In a Board meeting soon after that phone call, I began to discuss these matters with the Board, explaining what was suggested to do, and have continued to make that part of financial discussions, as well as incorporated those ideas in my budgeting.*
 - b. I have had meetings with district administration explaining these ideas and working towards finding ways to implement these ideas.*
- 4. Our district later received the official ruling from the DESE on the letter.*
 - a. We were not to count attendance from that half day before Spring Break mentioned in the letter. We removed that day from our attendance calendar in our student records system to comply.*
 - b. We were to make that day up by counting the attendance of the first day students physically attended school for their 2019-2020 school year on the 2018-2019 school year attendance. We did just that, and by the end of that day, I had run the reports and submitted them to the DESE.*

I now understand better the error I made in judgement, and all actions since that phone call from the DESE have been made to comply and to rectify the actions of sending the letter.

Addressing the exemption of finals for students in grades 7-12: This report mentions that our school allows students, grades 7-12, to be exempt from end of semester finals if that student meets certain academic and attendance requirements for a class for the semester. If a student is exempt, they do not have to attend school the day/hour that class gives the final test. This was a practice put in place by the prior superintendent while working with the DESE on a District Improvement Plan and a Building Accountability Plan. The purpose was to encourage students to work towards higher academic performance and to increase student attendance throughout the semester.



Valley R-VI School District Attendance Procedures
Management Advisory Report - State Auditor's Findings

This was approved by the DESE within the plans, and the superintendent even presented this idea on behalf of the DESE for their Regional Professional Development Centers on two separate occasions. The main guidance given by the DESE was that the school could not count the students' ADA (average daily attendance) if they were not physically present for classes. We do not count their attendance if they are exempt and are not in attendance.

When I took over as superintendent my first year, this procedure had been in place for years, so we continued this practice; I had no reason to change it. Having explained all of this, if the DESE gave us new guidance to stop this practice, we would immediately comply. And more immediately, due to the potential outbreaks of COVID-19 schools may be facing during the 2020-2021 school year, the district has decided to remove the exemption from finals for at least that school year, leaning on the guidance from the DESE to schools to do away with any rewarding and honoring of students for perfect or good attendance.

Addressing the final ADA (Average Daily Attendance) numbers: Part of the struggle of creating a budget for the next year or making a three-year or five-year plan is our recent fluctuation in our ADA year to year. A large portion of our student population has been very transient for the past several years, and our total enrollment has hovered around that 350 number, producing an ADA finishing either a little above 350 or a little below 350. According to DESE records and the chart shared in this report, our enrollment numbers for the 2018-2019 school year, the year in question for this audit, were identical to the 2017-2018 school year, 395. The final ADA numbers, over the course of both years, also came out to be the same, 349 ADA. These were the very same two years the audit report compared. If you look at the two years prior, we had a slight increase in enrollment which brought about higher ADA numbers, 366 and 356. Those two years we went over the small school cut off. The year before that, 2014-2015 school year, an ADA of 348, an ADA under 350. Looking again at school year 2018-2019 compared to 2017-2018, the total attendance percentage for both of these years had a difference of less than one percent, very close to each other. Our school has experienced different ebbs and flows of attendance at various times through the years and during various years, but our end of the year attendance percentages have run very close each year for several years now, including the year in question.

Our enrollment at our school and the transient movement of a large population of our students are such that we could potentially hover around this 350 cut off for years to come. In fact, at the writing of this response, the 2019-2020 school year ended with an ADA of 348.66, a school year that ended abruptly and without too much warning on March 17, 2020, due to the global pandemic of the COVID-19 virus. We continued educating students through May 14, 2020, but attendance stopped on March 17, 2020. We had



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

no way of knowing this would happen, and our ADA number was just slightly under 350 again.

Conclusion: It is important to state that during the audit process, it was verbally stated to the superintendent by the auditors conducting the investigation that throughout the audit, nothing the State Auditor's Office found led them to believe there was any type of fraud or manipulating of numbers. Both the Board and the superintendent understand this letter should never have been sent out. We regret this action and agree to refrain from practices that encourage absenteeism moving forward.

Auditor's Comment

Auditors performed a comparison of the district's attendance data to that reported to the DESE to identify if data may have been manipulated to decrease the average daily attendance; auditors did not identify any manipulation of attendance data reported.

2. Attendance Procedures and Controls

2.1 Attendance procedures

The district does not have procedures to limit when changes can be made to the attendance system and no one reviews changes made. In addition, some user access rights in the attendance system are in excess of that required for their job duties.

The district's attendance system does not limit the time period when changes can be made and there is no review by district officials to ensure changes made to current school year attendance records are appropriate. The risk of erroneous changes significantly affecting attendance reports submitted to the DESE is increased due to the extended time period allowed for changes and the lack of review procedures.

District procedures require recording of daily student attendance in the attendance system by each teacher or by a school secretary when a teacher is absent. Each day the secretary at each school building ensures all attendance has been entered into the attendance system. Any changes after that day have to be made by the school secretary. Changes to the attendance records can be made by the secretary anytime during the current school year. Currently the attendance system cannot generate a detailed summary report documenting all changes made, further limiting the district's ability to monitor this information.

Correcting attendance data is necessary to ensure accuracy in the reporting process and any changes must be made before attendance can be certified to the DESE. However, review and approval of all changes is necessary to ensure reliability of the data.

2.2 User access

The Superintendent has more access in the attendance system than required for his job duties. He has access to both view and change data in system. The Superintendent reports the attendance data to the DESE, but he does not need



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

access to change attendance data in the system to perform this duty. Without limiting this access, the district cannot ensure proper segregation of duties is in place over the functions of entering and reporting the data.

Good internal controls require that users be allocated the minimum access rights necessary to perform their assigned job functions, and that access to security functions be explicitly assigned. Allowing users access to the system in excess of what is required for their job responsibilities increases the risk of improper activity occurring.

Recommendations

The Board of Education:

- 2.1 Implement additional controls and procedures to ensure student attendance data is accurately recorded and reported, including restricting the time period when changes can be made without authorization. The Board should also ensure the attendance system is programmed to generate an audit trail report or report of changes, and that this report is reviewed for accuracy.
- 2.2 Limit users access rights in the attendance system to only what is necessary to perform their job duties and responsibilities.

Auditee's Response

- 2.1 *The Valley R-VI Board of Education and the Superintendent of Schools agree to (1) ensure student attendance data is accurately recorded and reported, including restricting the time period when changes can be made without authorization; and (2) ensure the attendance system is programmed to generate an audit trail report or report of changes, and that this report is reviewed for accuracy.*

Addressing restricting time periods that changes can be made: During the 2018-19 school year, the district was using INOW, also named Chalkable, student records system. The district is changing systems to Tyler SIS starting the 2020-21 school year. The district's program manager from Tyler Technologies explained to the district that once a teacher enters the attendance, he or she will be locked out of changing attendance. The teacher will then have to submit the changes to the attendance administrators to fix any errors. Attendance administrators will be the building offices' administrative assistances.

The superintendent as well, if finding an error in district attendance numbers, will submit these changes to the proper building attendance administrator to make changes. (This was already the procedure practiced by the superintendent. See Auditee's Response 2.2 below.)



Valley R-VI School District Attendance Procedures Management Advisory Report - State Auditor's Findings

Addressing an audit trail report: The district's program manager from Tyler Technologies explained the district will have access to run a report that will show a tally of attendance history codes changed or deleted per individual student. The district can then review the student's attendance history to see details.

Building principals will share these reports and explanations of changes with the Board during the regular monthly Board meetings during the principal reports to the Board. This will start the first regular Board meeting after the district starts recording student ADA, presumably starting the 2020-21 school year.

- 2.2 *The Valley R-VI Board of Education and the Superintendent of Schools agree to limit user access rights in the attendance system to only what is necessary to perform job duties and responsibilities.*

When the superintendent took over for the 2018-19 school year, the district was using INOW, also named Chalkable, student records system. This was the system that stores student attendance and is used to pull data to report to the DESE. The district had already purchased the system and user accesses for the superintendent's roll was already set. We did not think to change these settings because it was already set as default. However, we did have a procedure in place and used this procedure. The procedure was, if a mistake was found by the superintendent, or if something needed to be corrected or changed for accuracy purposes, notes were given to the building offices' administrative assistances, and they made the proper changes to attendance.

As stated before, during the audit process, it was verbally stated to the superintendent by the auditors conducting the investigation that throughout the audit, nothing the State Auditor's Office found led them to believe there was any type of fraud or manipulating of numbers. Although the default settings in the system were not set correctly, the district was using the procedure explained above to issue needed changes made to attendance for accuracy purposes.

At the time of writing this response, the superintendent's user access rights have been changed to "read only" in the INOW system to finish out the 2019-20 school year. The district is changing systems to Tyler SIS and has started the process of setting up the system. The superintendent's access will be set to "read only" moving forward with the new system.

Valley R-VI School District Attendance Procedures

Organization and Statistical Information

The Valley R-VI School District is located in the eastern part of Missouri, covering parts of Washington and Iron counties.

The district operates one elementary school (grades K-6), and one junior high/high school (grades 7-12). Enrollment was 395 for the 2018-2019 school year. The district employed approximately 80 full- and part-time employees, at June 30, 2019.

The Valley R-VI School District has been classified under the Missouri School Improvement Program as "Accredited" by the Missouri Department of Elementary and Secondary Education.

School Board

An elected board acts as the policy-making body for the district's operations. The board's seven members serve 3-year terms without compensation. Members of the board at June 30, 2019, were

Blake Yount, President
Mitch Tedder, Vice-President
Trina Kirby, Secretary
Steven Jones, Treasurer
Pat Masson, Member
Brent McClain, Member
Pat Yount, Member

Superintendent

The district's Superintendent at June 30, 2019, was Dr. Michael Silvy and his annual compensation was \$95,605. The Superintendent's compensation is established by the school board.

Financial Activity

A summary of the district's financial activity for the year ended June 30, 2019, is shown in Appendix C. We obtained this information from the district's audited financial statement report.



Appendix A
Valley R-VI School District Attendance Procedures
Superintendent's Letter



Valley R-VI Schools
1 Viking Drive, Caledonia, MO 63631



Chad Middleton

High School Principal
Office 573-779-3515
Fax 573-779-3346

Dr. Michael Silvy

Superintendent of Schools
Office 573-779-3446
Fax 573-779-3505
msilvy@valley.k12.mo.us

Caleb Tiefenauer

Elementary Principal
Office 573-779-3332
Fax 573-779-3562

Thursday, April 11, 2019

RE: Snow Make-up Days and School Finances

Dear Valley Viking Parents:

What I am about to explain may sound crazy and even be hard to understand or believe, but I feel you should be informed so you understand why we are doing what we are doing. Your child may not have to attend school Friday, April 19.

The state formula is used to calculate the amount of funding our school receives based on the number of students we have attending our school throughout the year. It is designed to help smaller schools like ours with funding by considering us "small school" as long as our *average daily attendance* (ADA) is 350 students or less. Along with the formula dollars, the state gives an *additional* small school allocation if you are 350 students or less. Over the past several years, our enrollment has fluctuated and caused us to go over that 350 mark two out of the last three years (2015-16 and 2016-17).

Here's the important part: We have our budget built around the "small school" revenue from the state formula. On those two years our attendance went over 350, including the small school allocation, we received nearly 24% less funding of the state money based on our attendance. Higher attendance in 2015-16 and 2016-17 literally cost our school district over a million dollars of state funding. That is money we use to hire staff to work with your children, put technology in classrooms, keep the facilities operational and looking nice, run academic and after-school programs for your kids, and many other things.

What this means: Our current ADA is currently over 350, but not by much. We have to make up some snow days this year, and to prevent from going to school on a Saturday or messing with Memorial Day weekend, we are going for a half-day on Friday, April 19, originally a day off. To help lower ADA for the year, we are having school that day, but **you do not have to send your child to school that day. If your child is absent on April 19, it will not count against their attendance nor against them in any of their classes. If your child is a part of the high school A+ Program, he/she will need to speak with Counselor Mrs. Strange before choosing to miss school.** School will be in session (we will run buses, serve breakfast/lunch, etc.), but we will not cover any new material that day. We are just using that day for make-up work and practicing academic skills.

We could potentially look to do this again at the very end of the school year with some additional weather make-up days. I know being told your child does not have to come to school on these days may sound strange, but the amount of funding we could lose is a large portion of our budget. It is not anything the district has done; the state formula was created with this anomaly. If you have ANY questions about this, you may call the school and speak to our administrators, our teachers, or even discuss this with a board member. I hope you understand the situation and why we are doing what we are doing.

Sincerely,

Dr. Michael Silvy
Valley Superintendent of Schools

"Preparing Students Today for the Challenge of Tomorrow"
www.valleyschooldistrict.org



Appendix B
Valley R-VI School District Attendance Procedures
Department of Elementary and Secondary Education's Response to the
Superintendent's Letter



Margaret M. Vandeven, Ph.D. • Commissioner of Education

205 Jefferson Street, P.O. Box 480 • Jefferson City, MO 65102-0480 • dese.mo.gov

May 9, 2019

Mr. Blake Yount
School Board President
Valley R-VI School District
1 Viking Drive
Caledonia, MO 63631

Dear Mr. Yount:

The Missouri Department of Elementary and Secondary Education (Department) has reviewed documentation associated with Valley R-VI School District's (District) school calendar and attendance with a focus on April 19, 2019.

In an April 11, 2019, letter to District parents, Superintendent Dr. Michael Silvy outlined his plans to manipulate the District's attendance data to gain a financial advantage for the District. Specifically, an attendance make-up day was added to the District's calendar and then student attendance was discouraged for the purpose of maintaining aggregate Average Daily Attendance (ADA) below 350 in order to retain the small school hold harmless benefit under the Foundation Formula. Manipulation of data for District gain is a violation of state law. The Department has determined that the following corrective actions must take place.

Superintendent: Dr. Michael Silvy violated § 167.111, RSMo, by failing to enforce the compulsory attendance law when he wrote and distributed the letter regarding the April 19 make-up day. In that letter Dr. Silvy stated, "to help lower ADA for the year, we are having school that day, but you do not have to send your child to school that day. If your child is absent on April 19, it will not count against their attendance nor against them in any of their classes." Dr. Silvy also indicated the possibility of an additional low attendance day, if necessary. The Department hereby notifies Dr. Silvy that his failure to adhere to the mandates of the Revised Statutes of Missouri as well as the intentional manipulation of student attendance numbers in order to increase state funds sent to Valley R-VI School District must not be repeated. Any similar actions could be grounds for discipline of Dr. Silvy's certifications under § 168.071, RSMo.

Board and District: The MSIP 5 rule, 5 CSR 20-100.105(5)(E), provides that a district's accreditation classification can be changed if a district has "[f]ailed to comply with a statutory requirement." The Board and District are hereby notified that any repeat of this type of

Phone 573-751-4446 • Fax 573-751-1179 • commissioner@dese.mo.gov



Appendix B
Valley R-VI School District Attendance Procedures
Department of Elementary and Secondary Education's Response to the
Superintendent's Letter

Mr. Yount
Page 2
May 9, 2019

manipulation of finance data or other breach of statute will result in consideration of a reduced accreditation level.

Further, the Department hereby notifies the Board and the District that April 19, 2019, is not allowed as a calendar day for the District. The District must remove the attendance data associated with that day before the submission to the Department in the June Core Data Cycle. Because the District will have failed to satisfy the minimum calendar requirements for the 2018-2019 school year, the District will make this day up as part of the 2019-2020 school year.

Finally, the District's Foundation Formula is subject to any and all prior year corrections needed as a result of the exclusion of April 19, 2019.

We trust that in the future the Board and Superintendent Silvy will recognize their professional responsibility in protecting the instructional time provided to each of their students and will not repeat this offense.

If you have questions, please contact Roger Dorson at (573) 751-4446.

Sincerely,

Margie Vandeven
Commissioner of Education

c: Michael Silvy, Superintendent, Valley R-VI School District
Roger Dorson, Deputy Commissioner, Division of Financial and Administrative Services
Chris Neale, Assistant Commissioner, Office of Quality Schools
Mike Wutke, Supervisor of Instruction, Office of Quality Schools
David Tramel, Coordinator, Financial and Administrative Services



Appendix C
Valley R-VI School District Attendance Procedures
Statement of Receipts, Disbursements and Changes in Fund Balance - Cash
Basis

Valley R-VI School District
Statement of Receipts, Disbursements and Changes in Fund Balance – Cash Basis
All Governmental Funds
Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
CASH RECEIPTS				
Local	\$ 983,031	\$ 357,525	\$ 134,782	\$ 1,475,338
County	286,997	4,874	84,969	376,840
State	688,199	1,859,599	-	2,547,798
Federal	201,122	93,861	-	294,983
Other	-	133,624	-	133,624
TOTAL CASH RECEIPTS	2,159,349	2,449,483	219,751	4,828,583
CASH DISBURSEMENTS				
Current				
Instruction	409,685	1,952,843	25,520	2,388,048
Attendance and social work services	31,338	51,063	-	82,401
Guidance	2,621	87,060	-	89,681
Health services	45,362	13,074	-	58,436
Improvement of instruction	4,000	-	-	4,000
Professional development	24,830	6,460	-	31,290
Media services	20,624	74,905	-	95,529
Board of Education services	45,022	-	-	45,022
Executive administration	157,263	96,873	1,110	255,246
Building level administration	55,281	104,470	3,330	163,081
Business, fiscal, internal services	3,160	437	-	3,597
Operation of plant	504,965	-	21,565	526,530
Security services	50,320	-	-	50,320
Pupil transportation	278,874	11,122	-	289,996
Food service	285,452	-	-	285,452
Community services	32,966	51,176	-	84,142
Capital outlay	-	-	78,581	78,581
Debt service				
Principal	-	-	198,076	198,076
Interest and other charges	-	-	7,424	7,424
TOTAL CASH DISBURSEMENTS	1,951,763	2,449,483	335,606	4,736,852
Cash receipts in excess of (less than) cash disbursements	207,586	-	(115,855)	91,731
OTHER FINANCING SOURCES (USES)				
Net insurance recovery	-	-	8,855	8,855
Fund balance, beginning of year	2,389,919	-	385,269	2,775,188
Fund balance, end of year	<u>\$ 2,597,505</u>	<u>\$ -</u>	<u>\$ 278,269</u>	<u>\$ 2,875,774</u>

The notes to the financial statements are an integral part of this statement.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

St. Louis Agency on Training and Employment (SLATE)

Report No. 2020-039

July 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of St. Louis - St. Louis Agency on Training and Employment (SLATE)

Contractor Payroll Documentation	SLATE personnel reimbursed contractors for employee wages without ensuring time and payroll documentation submitted to the agency was complete or complied with policy.
Expenditures	The SLATE fiscal department did not prepare disbursement vouchers timely and did not always stamp supporting documentation for expenses as received by the fiscal department.
Capital Asset Inventory	SLATE personnel did not perform an annual physical inventory of capital assets as required by policy.
Annual Report	SLATE personnel misstated the number of clients placed for employment in its annual report and the report was not corrected after the error was identified.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis
St. Louis Agency on Training and Employment (SLATE)
Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory	
Report - State Auditor's	
Findings	
1. Contractor Payroll Documentation.....	6
2. Expenditures	7
3. Capital Asset Inventory	8
4. Annual Report	9



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Executive Director of the St. Louis Agency on Training and Employment
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis - St. Louis Agency on Training and Employment (SLATE) in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city has engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the year ended June 30, 2019. To minimize duplication of effort, we reviewed the CPA firm's report. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019. The objectives of our audit were to:

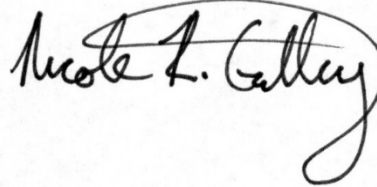
1. Evaluate the agency's internal controls over significant management and financial functions.
2. Evaluate the agency's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the agency, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis - St. Louis Agency on Training and Employment (SLATE).

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Chris Vetter, CPA, CGAP
In-Charge Auditor:	Shelbi M. Becker
Audit Staff:	Ethan D. Evans

City of St. Louis

St. Louis Agency on Training and Employment (SLATE)

Introduction

Background

The City of St. Louis - St. Louis Agency on Training and Employment (SLATE) is responsible for offering job seekers and businesses a variety of no-cost services related to employment, job training, and career advancement.

Programs

The SLATE, in coordination with the Missouri Department of Economic Development - Division of Workforce Development, the City of St. Louis Mayor's office, and various partners, operates the SLATE Missouri Career Center, which connects employers to a skilled workforce and provides training and placement services to the city's adult workforce. No-cost services offered for jobseekers include career advice, one-on-one career/job search counseling, job placement assistance, career-readiness workshops, career training and financial assistance, recruitment events, career services for veterans, career services for individuals with disabilities, a welfare transition program, and Supplemental Nutrition Assistance Program services. The SLATE also hosts hiring events for businesses in the St. Louis area to attend at no cost to the employers.

Funding

The SLATE is primarily funded through grants from federal and state sources, privately owned businesses, and not-for-profit organizations. The SLATE also receives 10 percent of the city's 1/2-cent Economic Development Sales Tax revenues. The total annual budget for fiscal year 2019 was \$9,773,884.

Personnel

The SLATE employs city personnel and contracts for additional staff. During fiscal year 2019, the SLATE employed 12 full-time and 423 part-time city employees and contracted with 3 organizations for an additional 88 employees. Both city and contracted staff work on the various services, programs, and workshops that the SLATE offers, and work in the fiscal and accounting sections of the SLATE.

In September 2017, Dr. Alice Prince was appointed Executive Director of the SLATE. She resigned from this position in April 2019. Dr. Prince signed an agreement in April 2019 with the city for a settlement that included \$5,695.50 for three months of Consolidated Omnibus Budget Reconciliation Act (COBRA) medical coverage, \$13,565.88 for accrued vacation pay, an additional sum of \$18,044, and a letter of reference from the Mayor. As part of the agreement, Dr. Prince waived any rights for reinstatement of her position and released, waived, and gave up any claim she may have had against the city relating to her employment.

From May 2019 to July 2019, Stephen Conway, Chief of Staff to the Mayor, was appointed Acting Executive Director of the SLATE. In August 2019, Howard Hayes was appointed Executive Director.

Workforce Development Board

The City of St. Louis Workforce Development Board (WDB) provides strategic leadership and oversight of the workforce development programs implemented by the SLATE. The WDB currently consists of 25 volunteer



City of St. Louis
St. Louis Agency on Training and Employment (SLATE)
Management Advisory Report - State Auditor's Findings

members, appointed by the Mayor, that represent local businesses, public and community-based agencies, and labor organizations.

City of St. Louis
St. Louis Agency on Training and Employment (SLATE)
State Auditor's Findings

**1. Contractor Payroll
Documentation**

SLATE personnel reimbursed contractors for employee wages without ensuring time and payroll documentation submitted to the agency was complete or complied with policy.

Contracted employee salaries and benefits are initially paid by the contractor. The contractor then submits documentation, such as timesheets and/or detailed payroll reports, to the SLATE to receive reimbursement for these expenses. The payroll documentation is to be signed by the employee and approved by the employee's supervisor to indicate the time reported is accurate. SLATE employees review the documentation prior to submitting a disbursement voucher to authorize the Comptroller's office to reimburse the contractor.

We performed a review of the timesheets, payroll reports, disbursement vouchers, and other supporting documentation for 25 contracted employees from fiscal year 2019 and found that SLATE personnel accepted timesheets that were not signed by the employee or his/her supervisor. Timesheets for 5 of the 25 (20 percent) employees did not have the employee's electronic signature or other approval. All 5 employees were employed by the same contractor.

Based on our initial review and concerns received, we expanded our test work and reviewed timesheets for 39 additional employees for the period of July 2017 to February 2018 from another contractor. We noted that SLATE personnel accepted timesheets from 6 employees (15 percent) that either had no employee signature or no supervisory approval signature. There were also several timesheets in which the supervisor signed the employee's name or the employee's signature appeared significantly different between timesheets indicating the timesheets may not have been signed by the employee. Employee gross wages for the pay periods associated with these timesheets totaled approximately \$6,300. There was no documentation indicating that the SLATE notified either contractor the submitted documentation was insufficient, and all payroll was reimbursed.

Adequate and complete payroll documentation is necessary to ensure contract reimbursements are accurate and appropriate. Local Workforce Development Board policy states that the completeness and accuracy of contract reimbursement requests must be verified prior to preparing a disbursement voucher. Failure to adequately review payroll documentation increases the risk errors or misstatements will not be detected or corrected timely.

Recommendation

The SLATE ensure all contracted employee payroll documentation is complete and accurate prior to reimbursing contractors.

Auditee's Response

The SLATE has made significant changes since the time of the State Auditor's audit that has remedied the above concerns in several ways. The SLATE now



City of St. Louis
St. Louis Agency on Training and Employment (SLATE)
Management Advisory Report - State Auditor's Findings

has an accounting manager to oversee and ensure that the SLATE fiscal employees are properly reviewing time slips and that all time slips contain the proper signatures. Additionally, the city hired a new Executive Director for SLATE and the city has also contracted with a new service provider/subrecipient for the SLATE--Educational Data Systems Inc. (EDSI). The new subrecipient, like the SLATE, has very specific policies concerning timesheets and is required by its contract to submit properly signed timesheets in order to be reimbursed. Accordingly, with these changes in place, the SLATE has remedied this concern.

2. Expenditures

The SLATE fiscal department did not prepare disbursement vouchers timely and did not always stamp supporting documentation for expenses as received by the fiscal department.

As invoices, receipts, and other related supporting documentation for an expenditure are received, the documents are to be stamped as received by the individual in the fiscal department that is preparing the disbursement voucher. After the fiscal department has reviewed all documents related to the expenditure, a disbursement voucher is created and the expenditure is recorded in the SLATE's general ledger. Completed disbursement vouchers are sent to the Comptroller's office for recording in the city's general ledger and for payment. Payments for expenditures are not made until the expenditures have gone through both the SLATE fiscal department and the Comptroller's office.

During our review of expenditures and contract monitoring procedures, we reviewed invoices, receipts, disbursement vouchers, and other supporting documentation. For 8 of the 25 expenditures reviewed (32 percent), disbursement vouchers were not prepared in a timely manner. For example, SLATE personnel did not prepare the disbursement voucher for a July 2018 invoice for a health and safety services grant expenditure until November 2018. Additionally, the disbursement voucher for a November 2018 printer invoice was not prepared until April 2019. Delayed disbursement vouchers caused payments to be delayed and our review also noted a \$50 late fee was assessed because an expenditure was not paid timely.

In addition, of the 25 expenditures reviewed, we noted the documentation for 3 expenditures (12 percent) was not stamped as received by the fiscal department. As a result, there is no assurance the documentation was reviewed prior to submission for approval or that all documentation was viewed and accounted for by the fiscal department.

When disbursement vouchers are not prepared timely the SLATE cannot adequately monitor contracts or grants to ensure there is no overspending, the general ledger is not updated timely, and payments are not made timely. In addition, the summary of duties for the fiscal department outlined in the



City of St. Louis
St. Louis Agency on Training and Employment (SLATE)
Management Advisory Report - State Auditor's Findings

financial section of the Local Workforce Development Board policies indicates all contract reimbursement requests should be processed and a disbursement voucher prepared on a monthly basis. Further, to ensure all expenditure documentation is adequately reviewed prior to payment, documentation should be stamped as received by the fiscal department.

Recommendation

The SLATE prepare disbursement vouchers for expenditures timely and ensure all expenditures are accounted for by the fiscal department and stamped as received.

Auditee's Response

As stated above, the SLATE has made several changes since the state's 2019 audit. Not only does it have an Accounting Manager and new Executive Director, but it has a new policy that requires that vouchers be submitted and prepared within a timely manner and processed pursuant to the policy. Included in this policy is the stamping of all invoices upon the date they are received and entering them into the computer system. The new policy also requires, among other things, that the Accounting Manager utilize the following steps when processing invoices:

- 1. Checking the mathematical accuracy of the vendor invoice;*
- 2. Comparing the nature, quantity, and prices of all items ordered per the vendor invoice to the purchase order;*
- 3. Obtaining the review and approval of the Executive Director or designated individual with such approval documented by signatures;*
- 4. Documenting the general ledger distribution, using the organization's current chart of accounts and cost allocation plan.*

The SLATE's management changes and new policy will ensure that going forward all vouchers are properly stamped and timely and accurately processed.

3. Capital Asset Inventory

SLATE personnel did not perform an annual physical inventory of capital assets as required by policy. Additionally, a physical inventory was not performed in 2018 until prompted by a financial monitoring review performed by the Missouri Department of Economic Development - Division of Workforce Development (DWD). SLATE's response to the DWD report indicated a physical inventory was completed on August 3, 2018. However, the SLATE was unable to provide documentation of the inventory. SLATE personnel could only provide an undated inventory listing that included items marked as missing.

Section 8 of the inventory and capital asset policy of the Local Workforce Development Board policies requires a physical inventory of capital assets be conducted by September 30 each year. In addition, the policy requires the



City of St. Louis
St. Louis Agency on Training and Employment (SLATE)
Management Advisory Report - State Auditor's Findings

SLATE to maintain complete and accurate records of all assets. Additions, transfers, and disposal of assets must be promptly recorded. Also, the city's Fixed Asset Management System Policy and Procedures manual requires an annual physical inventory of assets. Loss, theft, or misuse of assets may go undetected if inventory records and counts are not sufficient and updated timely.

Recommendation

The SLATE ensure an annual inventory of capital assets is conducted and documented.

Auditee's Response

Following the recent exit conference call with the State Auditor's Office, SLATE determined that it only had two pieces of equipment that qualified as a capital asset based on the definition below:

2 Code of Federal Regulations (CFR) Section 200.12 Capital assets.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

(a) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and

(b) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

Additionally, all other concerns referenced will be corrected.

Auditor's Comment

In addition to any federal guidelines, the SLATE is required to follow the city's capital asset policy, which requires annual physical inventories of all capital assets and property control items. As a result, the SLATE should ensure an annual inventory of all capital assets is conducted and documented.

4. Annual Report

SLATE personnel misstated the number of clients placed for employment in its annual report and the report was not corrected after the error was identified.

The annual report for the program year ended June 30, 2018, published March 8, 2019, reported that 9,581 clients were placed into jobs during the year. SLATE personnel later determined that this number was calculated incorrectly, and a total of only 8,329 clients were placed into jobs during the program year. This is 1,252, or approximately 13 percent, less clients than originally reported. A corrected report was not issued. SLATE personnel indicated that annual report calculations were not independently reviewed for accuracy prior to issuance of the annual report.



City of St. Louis
St. Louis Agency on Training and Employment (SLATE)
Management Advisory Report - State Auditor's Findings

An adequate review of publicly available data is necessary to ensure the public and grantor agencies have an accurate representation of the agency's achievements.

Recommendation

The SLATE ensure data presented is adequately reviewed prior to publication. If data is found to be inaccurate, the SLATE should ensure the corrected information is made public.

Auditee's Response

The SLATE will be certain to ensure that all data is adequately reviewed prior to publication. The SLATE will do this by verifying the numbers in the state's database before the publication of those numbers.



Nicole Galloway, CPA

Missouri State Auditor

City of Parma

Report No. 2020-038

July 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Parma

Background

In late 2018, the State Auditor's Office (SAO) Whistleblower Hotline received various complaints and information about the operations and finances of the City of Parma. The SAO sent a letter dated January 11, 2019, to the Mayor notifying her that our office was conducting an initial review of the allegations to determine if the complaints were credible and requested records be provided to our office. The Mayor provided a response and some of the requested records in February 2019; however, not all records requested were received and additional efforts were being made to obtain the remaining records. A new Mayor and 2 new Board members were elected on April 10, 2019, and were sworn into office on April 16, 2019. The SAO was notified on April 17, 2019, of fires that occurred on the evening of April 16, 2019, that destroyed most of city hall and the city's computers, some city records, and the Mayor's home. Ongoing investigations into the fires are being conducted by the New Madrid County Sheriff's office. On April 18, 2019, the SAO sent investigators to the City of Parma to further investigate the initial allegations and gather records. On April 18, 2019, the Board requested/authorized the SAO to conduct an audit, and the SAO agreed to conduct the audit.

The SAO issued subpoenas to AT&T, Verizon Wireless, Verizon, Green Dot Bank, and Ameren to produce records related to disbursements made from city bank accounts. Representatives of the SAO took the testimony of Mayor Tyus Byrd, City Clerk Helen Frye, and Alderman Simon Wofford (the Mayor's father) and issued subpoenas to the Mayor, City Clerk, and Alderman Wofford to compel them to produce records and documents related to their testimonies. The SAO attempted to take the testimony of Water Supervisor David Thatch (a relative of the Mayor) on various occasions. However, he failed to show up at scheduled meetings or cooperate. In addition, SAO auditors recorded interviews with current and former Board members and former employees and requested copies of any city records they had. A letter was also sent to former Alderwoman Dr. Moneen Jones requesting that she provide proof of payment for all utility services relating to her account during the period of April 2017 through April 2019, the time period she served on the Board.

Misappropriated Monies

From April 14, 2015, through April 16, 2019, monies totaling at least \$115,582 were misappropriated from the city. Payroll overpayments of \$24,960 were made to the Mayor, \$17,685 to the City Clerk, and \$975 to the Water Supervisor. An improper withdrawal and payments of \$22,321 were made by/to the Mayor, and improper payments of \$10,720 were made to the City Clerk, \$5,265 to the Water Supervisor, and \$932 to Alderman Wofford's business. Improper purchases of \$11,249 were made by the Mayor, \$9,220 by the City Clerk, and \$538 by the Water Supervisor, and the purchaser of some items totaling \$4,673 was unknown. Improperly recorded utility payments and utility adjustments of \$2,286 were applied to the account of the Mayor, \$2,414 to the account of the Water Supervisor, \$742 to the account of Alderman Wofford, \$332 to the account of Alderwoman Jones, and \$1,270 to the account of a church. Board meeting minutes, disbursement listings, and financial reports were falsified to conceal improper payments and declining cash balances.

Oversight, Annual Audits, and City Code and Ordinances	The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the Mayor and City Clerk. The city does not obtain annual audits as required, and city officials do not know when the last audit of city finances occurred. The Board has not complied with city code and has not established or updated city code or ordinances as appropriate.
Disbursements and Bond Requirements	The City Clerk did not provide bank statements, a complete and accurate list of bills, complete and accurate financial information, or monthly utility reports to the Board for review at monthly meetings. The Mayor and City Clerk did not fund and maintain account balances in accordance with bond requirements. The Mayor and/or City Clerk made excessive and unauthorized transfers between various bank accounts, allowing improper disbursements to occur and not be detected. The Board does not adequately monitor city activities for conflicts of interest, and paid \$6,600 to businesses owned by the City Clerk's husband, \$2,100 to the City Clerk's husband, and over \$5,000 to Alderman Wofford's business. Numerous questionable, unreasonable, and/or unnecessary purchases were made totaling \$6,221. The Board did not ensure some bills were paid timely resulting in late fees and finance charges. The city did not maintain mileage and fuel logs, and the amount of fuel purchased at local gas stations appeared excessive.
Payroll and Related Matters	The City Clerk did not timely file and remit various payroll taxes, and as a result, the city was assessed over \$114,000 in past due taxes, interest, and penalties. The Mayor and City Clerk issued payroll advances/loans to employees totaling \$5,400 in violation of the Missouri Constitution. Timesheets/cards were not prepared by some city employees and timesheets/cards prepared by other employees were not retained or located at city hall. The city does not have personnel policies to address timesheets/cards, leave records, hours of work, and how overtime and compensatory time is to be calculated. Questionable payroll payments were made to the City Clerk for vacation leave and compensatory time/overtime, and to the Water Supervisor for overtime. The City Clerk failed to garnish wages and remit child support garnishments withheld to the Missouri Department of Social Services Family Support Payment Center as required.
Utility System Controls and Procedures	Improper adjustments were made or were likely made to the utility accounts of the Mayor, Water Supervisor, Alderman Wofford, Alderwoman Jones, and a church without obtaining independent approval or maintaining adequate documentation to support the reason for the adjustments. City personnel do not prepare proper reconciliations related to utility services. Refundable utility deposits held in the Water and Sewer Deposit Escrow bank account are not accounted for properly. The City Clerk did not file returns with the Department of Revenue or remit sales taxes collected related to water services provided.
Budgets and Financial Reporting	The city does not prepare annual budgets, file annual financial reports timely, or publish semiannual financial statements in compliance with state law. As a result of not timely submitting a financial report to the State Auditor's Office as required by law, \$47,500 in fines were imposed by the Department of Revenue.

Electronic Data Security

The Mayor, City Clerk, and former City Collector shared the user identification and password for the city's utility software application. The city had not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations.

In the areas audited, the overall performance of this entity was Poor .*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Parma

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4

Management Advisory Report - State Auditor's Findings	
1. Misappropriated Monies.....	7
2. Oversight, Annual Audits, and City Code and Ordinances.....	31
3. Disbursements and Bond Requirements.....	33
4. Payroll and Related Matters	41
5. Utility System Controls and Procedures.....	47
6. Budgets and Financial Reporting	49
7. Electronic Data Security.....	50

Organization and Statistical Information	52
---	----

Supporting Documentation of Misappropriated Monies	54
---	----

Appendixes

A	State Auditor's Office Investigative Letter Sent to the Mayor	55
B	Payroll Overpayments	57
C	Improper Withdrawal and Payments	78
D	Improper Purchases	83
E	Improperly Recorded Utility Payments and Improper Adjustments	90
F	Falsified Meeting Minutes.....	100
G	State Auditor Subpoena - AT&T.....	108
H	State Auditor Subpoena - Verizon Wireless.....	118
I	State Auditor Subpoena - Verizon.....	132
J	State Auditor Subpoena - Green Dot Bank	136
K	State Auditor Subpoena - Ameren.....	139
L	State Auditor Subpoena - Tyus Byrd.....	142
M	State Auditor Subpoena - Helen Frye.....	144
N	State Auditor Subpoena - Simon Wofford	146



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Parma, Missouri

We have audited certain operations of the City of Parma as they relate to the city's finances in fulfillment of our duties under Chapter 29, RSMo. Due to concerns regarding missing monies and improper payments, the State Auditor initiated the audit with the approval of the City of Parma Board of Aldermen. The scope of our audit included, but was not necessarily limited to, the period from April 14, 2015, through April 16, 2019. The objectives of our audit were to:

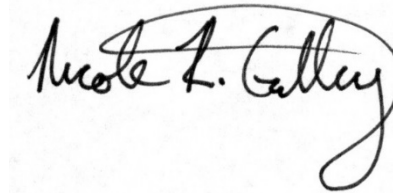
1. Evaluate the city's internal controls over certain management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.
4. Determine the extent of monies misappropriated from the city.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, (3) the need for improvement in management practices and procedures, and (4) misappropriated monies totaling at least \$115,582. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Parma.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Regina Pruitt, CPA Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	James C. Kayser, MAcc, CFE, CGAP
Audit Staff:	Kyle D. Goodin, MAcc Joy Stevens, MAcc, CFE, CGAP Misty Bowen, MSED Jacqueline E. Brown, MBA Samantha A. Brown

City of Parma

Introduction

Background

The former Mayor, Tyus Byrd, was elected on April 14, 2015, and served one term of office through April 16, 2019. The former City Clerk, Helen Frye, began employment on June 9, 2015, and served until April 12, 2019.¹ The former Mayor and former City Clerk were primarily responsible for the financial accounting functions and records of the city and are referred to as the Mayor and City Clerk throughout the remainder of this report. Other city employees assisted with some of the financial functions and records of the city from April 2015 through April 2019.

- Receipts - The former City Collector collected, receipted, and posted utility payments in the electronic utility system and prepared utility deposits. The Mayor and City Clerk also collected, receipted, and posted utility payments in the electronic utility system, and the City Clerk primarily made deposits.
- Disbursements - The City Clerk prepared a listing of bills to be paid each month for the Board's approval; maintained supporting documentation; prepared, signed, and distributed checks; posted payments to the accounting records; and transferred monies between bank accounts. The Mayor also signed checks and transferred monies between bank accounts.
- Payroll - Some city employees initially prepared manual timesheets then they started using electronic time cards. These time records were submitted to the City Clerk. The City Clerk calculated and posted hours worked into the electronic accounting system and prepared, signed, and distributed payroll checks. The Mayor also signed payroll checks.
- Bank accounts - The City Clerk received and reconciled monthly bank statements to accounting records. The Mayor indicated she reviewed the bank statements and reconciliations. However, her review was not documented.
- Reporting - The City Clerk prepared meeting minutes and financial reports for the Board of Aldermen. Meeting minutes and financial reports were typically signed by the Mayor and City Clerk to note their review and approval.

Helen Frye also served as the Court Clerk of the municipal division. She was paid \$1,325 for being the Court Clerk from June 2015 through June 2018

¹ Personnel files documenting the start date and termination date of the City Clerk could not be located. The City Clerk indicated in sworn testimony that she began employment on May 26, 2015; however, her first paycheck was issued for the pay period June 9, 2015, through June 15, 2015. Therefore, we determined she began employment on June 9, 2015. Our review of city records indicate that April 12, 2019, was the last date the City Clerk signed city checks.



City of Parma Introduction

from the General, Payroll, and municipal division bank accounts, including \$75 in March 2017, June 2017, March 2018, and May 2018, \$150 in September 2016, December 2016, and June 2018, \$275 in December 2015, and \$300 in June 2015. Our audit did not include municipal division operations (Thirty-Fourth Judicial Circuit - City of Parma Municipal Division).

The Mayor hired a relative, David Thatch, as a Water/Sewer Operator in December 2015 and promoted him to Water Supervisor sometime during 2016. He terminated employment in April 2019. We could not determine the specific date when David Thatch started serving as the Water Supervisor. However, he was listed as the Water Supervisor in the Board meeting minutes on September 20, 2016. David Thatch also sometimes served as a bailiff for the municipal division and was paid \$50 per court date. He was paid \$200 from municipal division bank accounts for court dates in March 2016, December 2016, March 2017, and June 2017.

Simon Wofford was elected to the Board of Aldermen in April 2016 and served on the Board until June 2020. Alderman Wofford is the Mayor's father.

In late 2018, the State Auditor's Office (SAO) Whistleblower Hotline received various complaints and information about the operations and finances of the City of Parma. Under Section 29.221, RSMo, the SAO sent a letter dated January 11, 2019, (see Appendix A) to the Mayor notifying her that our office was conducting an initial review of the allegations to determine if the complaints were credible and requested records be provided to our office. The Mayor provided a response and some of the requested records in February 2019, including some Board meeting minutes. However, not all records requested were received and additional efforts were being made to obtain the remaining records. A new Mayor and 2 new Board members were elected on April 10, 2019, and were sworn into office on April 16, 2019. The SAO was notified on April 17, 2019, of fires that occurred on the evening of April 16, 2019, that destroyed most of city hall and the city's computers, some city records, and the Mayor's home. Ongoing investigations into the fires are being conducted by the New Madrid County Sheriff's office. On April 18, 2019, the SAO sent investigators to the City of Parma to further investigate the initial allegations and gather records. The Board passed an ordinance formally requesting and authorizing an audit by the SAO on April 18, 2019, and the SAO subsequently agreed to conduct the audit under Chapter 29, RSMo.

The SAO issued subpoenas to AT&T, Verizon Wireless, Verizon, Green Dot Bank, and Ameren (see Appendixes G, H, I, J, and K) to produce records related to disbursements made from city bank accounts. Representatives of the SAO took the testimony of the City Clerk on September 16, 2019, and the



City of Parma Introduction

testimony of the Mayor and Alderman Wofford on September 23, 2019.² The SAO also issued subpoenas to the Mayor, City Clerk, and Alderman Wofford (see Appendixes L, M, and N) to compel them to produce records and documents related to their testimonies. The SAO attempted to take the testimony of the Water Supervisor on various occasions. However, he failed to show up at scheduled meetings or cooperate. In addition, SAO auditors recorded interviews with current and former Board members and former employees and requested copies of any city records they had. A letter was also sent to former Alderwoman Dr. Moneen Jones requesting that she provide proof of payment (canceled checks, copies of money orders, city receipt slips, payment stubs, etc.) for all utility services relating to her account during the period of April 2017 through April 2019, the time period she served on the Board. Appendixes F through N include redactions. These redactions are of information of a personal, privileged, or sensitive nature, and/or of information that is not directly related to the information requested in the subpoena.

The city's fiscal year is July 1 through June 30. The scope of our audit included, but was not necessarily limited to the period April 14, 2015, through April 16, 2019, the time period during which the Mayor served. We applied procedures to city receipt and disbursement records (including payroll), to determine the amount of misappropriated monies, and the methods used to perpetrate and conceal the theft.

² Testimonies were given under oath and were recorded by a court reporter.

City of Parma

Management Advisory Report

State Auditor's Findings

1. Misappropriated Monies

From April 14, 2015, through April 16, 2019, monies totaling at least \$115,582³ were misappropriated from the city. Payroll overpayments totaling \$43,620 were made to the Mayor, City Clerk, and Water Supervisor, and improper withdrawal and payments totaling \$39,238 were made by/to the Mayor, City Clerk, Water Supervisor, and Alderman Wofford's business. Improper purchases totaling \$25,680 were made by the Mayor, City Clerk, and Water Supervisor, and the purchaser of some items was unknown. Improperly recorded utility payments totaling \$533 and utility adjustments totaling \$4,625 were applied to the accounts of the Mayor, the Water Supervisor, Alderman Wofford, Alderwoman Jones, and a church, and we estimated \$1,886 of additional improper utility adjustments were made to their accounts during periods that records were not available. Board meeting minutes, disbursement listings, and financial reports were falsified to conceal improper payments and declining cash balances.

The following table provides a summary of the amounts misappropriated and identifies the appendixes where specific details are reported.

Type of Improper Transaction	Mayor	City Clerk	Water Supervisor	Alderman Wofford	Alderwoman Jones	Church	Unknown (1)	Total
Payroll overpayments (Appendix B)	\$ 24,960	17,685	975	0	0	0	0	43,620
Improper withdrawal and payments (Appendix C)	22,321	10,720	5,265	932	0	0	0	39,238
Improper purchases (Appendix D)	11,249	9,220	538	0	0	0	4,673	25,680
Improperly recorded utility payments (Appendix E)	224	0	0	71	187	51	0	533
Improper utility adjustments (Appendix E)	1,364	0	1,938	404	145	774	0	4,625
Estimated improper utility adjustments (Appendix E)	698	0	476	267	0	445	0	1,886
Total	\$ 60,816	37,625	9,192	1,674	332	1,270	4,673	115,582

(1) Improper purchases were made using the city's Walmart credit card. However, the related invoices were not signed and we could not determine who was responsible for the purchases. In addition, one check was issued to a cellular phone store, but we could not determine who made the purchase.

³ Amounts presented in the report findings are rounded to the nearest dollar, whereas amounts presented in the report appendixes are not rounded.



City of Parma
Management Advisory Report - State Auditor's Findings

Questionable disbursements and payroll payments (see MAR finding numbers 3.5 and 4.5) were also identified that may represent additional improper purchases or overpayments. Payments that violated state law regarding conflicts of interest (see MAR finding number 3.4) were also identified. In addition, Board meeting minutes initially provided to us by the Mayor and City Clerk were falsified (see Appendix F).

Payroll overpayments

Payroll overpayments totaling \$43,620 were made to the Mayor, City Clerk, and Water Supervisor from April 14, 2015, through April 16, 2019.⁴ Missouri Constitution, Article VII, Section 13 states, "The compensation of state, county and municipal officers shall not be increased during the term of office" In addition, City Code, Section 115.060 states, "The salary of an officer shall not be changed during the time for which he/she was elected or appointed."

Mayor

Payroll overpayments totaling \$24,960 were made to the Mayor. The Mayor's salary at the beginning of her term was \$400 a month, and as a result, the Mayor should have only been paid \$400 per month during her term of office from April 2015 through April 2019.

Appendix B shows all payroll checks written to the Mayor during her term of office compared to what her appropriate monthly salary amount should have been. City payroll ledgers, payroll check stubs, and canceled checks were used to document the payment details at Appendix B. For instances in which payroll ledgers and payroll check stubs were not available, we determined gross pay based on the historical gross and net pay amounts. Both gross and net pay amounts are reported at Appendix B.

- The Mayor was issued 89 checks during her 4-year term of office, when only 49 checks should have been issued. In addition, the Mayor and City Clerk signed 80 of the 89 checks issued to the Mayor. Alderman Wofford and the City Clerk signed 6 checks, the former City Treasurer signed 2 checks, and a former Alderwoman and the City Clerk signed 1 check. The Mayor endorsed all 89 checks. Alderman Wofford endorsed 5 of the checks written to the Mayor, following the endorsement of the Mayor.
- The Mayor was appropriately paid \$400 per month during the monthly pay periods of May 2015 through January 2016 and for March and April 2016. However, the Mayor was improperly issued 2 monthly payroll checks of \$400 for February 2016. The timing of monthly payments during the pay periods of May 2015 through April 2016 was not

⁴ Payroll checks were issued from the city's General bank account from May 1, 2015, through October 30, 2015, and from the city's Payroll bank account from November 5, 2015, through April 16, 2019.



City of Parma Management Advisory Report - State Auditor's Findings

consistent. Payments were sometimes made at the first of the month and sometimes at the end of the month. The inconsistent timing of payments allowed these 2 payments in February 2016 to go undetected.

- From May 2016 until January 2019, the Mayor was improperly issued checks for \$500 instead of the appropriate \$400 amount. In some months only one \$500 check was improperly issued, and in other months 2 to 3 \$500 checks were improperly issued. In March 2019, the Mayor was improperly issued 2 checks for \$500 and one check for \$1,000. However, the Mayor was not paid during February 2019, thus a portion of these March payments may have represented a payment for February. The timing of payments from May 2016 until March 2019 was also inconsistent. Payments were sometimes made at the first of the month, middle of the month, and end of the month, allowing for the payroll overpayments to go undetected.

The Mayor was not issued a payment for her service from April 14 to April 30, 2015, or from April 1 to April 16, 2019, the portion of months in which her term started and ended. However, we made adjustments to the amount of the appropriate pay for these time periods on Appendix B.

Payment for posting cash bond

On February 15, 2017, the Mayor was improperly issued a check for \$1,000 from the Payroll bank account, with no taxes withheld. The Mayor and City Clerk signed the check, and the Mayor and Alderman Wofford endorsed the check. In a December 31, 2019, recorded interview with Alderman Wofford, he indicated this check was cashed at his personal bank and used to post a cash bond for a former city employee. The cash bond was subsequently applied to amounts due in the related court cases. Alderman Wofford indicated the \$1,000 was a loan from the city to the former employee, was authorized only by the Mayor and himself, and was to be paid back in monthly payments. However, the remainder of the Board did not approve this payment or the loan, the loan was not recorded in the city's records, and no repayment was made. Because the check was issued to the Mayor and signed and endorsed by the Mayor, the payment is shown as an overpayment to the Mayor.

Payments for vacation leave

The Mayor was improperly paid \$3,000 in lieu of taking vacation leave. The Mayor was issued 6 separate checks for \$500 for vacation leave on July 21, 2016, May 25, 2017, June 7, 2017, July 18, 2017, February 27, 2018, and April 5, 2018. The memo line of the check issued in July 2016 indicated it was for vacation for the period of April 2015 through April 2016, and the remaining 5 checks only indicated they were issued for vacation. As noted above, the Mayor's salary was only \$400 per month and she received compensation for each month of her term of office. In addition, city records, sworn testimony, and recorded interviews of city officials and employees



City of Parma
Management Advisory Report - State Auditor's Findings

indicate the Mayor was absent from the city at various times during her term of office.

While City Code, Section 120.180 states, "Full-time elected officials shall have one (1) week vacation per year;" it also states, "In certain essential positions, e.g., Police, Clerk, etc., the employee may elect to receive a comparable paycheck in lieu of vacation." However, because the mayor position is not considered an essential position or a city employee, the Mayor was not entitled to receive payment in lieu of vacation leave.

City Clerk

Payroll overpayments totaling \$17,685 were made to the City Clerk. Appendix B shows all payroll checks written to the City Clerk during the audit period compared to what the appropriate payments for the position should have been. City payroll ledgers, payroll check stubs, and canceled checks were used to document the payment details on Appendix B. For instances in which payroll ledgers and payroll check stubs were not available, we determined gross pay and hours worked based on the historical gross and net pay amounts. Any overtime/compensatory time paid was calculated by auditors at time and a half. Overtime/compensatory time calculated, gross pay amounts, and net pay amounts are reported at Appendix B.

From June 2015 through August 2015, city records indicate the City Clerk was paid a salary of \$263 per month and a salary of \$300 for September 2015. The City Clerk also received a percentage of utility collections in July, August, and September 2015, when she assisted with those duties. However, city records and testimony indicate the City Clerk did not typically collect these utility monies.

Another city employee served as the City Treasurer until June 30, 2015, and was paid a salary of \$400 per month for those duties. According to city records and testimony, the City Clerk served in the position of City Treasurer from September 1, 2015, to April 16, 2019. The City Clerk received 2 salary payments of \$400 for this position (in September 2015 and December 2015).

On September 10, 2015, city records indicated the city discontinued paying the City Clerk for "duties performed" and started paying her weekly based on the number of hours worked. Based on payroll records maintained, the City Clerk was paid \$8 per hour from September 10, 2015, through April 28, 2016, and then was paid \$10 per hour for the rest of her employment with the city. Payroll records indicate the City Clerk typically worked 40 hours a week from September 10, 2015, through June 28, 2017, 20 to 40 hours per week from June 29, 2017, through July 31, 2018, and 40 hours per week from August 1, 2018, through December 31, 2018, and sporadically from January 1, 2019, through April 12, 2019.



City of Parma
Management Advisory Report - State Auditor's Findings

Duplicate payments

The City Clerk was paid a monthly salary for duties performed in September 2015 and December 2015, and was also paid an hourly rate for those same duties, resulting in \$1,296 of payroll overpayments. Duplicate payments for 6 pay periods were made to the City Clerk, resulting in \$2,800 of additional payroll overpayments. Some of the duplicate payments occurred because the timing of weekly payments was not consistent, allowing for the payroll overpayments to go undetected. Duplicate payments were made as follows:

- The City Clerk was improperly paid \$8 per hour from September 10, 2015, through September 30, 2015, after being paid a monthly salary totaling \$1,259 for the same duties performed in September 2015.

The City Clerk was issued 3 checks for her September 2015 monthly salary. A \$300 check was issued on August 28, 2015, for "City Clerk Salary for the Month of Sept;" a \$400 check was issued on September 4, 2015, for "Pd for City Treasure;" and a \$559 check was issued on September 11, 2015, for "Collector on Collection for Sept."

However, the City Clerk was also paid \$8 per hour worked from September 10, 2015, through September 30, 2015, for the same duties performed. As a result, the City Clerk was overpaid \$896 for 112 hours worked. The City Clerk was issued 3 checks for \$320 each (40 hours worked at \$8 per hour for 3 weeks). One check was issued on September 18, 2015, another check was issued on September 25, 2015, and another check was issued on October 1, 2015, for hours worked from September 10, 2015, through October 1, 2015. The \$320 check issued on October 1, 2015, included \$256 (4 days in September) of improper payments and \$64 (1 day in October) of proper payments. Because the City Clerk had already been paid a monthly salary for September 2015, she was not entitled to receive payment for hours worked each week from September 10, 2015, through September 30, 2015.

- On December 22, 2015, the City Clerk was improperly issued a \$400 check for treasurer duties. As noted above the city discontinued paying the City Clerk for "duties performed" and started paying the City Clerk for hours worked each week. From October 2015 through March 2019, the City Clerk was paid for hours worked each week instead of a monthly salary for duties performed. The City Clerk was properly paid for 40 hours of work each week in December 2015. As a result, this \$400 check for treasurer duties was a payroll overpayment.
- On March 17, 2016, the City Clerk was improperly issued check number 5177 for \$500 for the pay period of March 11, 2016, through March 17, 2016. However, the City Clerk also received check number 5168 on March 17, 2016, for that pay period.



City of Parma
Management Advisory Report - State Auditor's Findings

- On September 14, 2016, the City Clerk was improperly issued check number 5445 for \$400 with no pay period indicated. However, the City Clerk had already received check number 5442 on September 8, 2016, for the pay period September 8, 2016, through September 14, 2016, and was subsequently issued check number 5458 on September 21, 2016, for the pay period of September 15, 2016, through September 20, 2016. Therefore, this check represented an extra payroll check.
- On October 19, 2016, the City Clerk was improperly issued check number 5501 for \$400 with no pay period indicated. However, the City Clerk had already received check number 5490 on October 11, 2016, for the pay period October 13, 2016, through October 19, 2016, and was subsequently issued check number 5510 on October 26, 2016, for the pay period of October 20, 2016, through October 26, 2016. Therefore, this check represented an extra payroll check.
- On December 22, 2016, the City Clerk was improperly issued check number 5602 for \$400 with no pay period indicated. However, the City Clerk had already received check number 5593 on December 21, 2016, for the pay period December 15, 2016, through December 21, 2016, and was subsequently issued check number 5607 on December 27, 2016, for the pay period of December 22, 2016, through December 28, 2016. Therefore, this check represented an extra payroll check.
- On January 4, 2017, the City Clerk was improperly issued check number 5623 for \$400 with no pay period indicated. However, the City Clerk had already received check number 5612 on January 3, 2017, for the pay period December 29, 2016, through January 4, 2017, and was subsequently issued check number 5626 on January 11, 2017, for the pay period of January 5, 2017, through January 11, 2017. Therefore, this check represented an extra payroll check.
- On January 27, 2017, the City Clerk was improperly issued check number 5652 for \$400 for the pay period of January 26, 2017, through February 1, 2017. However, the City Clerk also received check number 5650 on January 27, 2017, for the pay period of "26/19/2017 thru 2/1/2017". This was considered to be the same pay period because both checks were written the same day, the timing of other checks, and the apparent typographical error.
- On June 13, 2018, the City Clerk was issued check number 6362 for \$300 for the pay period of June 7, 2018, through June 13, 2018. However, the City Clerk had already received check number 6353 on June 9, 2018, for that pay period.



City of Parma
Management Advisory Report - State Auditor's Findings

Raise during term of office The City Clerk was overpaid \$10,164 from April 29, 2016, through April 12, 2019, as a result of improper raises during her term of office, in violation of the Missouri Constitution and City Code, Section 115.060 (noted above).

The City Clerk received an improper raise from \$8 per hour to \$10 per hour on April 29, 2016. As a result, the City Clerk was overpaid \$2,400 in 2016, \$3,657 in 2017, \$3,640 in 2018, and \$467 in 2019. Board meeting minutes did not document the Board's approval of the increase in the City Clerk's hourly rate of pay to \$10 in April 2016, and city ordinances were not revised for this change in compensation. In addition, Board meeting minutes did not document the Board's approval of the change in compensation from a monthly salary to an hourly rate of pay of \$8 per hour, and ordinances were not revised for these changes as noted in MAR finding number 2.3. Due to the lack of documentation, we could not determine the City Clerk's base salary and whether \$8 per hour was appropriate. As a result, there may be additional overpayments that we could not calculate.

**Payroll advances/
loans**

The City Clerk was also issued 5 payroll advances/loans totaling \$4,250. However, weekly payroll checks continued to be issued, and only \$825 of the payroll advances/loans were repaid, leaving an outstanding balance of \$3,425. As a result, the outstanding balance is shown as an overpayment. The City Clerk received payroll advances/loans on April 28, 2016, for \$250, on August 26, 2016, for \$500, on January 20, 2017, for \$1,000, on February 14, 2017, for \$1,000, and on February 8, 2018, for \$1,500.

Water Supervisor

Payroll overpayments totaling \$975 were made to the Water Supervisor. Appendix B shows all payroll checks written to the Water Supervisor during the audit period compared to what the appropriate payments for the position should have been. City payroll ledgers, payroll check stubs, and canceled checks were used to document the payment details on Appendix B. In instances in which payroll ledgers and payroll check stubs were not available, we determined gross pay and hours worked based on the historical gross and net pay amounts. Both gross and net pay amounts are reported at Appendix B.

Based on payroll records maintained, the Water Supervisor was typically paid \$7.56 or \$8.00 per hour from December 18, 2015, to February 11, 2016, \$8 per hour from February 12, 2016, through June 8, 2016, \$9.30 per hour from June 9, 2016, through December 28, 2016, and \$9.50 per hour from December 29, 2016, through April 10, 2019.

- The Water Supervisor was issued a \$500 payroll advance on September 30, 2016. However, weekly payroll checks continued to be issued and the advance was not repaid. As a result, the payroll advance is shown as an overpayment.



City of Parma
Management Advisory Report - State Auditor's Findings

- Discrepancies were noted between the hours worked that were recorded on payroll ledgers and check stubs and hours worked based on the calculation of gross pay of actual checks written, and as a result, the Water Supervisor was overpaid an additional \$475. For example, payroll records for check number 5986 dated September 20, 2017, indicated 40 hours were worked. However, based on the gross pay of the check and his hourly rate of \$9.50 per hour, the Water Supervisor was paid for 56 hours. During 2017, the Water Supervisor was paid \$152 (16 hours at \$9.50 per hour) more than payroll records indicated. During 2018, he was paid \$57 (6 hours at \$9.50 per hour) more than payroll records indicated. From January 1, 2019, through April 10, 2019, he was paid \$266 (28 hours at \$9.50 per hour) more than payroll records indicated.

Additional questionable overtime payments were made to the Water Supervisor (see MAR finding number 4.5). In addition, the city failed to pay the Water Supervisor overtime at time and a half in compliance with Fair Labor Standards Act (FLSA) requirements (see MAR finding number 4.4). As a result of the significant amount of questionable overtime payments, we did not determine the amount of overtime due to the Water Supervisor for the city's failure to comply with the FLSA.

Improper withdrawal and payments

Improper withdrawal and payments totaling \$39,238 were made by/to the Mayor; the City Clerk, her husband, and his business; the Water Supervisor; and Alderman Wofford's business from April 14, 2015, through April 16, 2019 (see Appendix C). These improper payments were not made from the city's Payroll bank account or recorded on payroll records; therefore, they are not reported as payroll overpayments in the section above.

Mayor

Supporting documentation was not available for \$22,321 of (1) checks improperly issued to the Mayor, (2) checks issued to cash for the purchase of prepaid debit cards and subsequently negotiated by the Mayor, and (3) a cash withdrawal made by the Mayor and City Clerk. The memo line of some of the checks indicated the purpose of the check was for the purchase of a prepaid debit card, additional compensation, and the reimbursement of travel, training, and miscellaneous expenses.

No documented purpose and additional pay

The purpose of 9 checks improperly issued to the Mayor totaling \$7,150 from November 16, 2016, to August 9, 2017, was not documented in the memo line of each check.

In addition, on August 10, 2016, check number 22961 for \$750 was improperly issued to the Mayor from the General bank account for "Mayor of Parma Perk Building set up Computer Lab and other activities for the youth and citizen of Parma Monitoring the Facility and Supplying with all needs and Youth funded by Fundraisers/Donations." In sworn testimony, the Mayor indicated she did not know the meaning of "monitoring the facility and



City of Parma
Management Advisory Report - State Auditor's Findings

supplying with all needs, youth funded by fundraiser," did not purchase computers, and could not explain the purpose of this check. As noted above, the Mayor's salary was \$400 per month, and as a result, this additional payment was improper.

These 10 checks were signed in the scripted handwriting of the Mayor and City Clerk, and endorsed in the scripted handwriting of the Mayor. All of these checks were written for whole dollar amounts (no cents), were not subject to payroll withholdings, and were not reported on the Mayor's W-2 form.

Reimbursement of travel,
training, and
miscellaneous expenses

The Mayor was improperly issued 12 checks totaling \$5,792 from August 26, 2015, to May 17, 2018, for reimbursement of travel, training, and miscellaneous expenses; however, no supporting documentation of the expenses incurred was retained. In addition, while meeting minutes indicate the Mayor informed the Board of some travel, meeting minutes do not document the Board's approval of these travel, training, and miscellaneous expenses. Eleven of the 12 checks were signed in the scripted handwriting of the Mayor and City Clerk, and the remaining check was signed only in the scripted handwriting of the City Clerk. Eleven of the 12 checks were endorsed in the scripted handwriting of the Mayor and the remaining check was endorsed in the scripted handwriting of the Mayor and the Water Supervisor. Ten of the 12 checks were issued for whole dollar amounts, including those issued for the reimbursement of specific expenses.

Two of the checks totaling \$1,646 were for the reimbursement of out-of-state travel to Atlanta and Chicago. The memo line of the check for the trip to Chicago indicated that Alderman Wofford attended the event. However, in sworn testimony Alderman Wofford indicated that he did not travel to Chicago on city business.

Some of the memo lines of the checks indicated checks were for reimbursement of travel expenses related to attending Missouri Municipal League (MML) conferences. However, representatives of the MML confirmed no attendance of the Mayor at any meetings held. Additionally, in sworn testimony, the Mayor indicated she did not attend a legislative conference held in Jefferson City related to reimbursement check number 23214 of \$797, but cashed the check and gave the cash back to the city. However, we found no evidence of cash deposited into city bank accounts around the date the check was cashed. In addition, this check cleared the bank on February 12, 2018, and referenced a 3-day training event in February in the memo line of the check, but the check was actually dated August 9, 2017. This check is reflected as being issued on February 12, 2018, on Appendix C.

The Mayor was issued a \$350 check for the purchase of Christmas decorations on December 11, 2017. However, the Mayor then used the city's



City of Parma
Management Advisory Report - State Auditor's Findings

Walmart credit card to purchase \$342 of Christmas decorations on December 12 and 13, 2017, (see MAR finding number 3.5). The city subsequently paid Walmart for the charges made on the city's credit card. As a result, the Mayor was improperly reimbursed \$350 for Christmas decorations. The Mayor was also improperly issued a \$275 check to "Purchase a cell phone and minutes, (broke phone)" on December 23, 2016. No documentation was located to support this purchase of a cellular phone. The Mayor also improperly purchased at least 5 other cellular phones and several cellular phone cards during 2015, 2017, and 2018 using the city's Walmart credit card (see Appendix D and the Improper Purchases section below).

Prepaid card purchases

Fifteen checks from December 30, 2015, to December 16, 2016, were improperly issued for the purpose of purchasing prepaid debit cards totaling \$16,950. The payee on these checks indicated "Cash for City Prepaid Business Card," "CASH PREPAID CARD BUSINESS CARD," "Cash on Prepaid Card," "TYUS BYRD CASH PREPAID CARD BUSINESS CARD," and "TYUS BYRD." All of these checks were signed in the scripted handwriting of the Mayor and City Clerk. Fourteen of the 15 checks were endorsed in the scripted handwriting of the Mayor, with 3 of the 14 checks also being endorsed in the scripted handwriting of the City Clerk. The remaining check was not endorsed, but was cashed at the city's bank. Because the checks issued for prepaid cards were typically issued to the Mayor or negotiated by the Mayor, these payments are shown as improper payments to the Mayor.

Supporting documentation was obtained for \$8,721 of a prepaid card purchased, loaded and re-loaded, and registered to "Mayor Tyus Byrd." We determined improper purchases were made using this prepaid card and these purchases are included in Appendix D. Supporting documentation was not available for the remaining \$8,229 of checks cashed for prepaid card purchases. A subpoena was issued to the Mayor on September 23, 2019, requesting copies of all records related to these checks issued for the purpose of prepaid card purchases. However, the Mayor did not provide any records. As a result, we have no assurance the remaining cashed checks totaling \$8,229 were actually used to purchase other prepaid cards.

Cash withdrawal

The Mayor and City Clerk improperly withdrew \$400 cash on December 30, 2015, from the Municipal Court bank account, and no documentation was available to support the withdrawal. Our review of city and municipal division bank accounts around this date showed no evidence the cash withdrawn was redeposited. Because the Mayor signed this withdrawal slip and was the City Clerk's supervisor, it was shown as an improper withdrawal by the Mayor. A copy of the withdrawal ticket is shown below:



City of Parma
Management Advisory Report - State Auditor's Findings

FSCB UNIVERSAL TICKET

Acct. Name City of Parma Prepared By John Date 12-30-15

Desc/Cust./Signature for Cash Received
[Signature]

ASSEMBLY OF:
CHECKING
14 - Dep
19 - Force Pay
20 - Force Dep
30 - Misc DR
32 - Misc CR

SAVINGS
21 - Dep
23 - Force Dep
41 - W/D
43 - Force W/D

X-MAS
11 - Dep
12 - W/D

SD BOX
7 - Payments

CASH
C
H
E
C
K
S
LESS CASH
RECEIVED

ACCT # [Redacted] TC 30 TOTAL \$ 400.00

Check: 0 Amount: \$400.00 Date: 12/30/2015

City Clerk

Supporting documentation was not available for 10 checks improperly issued to the City Clerk totaling \$2,620, and 2 checks improperly issued for janitorial services to the City Clerk's husband or his business totaling \$8,100.

- The purpose of 2 checks issued to the City Clerk totaling \$345 was not documented in the memo line of each check.
- The City Clerk was issued 7 checks totaling \$2,025 for additional duties, such as reading meters, cleaning trophy cases, and preparing inventory reports, when she was also being paid hourly for hours worked as the City Clerk. In sworn testimony, the Mayor indicated the City Clerk was not paid to perform certain tasks, the City Clerk performed work during regular working hours (8 a.m. to 4 p.m.), and the City Clerk was paid only by her hourly rate. However, in sworn testimony the City Clerk indicated the Mayor gave her money for performing additional duties.
- The City Clerk was issued a \$250 check and the memo line indicated "Made out in the City Clerk name for Prepaid Card-Pay for Desk for New Office National Office Supply." However, no documentation existed to support the loading of a prepaid card or any purchases made using prepaid cards from this vendor.

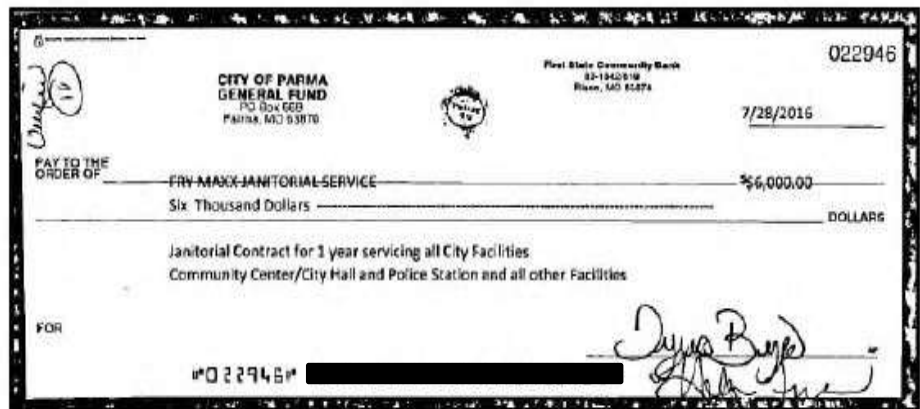
All of these checks were signed in the scripted handwriting of the Mayor and City Clerk, and endorsed in the scripted handwriting of the City Clerk. All of these checks were written for whole dollar amounts, and the payments for duties performed were not subject to payroll withholdings, and were not reported on the City Clerk's W-2 form.



City of Parma
Management Advisory Report - State Auditor's Findings

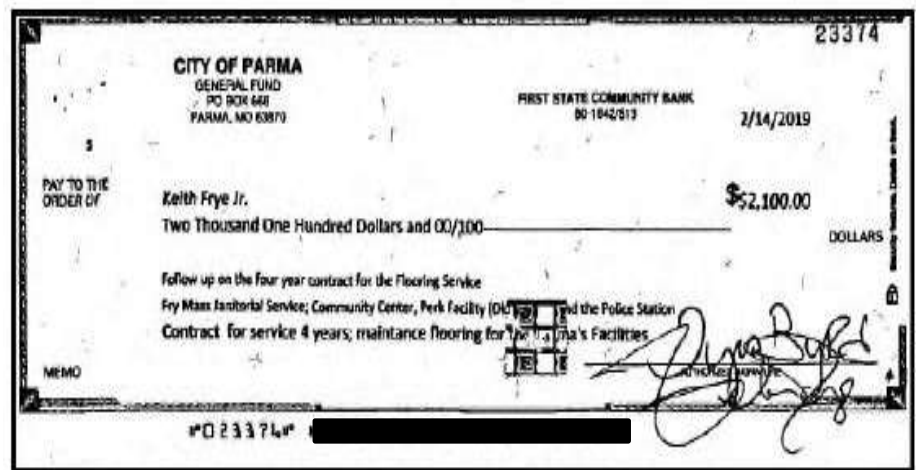
Janitorial services

Two checks totaling \$8,100 were improperly issued to the City Clerk's husband and his business for floor cleaning services as follows:



Check: 22946 Amount: \$6,000.00 Date: 8/1/2016

In sworn testimony, the City Clerk indicated this \$6,000 payment was issued to her husband's business and they cleaned the floors once each quarter for the 4 years the Mayor was in office [April 2015 through April 2019]. The check was signed in the scripted handwriting of the Mayor and City Clerk and endorsed in the scripted handwriting of the City Clerk's husband and City Clerk.



Check: 23374 Amount: \$2,100.00 Date: 2/20/2019

The memo line of this check indicates the payment was for a follow up on the previous 4-year contract for floor cleaning service. In sworn testimony, the City Clerk indicated no janitorial services were provided by herself or her husband in relation to this check. This check was signed in the scripted handwriting of the Mayor and City Clerk and was endorsed in the scripted handwriting of the City Clerk's husband.



City of Parma
Management Advisory Report - State Auditor's Findings

In sworn testimony, the Mayor indicated she was not aware of these 2 checks, was not aware of a janitorial service cleaning the floors, and any cleaning of city buildings or buffing of city floors was performed by the city employees or herself. Former Board members indicated in recorded interviews that they did not solicit bids for floor cleaning services, did not approve the hiring or payment of a floor cleaning service, and were not aware of floor cleaning services being provided. In addition, a contract for these floor cleaning services was not located at city hall.

Water Supervisor

Supporting documentation was not available for 16 checks improperly issued to the Water Supervisor totaling \$5,265.

- The Water Supervisor was issued 15 checks totaling \$5,165 for additional duties, such as digging graves, renovations, and cleaning out the city dog pound and storage when he was also being paid hourly and for a significant number of hours worked each week as the Water/Sewer Operator or Water Supervisor.
- The Water Supervisor was also issued a \$100 check for a petty cash fund. However, during a recorded interview of the former City Collector, she indicated the petty cash fund consisted of only 2-\$5 bills, a couple of \$1 bills, and some change. In addition, the memo line of the check indicated the check was for "Petty Cash - David Thatch Water Clerk Draw for Change for service."

All of these checks were signed in the scripted handwriting of the Mayor and City Clerk, and endorsed in the scripted handwriting of the Water Supervisor. All of these checks were written for whole dollar amounts, and the payments for duties performed were not subject to payroll withholdings, and were not reported on the Water Supervisor's W-2 form.

Alderman Wofford's business Supporting documentation was not available for 3 checks improperly issued to Alderman Wofford's business totaling \$932. The memo lines of the checks indicated the checks were issued for repairs made to city vehicles. A subpoena was issued to Alderman Wofford on September 23, 2019, requesting copies of all invoices relating to city payments made to Alderman Wofford's business. While invoices were provided to support several payments to Alderman Wofford's business, invoices were not provided to support these 3 payments. All of these checks were signed in the scripted handwriting of the Mayor and City Clerk and were endorsed "Wofford Body Shop Simon Wofford" in Alderman Wofford's scripted handwriting.

Improper purchases

From April 14, 2015, through April 16, 2019, improper purchases totaling \$21,007 were made by the Mayor, City Clerk, and Water Supervisor; and we could not determine who made another \$4,673 of improper purchases because



City of Parma
Management Advisory Report - State Auditor's Findings

the related credit card invoices were not signed or we could not determine who used a city check to make a purchase (see Appendix D).

Mayor

The Mayor made improper purchases totaling \$11,249 using the city's prepaid debit card, that was loaded using city funds, and the city's Walmart credit card.

- Improper purchases totaling \$8,721 were made using a prepaid debit card registered to "Mayor Tyus Byrd." The prepaid card was loaded using city checks cashed by the Mayor (see Appendix C). The Mayor made improper cash withdrawals and incurred related maintenance and ATM fees totaling \$6,830 using the prepaid debit card. The Mayor also used the prepaid debit card to make \$1,891 of other purchases, which are summarized by category below:

Category	Amount
Retail stores	\$ 591
Restaurants	290
Personal utility bill	245
Telephone service	195
Gas stations and automotive repair	164
Title loan and other bill payments	163
Airline travel costs	100
Cable television service	96
Wig and beauty supply store	47
Total	\$ 1,891

- The Mayor used the city's Walmart credit card (and signed the related invoices) to make \$2,528 of improper purchases. The Mayor spent \$1,347 on gift cards and related fees, \$670 on cellular phone cards and related fees, and \$511 on other improper purchases, including the purchase of 5 cellular phones.

City Clerk

The City Clerk used the city's Walmart credit card (and signed the related invoices) to make \$9,220 of improper purchases. The City Clerk spent \$5,151 on gift cards and related fees and \$563 on cellular phone cards and related fees. The City Clerk also made other purchases totaling \$3,506.

Some of the other items improperly purchased included: a blender, pots and pans, glass dishes, silverware, a slow cooker, a deep fryer, an electric burner, a cellular phone, multiple cellular phone chargers and kits, a cassette adapter, tablets, tablet cases, speakers, magazines, needles, handbags, backpacks, a TV stand, a sofa bed, clothes, baby wipes, formula, and diapers. The



City of Parma
Management Advisory Report - State Auditor's Findings

following pictures from Walmart's website, based on the barcode notated on the invoice, include the TV stand and sofa bed purchased.



The City Clerk also improperly purchased a significant amount of grocery items using the city's Walmart credit card including: brisket, ribs, sausage, ground beef, salad mix and dressing, milk, vegetables, oil, instant noodles, bread, chips, jelly, snack cakes, single serve candy, soda, cheese, yogurt, bagels, cookies, whipped topping, and dog, bird, and fish food.

Water Supervisor

The Water Supervisor used the city's Walmart credit card (and signed the related invoices) to make \$230 of improper purchases and charged \$308 of personal expenses to the city's charge account at a local tire shop. Improper items purchased at Walmart included cellular phone cards and related fees totaling \$150, a cell phone charger for \$12, and \$68 in groceries and umbrellas. The Water Supervisor also charged the purchase of tires totaling \$272 and an oil change totaling \$36 for his personal vehicle to the city's charge account at a local tire shop that the city subsequently paid. The invoices for the tire and oil change were obtained from the local tire shop vendor and included the make, model, and vehicle identification number of the Water Supervisor's personal vehicle that received the service. We verified this vehicle was owned by the Water Supervisor with the New Madrid County Assessor's office.

Unknown purchaser

Improper purchases totaling \$4,673 were made, but the purchaser was unknown.

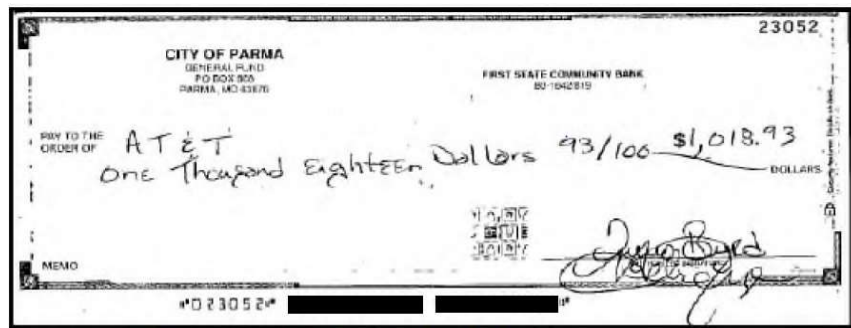
- Improper purchases were made using the city's Walmart credit card totaling \$3,654, and the related invoices were not signed. As a result, we could not determine who purchased the improper items. The improper items purchased included \$1,891 of gift cards and related fees, \$1,087 of cellular phone cards and related fees, and \$676 of other purchases. Other purchases included groceries, 3 cellular phones and cellular phone accessories, a toy drone, canning supplies, socks, a night stand, and other miscellaneous items. Given the time frame in which these purchases



City of Parma
Management Advisory Report - State Auditor's Findings

occurred and other improper purchases made, it is likely these purchases were made by the Mayor, City Clerk, and/or Water Supervisor.

- The city also issued a \$1,019 check improperly to a cellular phone company store as follows:



Check: 23052 Amount: \$1,018.93 Date: 2/7/2017

The check was not dated, but cleared the bank on February 7, 2017. The check was signed in the scripted handwriting of the Mayor and City Clerk and the check appeared to be written in the scripted handwriting of the Mayor. Most other city checks were computer generated (typed). No other supporting documentation of the purchase was located.

Improperly recorded
utility payments and
improper adjustments

From April 14, 2015, through April 16, 2019, improperly recorded utility payments totaling \$533 and improper adjustments totaling \$4,625 were applied to the utility accounts of the Mayor, the Water Supervisor, Alderman Wofford, Alderwoman Jones, and a church. We also estimated additional improper utility adjustments totaling \$1,886 were made to their utility accounts (see Appendix E). In sworn testimony, the Mayor indicated only the City Clerk, City Collector, and herself could have made adjustments to the utility system.

The electronic utility system was destroyed in the city hall fire. However, some paper utility billing and payment reports were obtained from city hall and local law enforcement,⁵ and bank statements and contents of deposits were obtained from the city's bank. For the periods in which monthly billing and payment reports were not available, an estimate of monthly billing amounts was determined based on the average of billing amounts for each utility account during periods prior to or following the periods in which utility records were not available. We compared activity reported on monthly utility billing and payment reports and monthly billing estimates to utility bank deposits to determine if improperly recorded utility payments or improper

⁵ An account history for the Mayor's utility account was provided from local law enforcement for the period of January 1, 2015, through March 31, 2016.



City of Parma
Management Advisory Report - State Auditor's Findings

adjustments were recorded/applied in the electronic utility system. Due to the utility system and records being destroyed in the fire in April 2019, the city billed each customer that had not paid their utility bill from January 2019 to April 2019 a flat amount of \$59.79 these months, with seniors being billed \$57.79 these months. Various city officials indicated the city discontinued receiving cash payments for utility services sometime in early 2016, and only accepted checks and money orders after that time.

In addition, our review of billing reports showed inconsistencies in how previous utility balances and utility payments were reported in the utility accounts of the Mayor, Water Supervisor, Alderman Wofford, Alderwoman Jones, and a church in comparison to utility accounts of other utility customers. The billing reports for a typical utility customer account reported a previous balance, a payment, and a new balance. However, several of the billing reports for the Mayor, Water Supervisor, Alderman Wofford, Alderwoman Jones, and a church reported a zero previous balance or a previous balance of a lesser amount than the previous month's ending balance, no payment, and a new balance. The city's utility system software provider indicated the likely reason for reporting the previous zero balance or a lesser previous balance than the previous month's ending balance for these select utility accounts was due to a credit adjustment made to reduce the previous month's balance; therefore, no payment was actually made. However, credit adjustment reports were not prepared or retained by the city, and the electronic utility system was destroyed in the fire. As a result of the inconsistencies and explanation of the utility system software provider, we determined the amount of improper utility adjustments for each of these utility accounts based on monthly billing amounts when subsequent billing reports showed a zero previous balance or a lesser previous balance than the previous month's ending balance and no payments made, and bank records showed no related receipts were deposited.

Mayor

From May 2015 through June 2018,⁶ an improperly recorded utility payment totaling \$224 and improper adjustments netting \$177 were recorded to the utility account of the Mayor. In addition, improper adjustments totaling \$1,187 were likely recorded to this account. Also, we estimated an additional \$698 of improper adjustments were made to the account, during periods that records were not available. A subpoena was issued to the Mayor on September 23, 2019, requesting copies of all payments made for utility services. However, no records were received from the Mayor.

- Utility records show a \$224 payment was posted to the Mayor's utility account on September 1, 2015. However, bank deposits for the month of

⁶ According to city utility records, the Mayor's utility account had no activity after June 2018.



City of Parma
Management Advisory Report - State Auditor's Findings

September 2015 did not show any evidence this payment was deposited. As a result, we determined this was an improperly recorded utility payment.

- On February 22, 2016, 63 improper adjustments netting \$177 were recorded to the Mayor's utility account. The majority of the adjustments appeared to be for the monthly billing amounts of January and February 2016. No documentation was available to explain the reason for the adjustments.
- Improper adjustments totaling \$1,187 were likely recorded to the Mayor's utility account for activity in February 2017, March 2017, May 2017, December 2017, May 2018, and June 2018. Previous balances of zero or a previous balance of a lesser amount than the previous month's ending balance, and no payments were reported for these months, indicating a utility adjustment credit was likely made to the account.
- We estimated \$698 of improper adjustments were made to the Mayor's utility account from May 2016 through December 2016. Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balances based on the average billing amounts in 2015 and 2016, when utility records were available.

Water Supervisor

From May 2016 through April 2019, improper adjustments totaling \$1,938 were likely recorded to the utility account of the Water Supervisor. We also estimated an additional \$476 of improper adjustments were made to this account during periods that records were not available. We could not confirm the date the Water Supervisor started receiving utility services because related city records were not available.

- Improper adjustments totaling \$1,938 were likely recorded to the Water Supervisor's utility account for activity in March 2017, May 2017, November 2017, December 2017, January 2018, August 2018, and December 2018. Previous balances of zero or a previous balance of a lesser amount than the previous month's ending balance, and no payments were reported for these months, indicating a utility adjustment credit was likely made to the account.
- We estimated \$476 of improper adjustments were made to the Water Supervisor's utility account from June 2016 through December 2016. Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balances based on the average billing amounts in 2017, when utility records were available.



City of Parma
Management Advisory Report - State Auditor's Findings

Alderman Wofford

From April 2016 through April 2019, two payments totaling \$71 were improperly recorded to Alderman Wofford's utility account. In addition, improper adjustments totaling \$404 were likely recorded to this account. Also, we estimated an additional \$267 of improper adjustments were made to the account during periods for which records were not available. A subpoena was issued to Alderman Wofford on September 23, 2019, requesting copies of all payments made for utility services from April 2015 through April 2019. While Alderman Wofford provided some utility payment information, no evidence of the following payments were received from Alderman Wofford.

- Utility records showed a \$66 payment was posted to the Alderman's utility account for the September 2018 billing amount on November 1, 2018. However, bank deposits for the month of November 2018 did not show any evidence this payment was deposited. As a result, we determined this was an improperly recorded utility payment. In addition, a \$66 payment was posted to the Alderman's utility account for the June 2018 billing amount on July 19, 2018; however, bank deposits for the month of July 2018 only show a payment of \$61 deposited. As a result, we determined this \$5 difference was an improperly recorded utility payment.
- Improper adjustments totaling \$404 were likely recorded to the Alderman's utility account for activity in January 2017, February 2017, March 2017, May 2017, June 2017, and October 2018. Previous balances of zero and no payments were reported for these months, indicating a utility adjustment credit was likely made to the account.
- We estimated \$267 of improper adjustments were made to the Alderman's utility account from June 2016 through September 2016. Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balances based on the average billing amounts in the other 8 months of 2016, when utility records were available.

Alderwoman Jones

From April 2017 through April 2019, improperly recorded payments totaling \$187 were recorded to Alderwoman Jones's utility account. In addition, improper adjustments totaling \$145 were likely recorded to this account. A letter was issued to Alderwoman Jones on March 5, 2020, requesting copies of all payments made for utility services from April 2017 through April 2019 (including canceled checks, city receipt slips, payment stubs, etc.). While Alderwoman Jones provided some utility payment information, no evidence of the following improperly recorded payments were received from Alderwoman Jones.

- Improperly recorded payments were posted to Alderwoman Jones utility account totaling \$187.



City of Parma
Management Advisory Report - State Auditor's Findings

Utility records show a \$152 payment was posted to the Alderwoman's utility account for the July and August 2017 billing amounts on September 12, 2017. However, bank deposits for the month of September 2017 only show a payment of \$76 deposited. As a result, we determined the remaining \$76 was an improperly recorded payment.

Utility records show a \$121 payment was posted to the Alderwoman's utility account for the January and February 2018 billing amounts on March 8, 2018. However, bank deposits for the month of March 2018 only show a payment of \$60 deposited. As a result, we determined the remaining \$61 was an improperly recorded payment.

Utility records show a \$120 payment was posted to the Alderwoman's utility account for the March and April 2018 billing amounts on May 7, 2018. However bank deposits for the month of May only show a payment of \$70 deposited. In addition, the April 25, 2018, billing had a handwritten note of the \$70 payment and balance due of \$50. As a result, we determined \$50 of the \$120 was an improperly recorded utility payment.

- Improper adjustments totaling \$145 were likely recorded to the Alderwoman's utility account.

Utility records show Alderwoman Jones was billed \$62 for November 2017 activity (due in December) and \$60 for December 2017 activity (due in January). However, bank deposits for the month of December 2017 and January 2018 only show a payment of \$62 in January 2018. While the December 2017 billing showed a balance due of \$122, the January 2018 billing showed a previous balance of only \$62 instead of \$122. The January 2018 billing also indicated no payments were reported. As a result, a utility adjustment credit of \$60 was likely made to the account.

Utility records show Alderwoman Jones was billed \$84 for May 2018 activity (due in June) and \$85 for June 2018 activity (due in July). However, bank deposits for the month of June 2018 and July 2018 only show a payment of \$84 in July 2018. In addition, the June 2018 billing had a handwritten note of the \$84 payment and balance due of \$85. The billing statement for July activity was not located. However, the August 2018 billing statement showed a balance due of \$69 that is the billing amount for July activity. As a result, a utility adjustment credit of \$85 was likely made to the account.

Church

A \$51 payment was improperly recorded to a church's utility account on April 29, 2016, for the March 2016 billing. In addition, improper utility adjustments totaling \$774 were likely recorded to this account. Also, we estimated an additional \$445 of improper utility adjustments were made to the account



City of Parma Management Advisory Report - State Auditor's Findings

during periods for which records were not available. Church checks issued to the city for payment of utilities were sometimes signed by Mayor Byrd and/or Alderman Wofford.

- Improper adjustments totaling \$774 were likely recorded to the church's utility account for activity in April 2016, March 2017, May 2017, June 2017, May 2018, and October 2018. No evidence of a payment for the April 2016 billing was found in bank deposits. Therefore, the amount billed and not paid was shown as an improper utility adjustment. Previous balances of zero or a previous balance of a lesser amount than the previous month's ending balance and no payments were reported for these months, indicating a utility adjustment credit was likely made to the account.
- We estimated \$445 of improper adjustments were made to the church's utility account from May 2016 through December 2016 and in March 2019. Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balances for May 2016 through December 2016 based on the average billing amounts in 2017, when utility records were available. We estimated the billing, adjustment, and ending balances for March 2019 based upon the billing amounts in 2018.

Falsified records

The Mayor and City Clerk falsified Board meeting minutes and financial reports, and the list of bills prepared for Board meetings by the City Clerk were incomplete and inaccurate. Most of these inaccurate financial reports prepared for Board meetings were reviewed and signed by the Mayor.

Meeting minutes

Significant discrepancies were identified between Board meeting minutes provided to the State Auditor's Office (SAO) by the Mayor and City Clerk in February 2019 and those found at city hall by SAO investigators on April 18, 2019, immediately following the fire to city hall (see Appendix F). Board meeting minutes provided by the Mayor and City Clerk were in response to an investigative letter (see Appendix A) issued by the SAO regarding complaints received concerning the Mayor's compensation.

For example, the July 14, 2015, Board meeting minutes obtained from the Mayor and City Clerk indicate only Alderman Branom and the Mayor were present for the meeting and regular business was not presented. However, these same Board meeting minutes included a closed session indicating Alderwoman Richards (who was not present per the regular meeting minutes), Alderman Branom, and the Mayor conducted a lengthy discussion regarding a salary increase for the Mayor and a different pay period and pay structure for the City Clerk. In contrast, Board meeting minutes found at city hall shortly after the fire for the same meeting date indicate Alderwomen Donaldson and Richards, Alderman Branom, and the Mayor were present,



City of Parma
Management Advisory Report - State Auditor's Findings

regular business was conducted, and the meeting adjourned after regular business was discussed. No closed session was held, and no discussion of the Mayor's salary was documented. Former Alderwoman Donaldson and Alderman Branom indicated in recorded interviews that no pay increase for the Mayor was ever approved by the Board. Several additional discrepancies were identified between the 2 sets of meeting minutes on this date.

The August 11, 2015, Board meeting minutes obtained from the Mayor and City Clerk did not include a discussion of stray dogs, pot holes, water department issues, bills to be paid, or the Collector and Treasurer positions that were included in the Board meeting minutes found at city hall shortly after the fire. Only one page of the Board meeting minutes for this date were found at city hall.

The November 10, 2015, Board meeting minutes obtained from the Mayor and City Clerk did not discuss the need for a city credit card for online purchases and travel, credit card and prepaid card options, and for any decisions regarding credit cards or prepaid cards to be tabled until the next meeting. However, the Board meeting minutes found at city hall shortly after the fire included this discussion.

Financial reports

The City Clerk falsified the cash balances of some bank accounts on financial reports prepared for monthly Board meetings. For example, the City Clerk prepared a report for the Board showing cash balances for each account as of July 17, 2018, that reported inaccurate bank balances as follows:

Bank Account	Cash Balances per Financial Report	Actual Bank Balances
General	\$ 2,279	2,279
Payroll	2,514	2,514
Special Street	455	455
Water/Sewer/Garbage	5,639	5,639
Municipal Court	155	155
Municipal Court Bond	2,034	2,034
Savings	27,801	335
Replacement and Extension	28,797	339
Fire Department	N/A	1,076
Bond Reserve (1)	22,800	0
Total	\$ 92,474	14,826

N/A Bank account not reported on the City Clerk's financial report.

(1) The Bond Reserve bank account was closed on June 12, 2017.

In addition, the cash balances on this monthly report totaled \$90,439 instead of the \$92,474 total indicated in the table above. This cash balances report was signed by both the Mayor and City Clerk.



City of Parma
Management Advisory Report - State Auditor's Findings

Also, during the 26 months from July 19, 2016, through August 21, 2018, the City Clerk inaccurately reported cash balances of the Savings account and Replacement and Extension account on 13 of 14 financial reports prepared for the Board and inaccurately reported cash balances of the Bond Reserve account on 9 of these 14 financial reports. Most of these financial reports were signed by both the Mayor and City Clerk. Financial reports were not prepared or not retained for the remaining 12 months.

The misreporting of these cash balances concealed the depletion of the Savings, Replacement and Extension, and Bond Reserve accounts by the Mayor and City Clerk. These accounts were required to be funded by the city's water and sewer loan (see MAR finding number 3.2). The misreporting of these cash balances also concealed the transferring of monies from the Savings account and Replacement and Extension account to the General and Payroll accounts, where overpayments and improper disbursements were paid, and concealed the closing of the Bond Reserve account.

During 2016 and 2017, transfers totaling \$18,490 were made from the Savings account to the General account. During 2017, transfers totaling \$27,288 were made from the Replacement and Extension account to the Payroll account (\$16,988) and the General account (\$10,300). The \$20,673 balance of the Bond Reserve account was used to make payments on water/sewer loans and the water plant generator loan, and this account was closed by the Mayor and City Clerk on June 12, 2017.

List of bills

The City Clerk prepared inaccurate and incomplete lists of bills to be paid for monthly Board meetings. For example, the list of bills to be paid for February 2018 was inaccurate and incomplete as follows:



City of Parma
Management Advisory Report - State Auditor's Findings

Payee/Type of Payment	Amount on List of Bills	Actual Amount Paid
USDA - Rural	\$ 4,190	4,190
Environmental Analysis South, Inc.	224	0
Powell Supply, Inc.	144	0
Bennette's Pool and Spa	276	556
Best Sanitation (resident pickup)	2,400	2,476
Best Sanitation (garbage bin)	32	32
Ameren	5,814	5,654
BPS Telephone	408	371
Focus - monthly loan payment	250	250
Payroll	0	10,847
Helen Frye (payroll advance)	0	1,500
Expense reimbursements	0	1,012
Casey's	0	1,005
AT&T	0	315
Walmart	0	1,348
Focus (fire truck)	0	9,550
Staples	0	37
Deluxe Business Systems	0	221
Family Support	0	400
Tweedy Law Firm	0	2,023
Missouri Department of Natural Resources	0	1,804
Novacopy	0	90
Personal Concepts	0	511
Wofford's Body Shop	0	375
Southern FS	0	1,797
Totals	\$ 13,738	46,364

In addition, the total bills to be paid on this report was shown as \$13,514 instead of the \$13,738 total indicated in the table above. This list of bills indicated "Prepared by City Clerk-Helen Frye". Our review of the 18 lists of bills to be paid that were retained and prepared for the Board's review showed that typical monthly payments including payroll disbursements; employee advances and reimbursements; and payments to Casey's, AT&T, and Verizon were not included. In addition, disbursements to Walmart were only included on 4 of the 18 lists of bills to be paid. Transfers were also only listed on 3 of 16 monthly lists of bills to be paid.

Additional falsified financial reports and lists of bills to be paid may have been prepared for other months during the term of the City Clerk. However, additional financial reports and lists of bills could not be located or were destroyed during the fire.



City of Parma
Management Advisory Report - State Auditor's Findings

Overall conclusion

The lack of segregation of duties and adequate controls, and the absence of proper oversight, as discussed in the remainder of this report, resulted in payroll overpayments, improper withdrawal and payments, improper purchases, improperly recorded utility payments and adjustments, and falsified records going undetected for a significant period of time. The unusual nature and lack of supporting documentation of checks written, prepaid debit card use, the cash withdrawal, and utility payments and adjustments should have caused suspicion and alerted the Board to the misappropriation. It is apparent city financial activity was not monitored by the Board. The inaccurate financial activity reported to the Board helped conceal payroll overpayments, improper payments, improper purchases, improperly recorded utility payments and improper adjustments, shortages in bank accounts, and the city's declining financial condition.

Recommendation

The Board of Aldermen continue to work with law enforcement officials regarding criminal prosecution of the payroll overpayments, improper withdrawal and payments, improper purchases, improperly recorded utility payments and improper adjustments, and falsified records; and take the necessary actions to obtain restitution.

Auditee's Response

We will continue to work with law enforcement officials regarding criminal prosecution of the payroll overpayments, improper withdrawal and payments, improper purchases, improperly recorded utility payments and improper adjustments, and falsified records; and take the necessary actions to obtain restitution.

2. Oversight, Annual Audits, and City Code and Ordinances

The Board did not establish adequate oversight or obtain annual audits as required by state law. City code and ordinances also need improvement.

2.1 Oversight and segregation of duties

The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the Mayor and City Clerk. Weaknesses identified throughout this report are significant and demonstrate a lack of segregation and proper oversight by the Board that led to the misappropriations noted in MAR finding number 1.

Proper segregation of duties helps ensure transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties is not possible, timely supervisory or independent reviews of work performed and investigation into unusual items and variances is necessary. Good management practices require extensive and detailed oversight by the Board.



City of Parma
Management Advisory Report - State Auditor's Findings

2.2 Annual audits

The city does not obtain annual audits as required, and city officials do not know when the last audit of city finances occurred.

Section 250.150, RSMo, requires the city to obtain annual audits of the combined waterworks and sewerage system, and the cost of the audit is to be paid from the revenues received from the system.

2.3 City code and ordinances

The Board has not complied with city code and has not established or updated city code or ordinances as appropriate.

- City Code, Section 110.200 states, "The Board may, by motion, dispense with any regular meeting, but at least one (1) meeting, regular or special, must be held in each calendar month." Monthly Board meetings were frequently canceled by the Mayor or not held, and Board meeting minutes were not located for several monthly Board meetings. In instances in which no Board meeting minutes were located, it is not clear whether a Board meeting was held or if Board meeting minutes were destroyed in the fire. As a result, city disbursements may have frequently only been reviewed and approved by the Mayor and City Clerk.
- The city does not have ordinances establishing the compensation of city officials and employees. City Code, Section 115.060 states, "The Board of Aldermen shall fix the compensation of all the officers and employees of the City by ordinance."
- The city did not establish or update city codes/ordinances for changes in various city procedures. Changes in procedures include when cash was no longer accepted for payment of utility services, when employee pay periods changed from monthly to weekly, or when calculation of employee pay changed to an hourly calculation. For example, City Code, Section 115.110 states, "The salary of the City Clerk shall be such as from time to time the Board of Aldermen shall fix by ordinance as a certain amount per month, payable bi-weekly by warrant. . ." The City Clerk began being compensated on an hourly basis on September 10, 2015, without any change to the ordinance setting her salary at a fixed monthly rate.
- In July 2015, the Mayor appointed Alderwoman Richards to serve on the Board. However, she was not a resident of the city for one year preceding her appointment according to the New Madrid County Clerk's office voter records. City Code, Section 110.010 states, "No person shall be an Alderman unless he/she be. . . an inhabitant and resident of the City for one (1) year next preceding his/her election, and a resident, at the time he/she files and during the time he/she serves, of the ward from which he/she is elected."



City of Parma
Management Advisory Report - State Auditor's Findings

Because codes and ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important they are current, complete, and followed. In addition, ordinances documenting approved salary amounts help ensure equitable treatment and prevent misunderstandings. Section 79.270, RSMo, authorizes the Board to fix the compensation of city officials and employees by ordinance.

Recommendations

The Board of Aldermen:

- 2.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.
- 2.2 Obtain annual audits of the waterworks and sewerage system as required by state law.
- 2.3 Update city code as procedures change, establish the compensation of city officials and employees by ordinance, and ensure compliance with city code.

Auditee's Response

- 2.1 *We will segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures.*
- 2.2 *We will obtain annual audits of the waterworks and sewerage system as required by law.*
- 2.3 *We will update city code as procedures change, establish the compensation of city officials and employees by ordinance, and ensure compliance with city code.*

3. Disbursements and Bond Requirements

Controls and procedures over disbursements need improvement, and the city did not fund and maintain account balances in accordance with bond requirements.

3.1 Board review and approval process

The City Clerk did not provide bank statements, a complete and accurate list of bills, complete and accurate financial information, or monthly utility reports to the Board for review at monthly meetings. Board members indicated they did not review bank statements. The list of bills provided to the Board for review and approval were not compared to invoices and actual checks written. Board members did not review invoices, several payments were made with no supporting documentation, checks were often issued out of numerical sequence, and documentation of the receipt of goods or services on the invoices was not required. In addition, as noted in MAR finding number 2.3, monthly Board meetings were frequently canceled by the Mayor. As a result of these deficiencies, the Board was not aware of the payroll overpayments, improper withdrawal and payments, improper purchases, improperly recorded utility payments and improper adjustments, and inaccurate financial records.



City of Parma
Management Advisory Report - State Auditor's Findings

The Board and City Clerk also failed to monitor the city's cash balances. As a result, the city incurred \$2,134 in overdraft fees in the General, Payroll, Special Street, Water/Sewer/Garbage, and the Municipal Court bank accounts from September 1, 2015, through January 3, 2019. Had the Board reviewed the bank statements, the improper payments and the declining cash balances could have been questioned.

To safeguard against possible loss or misuse of funds, the Board should approve all disbursements and review supporting documentation, bank information, and canceled checks; ensure the numerical sequence of checks is accounted for; and require the receipt of goods and services prior to payment. Board approval of disbursements should be documented by signing or initialing the monthly list of bills. To prevent bank account overdraft charges, the city should more closely monitor bank account balances.

3.2 Bond requirements

The Mayor and City Clerk did not fund and maintain account balances in accordance with bond requirements.

- The 2009 bond agreement required the city to fund a Debt Service Reserve (Savings) account with \$229 each month until it was fully funded with a balance of \$27,480. This Savings account had a balance of \$16,300 at April 14, 2015, when Mayor Byrd was elected to office. Some deposits were made to this account through May 18, 2016, when the balance was \$18,823. However, the Mayor and City Clerk stopped making deposits to this account and transferred the majority of the balance to other checking accounts. The balance of this account was only \$12,824 at July 17, 2016, \$1,834 at November 1, 2016, and \$335 from November 30, 2017, through April 16, 2019 (the date Mayor Byrd's term of office ended). As a result, the city did not fund the Savings account from July 2016 through April 2019, in compliance with the 2009 bond requirements.
- The 1982 bond agreement required the city to maintain \$22,800 in a Debt Service Reserve (Bond Reserve) account until the bond was paid off. The balance of the Bond Reserve account (certificate of deposit) was \$22,800 on May 25, 2015, just after Mayor Byrd was elected to office. No additional deposits were made to this account, and the Mayor and City Clerk closed the account on June 12, 2017. The Mayor and City Clerk used the balance of the account at that time to make payments on other water/sewer loans and a water plant generator loan. The city did not pay off the 1982 bond until August 2018. As a result, the city did not fund the Bond Reserve account from June 2017 through August 2018, in compliance with the 1982 bond requirements.
- The 1982 bond agreement also required the city to maintain \$22,800 in a Repair and Extension Reserve (Replacement and Extension) account until the bond was paid off. The balance of the Replacement and



City of Parma Management Advisory Report - State Auditor's Findings

Extension account was \$23,436 at April 14, 2015, when Mayor Byrd was elected to office. Some deposits were made to this account through May 18, 2016, when the balance was \$27,621. However, the Mayor and City Clerk stopped making deposits to this account and transferred the majority of the balance to other checking accounts. The balance of this account was only \$13,638 at March 31, 2017, \$3,638 at June 30, 2017, and \$339 at January 2, 2018. As noted above this bond was not paid off until August 2018. As a result, the city did not fund the Replacement and Extension account from March 31, 2017, through August 2018 in compliance with the 1982 bond requirements.

Failure to comply with bond agreements could jeopardize future grant and/or financing opportunities for the city.

3.3 Excessive and unauthorized transfers

The Mayor and/or City Clerk made excessive and unauthorized transfers between various bank accounts. These transfers from restricted monies to other accounts allowed improper disbursements to occur and not be detected.

A review of the city's bank statements indicated 423 transfers totaling \$769,006 were made between bank accounts from September 18, 2015, through April 16, 2019. Eighty-eight of these transfers were for amounts less than \$1,000. The majority of these transfers were not approved by the Board and inappropriately made from various restricted accounts. Over \$458,000 was transferred out of the Water/Sewer/Garbage bank account to the Payroll and General bank accounts.

To ensure monies are used for the intended purpose, transfers of restricted funds should be approved by the Board and reasons and support for transfer amounts should be adequately documented. In addition, Section 250.150.1, RSMo, restricts the use of water and sewer monies for operating the systems, payment of bonds, establishment of a reserve, fulfillment of any agreements contained in ordinances, and payment of costs of improvements of such systems. Section 250.150.2, RSMo, prohibits the transfer of water and sewer monies except by action of the city governing body and only after all system operation and maintenance expenses and debt payments have been paid.

3.4 Conflicts of interest

The Board does not adequately monitor city activities for conflicts of interest.

- As noted in MAR finding number 1, the city paid \$6,000 to Fry Maxx Janitorial Service, a business owned by the City Clerk's husband, on July 28, 2016, and paid \$2,100 to the City Clerk's husband on February 14, 2019, without properly soliciting bids as required by state law.

The city also paid Frye's Chillin and Grillin Barbeque, another business owned by the City Clerk's husband, \$600 from November 2016 through



City of Parma Management Advisory Report - State Auditor's Findings

February 2017 to provide catering services without soliciting bids. While these catering transactions did not violate state law related to conflicts of interest, the payments to the City Clerk's husband's business were not typically included on the list of bills report provided to the Board to review and approve.

- The city paid \$558 to Alderman Wofford's auto body shop on November 9, 2018, and \$1,092 on January 8, 2019, without properly soliciting bids as required by state law. The Mayor and the City Clerk signed both of these checks in their scripted handwriting.

The city also paid Alderman Wofford's auto body shop \$3,411 from April 2016 through April 2019, without soliciting bids. In addition, the city paid the Mayor's mother (who is also Alderman Wofford's wife), \$150 on June 9, 2017, for decorations for main street and city hall without soliciting bids. While these transactions did not violate state law related to conflicts of interest, these payments were not included on the list of bills report provided to the Board to review and approve.

Board members serve in a fiduciary capacity and have an obligation to the public to avoid the appearance of impropriety. Personal interests in business matters of the city could create actual or the appearance of conflicts of interest, and a lack of independence could harm public confidence in the Board and reduce its effectiveness. Section 105.454, RSMo, prohibits financial transactions that involve more than \$500 per transaction or \$5,000 per annum between the city and its officials or employees serving in an executive or administrative capacity, unless there has been public notice to solicit proposals and competitive bidding, provided the bid or offer accepted is the lowest received. Section 105.458, RSMo, prohibits such financial transactions without competitive bidding between the city and any member of its board of aldermen.

3.5 Questionable and unnecessary purchases

Numerous questionable, unreasonable, and/or unnecessary purchases were made totaling \$6,221. Some of these purchases were made using the city's Walmart credit card and some of the disbursements were made by city check. Invoices for credit card purchases were obtained from Walmart. We determined who made the purchases using the Walmart credit card by who signed the related invoice. However, some of the invoices were not signed; therefore, we could not determine who made the purchase. Canceled checks were obtained from the city's bank, and supporting documentation was not located for any of the questionable or unnecessary purchases made by check identified in the Unnecessary purchases section below. Thus, the memo line of the check was used to determine the purpose of the purchase.

Questionable purchases

The following questionable purchases were made using the city's Walmart credit card:



City of Parma
Management Advisory Report - State Auditor's Findings

Date	Purchaser	Item Description as Indicated on Related Invoices	Amount
07/05/2016	City Clerk	2 window air conditioners and service plans	\$ 382
09/23/2016	City Clerk	Microwave and service plan	69
10/11/2016	City Clerk	Microwave and service plan	71
12/12/2016	City Clerk	Microwave and service plan	75
02/01/2017	City Clerk	32 inch television and service plan	216
06/30/2017	City Clerk	2 laptop computer cases	80
07/03/2017	City Clerk	2 laptop computer cases	80
04/19/2018	Water Supervisor	32 inch television	148
05/17/2018	Unknown	Microwave	70
06/14/2018	Unknown	2 portable air conditioners	607
06/27/2018	Unknown	Window air conditioner	159
07/08/2018	Unknown	Window air conditioner	116
Total			\$ 2,073

While microwaves, air conditioners, and computer cases could be purchased for city business, the number of similar items purchased and timing of the purchases is questionable. Because we could not determine with certainty these items were personal purchases, we did not include them in Appendix D. In addition, a former employee indicated in a recorded interview televisions were purchased with the city's credit card and the former employee never saw a new television at the city's offices, but did see a new television at the City Clerk's home. The former employee also indicated that the Mayor and City Clerk took home Christmas decorations that were purchased with city monies. Thus, these purchases may have been personal purchases. We could not determine which purchases of Christmas decorations were personal purchases so we have included them in the unnecessary city purchases below.

Unnecessary purchases

The following unnecessary purchases were made:



City of Parma
Management Advisory Report - State Auditor's Findings

Date	Purchaser	Vendor as Shown on City Check, if Applicable	Item Description as Indicated on Related Invoices/Check Memo Line	Purchase Method Used	Amount
11/25/2015	(1)	DAVE'S BEST WAY	Thanksgiving incentives for - full time employees	Check	\$ 133
12/05/2015	Mayor	Walmart	Christmas decorations	Credit card	182
12/09/2015	Mayor	Walmart	Christmas decorations	Credit card	313
02/05/2016	(1)	18 Fore Life	Cancer proceed donation	Check	200
10/25/2016	(1)	Regina Rodgers	Halloween and Christmas Decorations	Check	155
11/15/2016	(1)	Regina Rogers	Christmas decorations (incentives for Christmas holidays for offices display	Check	225
11/16/2016	(1)	Regina Rogers	Christmas decorations for water Plant	Check	215
11/22/2016	City Clerk	Walmart	11 turkeys, 10 injectable marinades, 3 bags of charcoal	Credit card	205
11/23/2016	(2)	Keith Frye Jr; Frye's Chillin and Grillin BBQ (3)	Incentive for the Thanksgiving holiday-10 turkeys-1 per employee and city council Frye's Chillin and Grillin smoked all turkeys	Check	150
12/08/2016	City Clerk	Walmart	Christmas decorations	Credit card	139
12/12/2016	City Clerk	Walmart	Christmas decorations	Credit card	208
12/14/2016	City Clerk	Walmart	Christmas decorations	Credit card	165
12/17/2016	City Clerk	Walmart	Gift boxes and wrap	Credit card	12
12/20/2016	City Clerk	Walmart	Christmas decorations	Credit card	25
12/23/2016	(1)	Keith Frye-Chillin and Grillin (3)	Catering the Christmas party for city employees	Check	250
02/20/2017	(1)	Keith Frye-Frye's Chillin and Grilling BBQ (3)	Catering for the employee banquet for City of Parma	Check	200
06/09/2017	(1)	Ella Mae Wofford (4)	Decorations for main street and city hall	Check	150
11/10/2017	(1)	Timothy Collins (5)	No purpose documented	Check	500
12/04/2017	(1)	Dollar Tree in Malden, MO	Christmas decoration	Check	300
12/12/2017	Mayor	Walmart	Christmas decorations	Credit card	208
12/12/2017	Mayor	Walmart	Christmas decorations	Credit card	24
12/13/2017	Mayor	Walmart	Christmas decorations	Credit card	110
12/14/2017	City Clerk	Walmart	Pegs for Christmas decorations	Credit card	10
12/20/2017	City Clerk	Walmart	Christmas decorations	Credit card	69
Total				\$	4,148

(1) The Mayor and City Clerk signed this check.

(2) The Mayor signed this check.

(3) This business is owned by the City Clerk's husband.

(4) Ella Mae Wofford is the Mayor's mother and Alderman Wofford's wife.

(5) This is an acquaintance of the Mayor.



City of Parma Management Advisory Report - State Auditor's Findings

Article VI, Sections 23 and 25 of the Missouri Constitution prohibit the use of public money or property to benefit any private individual, associations, or corporations except as provided in the constitution. Public funds should be spent only on items necessary and beneficial to the city. Citizens have placed a fiduciary trust in their public officials to spend city monies in a prudent and necessary manner.

3.6 Untimely payments

The Board did not ensure some bills were paid timely resulting in late fees and finance charges. As of April 16, 2019, 72 invoices totaling \$54,220 were outstanding over 30 days, including \$1,536 of late fees and finance charges due. For example, the city purchased 2 lawn mower tires on April 12, 2018, for \$35, and as of September 7, 2018, the city owed \$610 on this purchase, including multiple late fees totaling \$275, repossession fees of \$200, and failure to return tire fees of \$100. Based on records maintained by the current City Clerk, as of March 1, 2020, the city still owed \$5,956 of the \$54,220 due, including the \$610 due on the lawn mower tires. To prevent unnecessary fees and other charges, procedures should be in place to ensure bills are paid timely.

3.7 Fuel use

The city did not maintain mileage and fuel logs. As a result, fuel use was not reconciled to fuel purchases. The city owns 5 vehicles, 1 backhoe, and 6 pieces of small engine equipment that use city fuel. The city maintains 2 bulk fuel tanks for the city maintenance department and the police department and purchased bulk fuel from May 2015 through August 2018. The city started purchasing fuel at local gas stations in March 2017 and continued purchasing fuel at local stations throughout 2018 and early 2019, then started purchasing bulk fuel again in January 2019. Fuel purchases during the 4-year term of the Mayor are shown below:

	Year Ended April 30,			
	2016	2017	2018	2019
Bulk fuel	\$10,854	11,778	1,948	3,285
Local gas station fuel	0	60	13,245	9,650
Total	\$10,854	11,838	15,193	12,935

The amount of fuel purchased at local gas stations appears excessive. The city issued 498 checks to local gas stations typically in whole dollar amounts ranging from \$10 to \$80 totaling \$22,955 from March 2017 through March 2019. From June 2017 through December 2018, the city issued an average of 26 checks a month to the local gas stations.

Further, a former Board member indicated in a recorded interview that the Board member observed the Water Supervisor driving a city vehicle outside the city with his children in the vehicle on a weekend, that the Mayor frequently drove a city vehicle outside the city for personal purposes, and that the Board did not approve the use of city vehicles for personal purposes.



City of Parma
Management Advisory Report - State Auditor's Findings

Mileage and fuel logs are necessary to document the appropriate use of vehicles and equipment and to support fuel purchases. Without sufficient information, city officials cannot evaluate the propriety and reasonableness of fuel pumped/used or reconcile amounts used to fuel billings. Failure to account for fuel purchases and fuel used could result in loss, theft, or misuse going undetected.

Recommendations

The Board of Aldermen:

- 3.1 Review bank statements monthly and properly monitor bank account balances to avoid bank fees. The Board should also ensure an accurate and complete monthly list of bills is prepared and compared to invoices and checks written. In addition, the Board should ensure invoices are adequately reviewed and checks are issued in numerical sequence, and require documentation of receipt of goods and/or services prior to payment of invoices.
- 3.2 Ensure compliance with funding requirements of bond agreements.
- 3.3 Monitor and reduce the number of transfers made between bank accounts, and ensure transfers are not prohibited by state law.
- 3.4 Refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law.
- 3.5 Continue to work with law enforcement officials regarding criminal prosecution of personal, unsupported, and excessive purchases and take the necessary actions to obtain restitution. The Board should also ensure all disbursements are necessary and prudent uses of public funds.
- 3.6 Ensure all invoices are paid timely.
- 3.7 Ensure a documented periodic reconciliation of fuel purchased to fuel used is performed with any significant differences investigated.

Auditee's Response

- 3.1 *We will review bank statements monthly and properly monitor bank account balances to avoid bank fees. We will also ensure an accurate and complete monthly list of bills is prepared and compared to invoices and checks written. In addition, we will ensure invoices are adequately reviewed and checks are issued in numerical sequence, and require documentation of receipt of goods and/or services prior to payment of invoices.*
- 3.2 *We will ensure compliance with funding requirements of bond agreements.*



City of Parma
Management Advisory Report - State Auditor's Findings

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- 3.3 *We will monitor and reduce the number of transfers made between bank accounts, and ensure transfers are not prohibited by state law.*
- 3.4 *We will refrain from entering into business transactions with related parties unless such services or transactions are properly bid in accordance with state law.*
- 3.5 *We will continue to work with law enforcement officials regarding criminal prosecution of personal, unsupported, and excessive purchases and take the necessary actions to obtain restitution. We will also ensure all disbursements are necessary and prudent uses of public funds.*
- 3.6 *We will ensure all invoices are paid timely.*
- 3.7 *We will ensure a documented periodic reconciliation of fuel purchased to fuel used is performed with any significant differences investigated.*

4. Payroll and Related Matters

Significant improvement over payroll controls and procedures is needed.

4.1 Payroll taxes and unreported compensation

The City Clerk did not timely file and remit various payroll taxes, and as a result, the city was assessed over \$114,000 in past due taxes, interest, and penalties.

- The City Clerk did not timely file 941 forms and remit applicable payroll taxes to the Internal Revenue Service (IRS) for the 15 quarters from July 1, 2015, through March 31, 2019. The current Administrative Assistant filed the 941 forms for these quarters in July 2019. As a result, the city owes the IRS \$105,606 in unpaid past due taxes (\$76,909) and penalties and interest (\$28,697), with the amount of penalties and interest increasing as these amounts remain unpaid. Some payments on these amounts due have been made by the city. Based on records maintained by the current City Clerk, as of March 3, 2020, the IRS is still owed \$48,210 for taxes (\$43,790) and interest and penalties (\$4,420).
- The City Clerk did not timely file and remit applicable payroll taxes, totaling \$4,014, to the Missouri Department of Revenue (DOR) from July 1, 2015, through March 31, 2018, and also July 1, 2018, through March 31, 2019. Based on records maintained by the current City Clerk, as of March 3, 2020, the DOR is still owed \$1,804 for taxes (\$1,608) and interest and penalties (\$196).



City of Parma
Management Advisory Report - State Auditor's Findings

- The City Clerk did not timely file quarterly contribution and wage reports and remit unemployment taxes totaling \$4,557 to the Missouri Department of Labor and Industrial Relations, Division of Employment Security, for the third quarter of 2016, second through fourth quarters of 2017, all 4 quarters of 2018, and the first quarter of 2019, resulting in an assessment of interest and penalties totaling \$1,197. Based on records maintained by the current City Clerk, as of March 3, 2020, the Division of Employment Security is still owed \$2,980 for taxes (\$2,287) and interest and penalties (\$693).

Also, some of the payroll overpayments, and most of the improper payments identified in MAR finding number 1 were not subject to payroll tax withholdings and were not included on the employees' W-2 forms.

The Internal Revenue Code requires employers to file a 941 form by the last day of the month following the end of the quarter, along with payment of Social Security and Medicare taxes withheld from employees and the employer's share, as well as federal income taxes withheld.⁷ Similarly, Chapter 143, RSMo, includes requirements for reporting wages and withholding state income taxes. Missouri Employment Security Law, Section 288.160.2, RSMo, provides a monthly penalty on any employer that neglects or refuses to file its quarterly contribution and wage report by the last day of the month following the due date. The penalty shall not exceed the greater of \$200 dollars or 20 percent of the contributions in the aggregate. Additionally, IRS Publication 15 indicates that employers must report all employee compensation on the IRS W-2 forms.

4.2 Payroll advances/loans

The Mayor and City Clerk issued payroll advances/loans to employees totaling \$5,400 in violation of the Missouri Constitution. The city made payroll advances/loans to the City Clerk (\$4,250), Water Supervisor (\$500), and a former employee (\$650) from March 2016 through February 2018. Payroll deductions totaling \$1,225 were withheld from subsequent checks leaving an outstanding balance of \$4,175. As noted in MAR finding number 1, the City Clerk has an outstanding balance of \$3,425 and the Water Supervisor has an outstanding balance of \$500, and these amounts were reported as overpayments. The former employee has an outstanding balance of \$250.

Advance payments of employee compensation are loans of city funds. The city has no statutory authority to make loans and Article VI, Sections 23 and 25 of the Missouri Constitution, specifically prohibit counties, cities, or other political subdivisions of the state from granting public money or things of value to any corporation, association, or individual.

⁷ 26 CFR Section 31.6011(a)-1, 26 CFR Section 31.6071(a)-1, 26 CFR Section 31.6151-1(a)



City of Parma
Management Advisory Report - State Auditor's Findings

4.3 Timesheets/cards and leave records

Timesheets/cards were not prepared by some city employees and timesheets/cards prepared by other employees were not retained or located at city hall. In addition, compensatory time/overtime hours worked were not consistently documented on payroll records for some employees (see section 4.5). Leave records were also not maintained for city employees.

Without adequate timesheets/cards or a record of leave taken, the city cannot ensure hours worked and leave earned and taken by employees are properly documented. To ensure the accuracy of the hours worked and leave taken, timesheets/cards should be signed by the employees and reviewed and approved by the supervisors. Leave records also aid in determining final compensation for employees leaving city employment. In addition, Section 29 CFR Section 516.2(a) of the FLSA requires employers to maintain accurate records of actual time worked by employees.

4.4 Personnel policies and files

The city does not have personnel policies to address timesheets/cards, leave records, hours of work, and how overtime and compensatory time is to be calculated. In addition, the city did not compensate employees for overtime in compliance with FLSA requirements. Personnel files for most employees were also not located at city hall, and documentation of salary amounts and/or rates of hourly pay were not available.

The City Clerk and Water Supervisor were typically paid compensatory time/overtime at their normal hourly rate instead of at time and a half in compliance with FLSA requirements; however, as noted below some of the overtime hours recorded and paid were questionable. Payroll overpayments to the City Clerk, in MAR finding number 1, were adjusted for compensatory time at time and a half. However, as a result of the significant amount of questionable overtime payments made to the Water Supervisor noted below, we did not determine the amount of overtime possibly due to the Water Supervisor for the city's failure to comply with FLSA.

Written personnel policies are necessary to ensure equitable treatment of employees and prevent misunderstandings. The FLSA requires any time worked over 40 hours in a week (for non-emergency personnel) to be paid at time and a half. Personnel files should at a minimum contain documentation of the Board's authorization for hiring the employee, the employee's authorized pay rate, and any subsequent changes in pay rate. In addition the IRS requires employers to ensure a W-4 form is completed by each employee to support payroll withholding and taxes. Also, according to the Immigration Reform and Control Act of 1986, an individual may not begin employment unless an I-9 form is completed. Employers are subject to civil or criminal penalties if they do not comply.



City of Parma
Management Advisory Report - State Auditor's Findings

4.5 Questionable payroll payments

Questionable payroll payments were made to the City Clerk for vacation leave and compensatory time/overtime, and to the Water Supervisor for overtime.

- On May 17, 2018, the City Clerk was paid \$400 for one week (40 hours) of vacation, and on May 23, 2018, the City Clerk was paid \$400 for another week (40 hours) of vacation. During the year ended June 9, 2018,⁸ the City Clerk only worked 20 to 30 hours per week for 35 of the 52 weeks of that year. As a result, she may have only been entitled to payment of 20 hours of vacation or \$200 of the \$800 she was paid in May 2018. City Code, Section 120.180 states, "all part-time employees (twenty (20) to thirty-two (32) hours per week) are entitled to twenty (20) hours paid vacation per calendar year."
- The City Clerk was paid \$2,881 for compensatory time/overtime that may have been improper. On August 1, 2016, the City Clerk was issued a \$1,200 check for 120 hours of compensatory time worked for the first 6 months of 2016. On August 10, 2016, another check was issued for \$1,200 for an additional 120 hours of compensatory time worked the first 6 months of 2016. The compensatory time recorded for the City Clerk in the payroll records was inconsistent with how compensatory time was recorded for other city employees. Payroll records for other employees included a column for compensatory time for recording hours worked each week. Payroll records for the City Clerk included "(10hrs)" next to the description of each weekly pay period and showed 40 in the hours worked column for the first 6 months of 2016. In addition, no timesheets were maintained to support when these hours were worked. These hours were recorded differently in the City Clerk's payroll records than other employees, and the City Clerk worked 10 hours of compensatory time every week during this time period, without taking any vacation or sick leave.

In addition, on May 5, 2017, the City Clerk was issued a check for \$481 for 64 hours worked according to payroll records and the memo line of the check indicated these hours were worked from January 2, 2017, through April 30, 2017. Payroll records showed the 64 hours in the "Hrs" column on May 5, 2017, and indicated these hours were paid at \$7.52 per hour, which was less than the City Clerk's \$10 hourly rate. However, no timesheets were maintained to support when these hours were worked. The City Clerk was previously paid for 40 hours each week during this time period.

⁸ The City Clerk was employed on June 9, 2015, and this represents the anniversary date of her employment.



City of Parma
Management Advisory Report - State Auditor's Findings

- Overtime hours worked by the Water Supervisor were questionable. For example, during the 44 weeks from May 31, 2018, through April 11, 2019, the Water Supervisor was paid for 56 hours of work each week. According to these records, the Water Supervisor worked 16 hours of overtime for 44 weeks in a row or 85 percent of the year and never took any time off. The Water Supervisor was paid \$6,688 in overtime during these 44 weeks.

The Water Supervisor was paid \$17,416 of overtime from March 2016 through April 2019, including \$3,690 during 2016, \$5,691 during 2017, \$5,755 during 2018, and \$2,280 from January 1, 2019, through April 10, 2019.

Board meeting minutes did not document the approval of these payments of vacation leave and compensatory time/overtime to the City Clerk and Water Supervisor. Also, in a recorded interview of a former Alderman, the Alderman remembered voting to pay compensatory time to a police officer, but did not recall approving the payment of compensatory time to any other city employee. Also, the Mayor indicated in sworn testimony that she did not have any knowledge of 240 hours of compensatory time being paid to the City Clerk and did not know that the Water Supervisor was paid overtime. However, the Mayor signed the 3 checks issued to the City Clerk and most of the checks issued to the Water Supervisor for compensatory time/overtime.

4.6 Garnishments

The City Clerk failed to garnish wages and remit child support garnishments withheld to the Missouri Department of Social Services (DSS) Family Support Payment Center as required.

- The City Clerk failed to garnish a former employee's wages from January 2017 through August 2017, in compliance with a court order. As a result, the city paid \$2,034 on January 30, 2018, to a law firm of the plaintiff to settle the garnishment order.
- The City Clerk failed to pay more than \$5,300 of child support withheld from another employee's wages from December 2016 through April 2019 to the DSS Family Support Payment Center.

Court ordered garnishment of state and municipal employees is required of a public employer under Section 525.310.1, RSMo. If a garnishee fails to respond to the garnishment, the court may then enter judgment against it. Additionally, for child support garnishments issued by the Family Support Division, Section 454.505.8, RSMo, requires that an employer or other payer who fails or refuses to withhold or pay the amounts as ordered shall be liable to the party holding the support rights in an amount equal to the amount which became due to the parent during the relevant period and which, pursuant to the order, should have been withheld and paid over.



City of Parma
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 4.1 Establish procedures to ensure all compensation is properly reported and payroll taxes are properly withheld and remitted to the appropriate taxing entities timely. In addition, the Mayor's, City Clerk's, and Water Supervisor's W-2 forms should be amended as appropriate.
- 4.2 Discontinue the practice of providing payroll advances to employees. The Board should continue to work with law enforcement officials regarding criminal prosecution of the unpaid payroll advances and take the necessary actions to obtain restitution.
- 4.3 Ensure timesheets/cards are prepared, retained, and properly signed and approved, and leave records are maintained.
- 4.4 Adopt detailed personnel policies, ensure compliance with the FLSA, and maintain personnel files for all city employees.
- 4.5 Ensure reviews of payroll records are performed to ensure the propriety of payroll payments, and review the questionable payroll payments and consider working with law enforcement officials regarding criminal prosecution of the questionable payments.
- 4.6 Ensure compliance with court orders by withholding garnishments from wages when required and paying monies withheld to the applicable party.

Auditee's Response

- 4.1 *We will establish procedures to ensure all compensation is properly reported and payroll taxes are properly withheld and remitted to the appropriate taxing entities timely. In addition, the Mayor's, City Clerk's, and Water Supervisor's W-2 forms will be amended as appropriate.*
- 4.2 *We will discontinue the practice of providing payroll advances to employees. We will continue to work with law enforcement officials regarding criminal prosecution of the unpaid payroll advances and take the necessary actions to obtain restitution.*
- 4.3 *We will ensure timesheets/cards are prepared, retained, and properly signed and approved, and leave records are maintained.*
- 4.4 *We will adopt detailed personnel policies, ensure compliance with the FLSA, and maintain personnel files for all city employees.*



City of Parma
Management Advisory Report - State Auditor's Findings

- 4.5 *We will ensure reviews of payroll records are performed to ensure the propriety of payroll payments, review the questionable payroll payments, and consider working with law enforcement officials regarding criminal prosecution of the questionable payments.*
- 4.6 *We will ensure compliance with court orders by withholding garnishments from wages when required and paying monies withheld to the applicable party.*

5. Utility System Controls and Procedures

5.1 Adjustments

Utility system controls and procedures need improvement. According to the city's accounting records, the city collected approximately \$193,000 for water, sewer, and trash services and utility deposits during the year ended June 30, 2018.

As previously mentioned in MAR finding number 1, improper adjustments were made or were likely made to the utility accounts of the Mayor, Water Supervisor, Alderman Wofford, Alderwoman Jones, and a church. The adjustments were made without obtaining independent approval or maintaining adequate documentation to support the reason for the adjustments. Because the Mayor, City Clerk, and City Collector all had unrestricted access to the utility system as noted in MAR finding number 7.1, the ability to make adjustments without independent approval represented a significant control weakness.

Requiring someone independent of receipting and recording functions to review and approve adjustments, and requiring proper supporting documentation for such adjustments would help ensure adjustments are valid.

5.2 Utility reconciliations

City personnel do not prepare proper reconciliations related to utility services.

- The City Clerk and former City Collector did not perform monthly reconciliations of amounts billed, payments received, and amounts unpaid for utility services. Monthly reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected timely. Had this reconciliation been performed and provided to the Board for review, the improperly recorded utility payments and improper adjustments could have been detected.
- The Water Supervisor did not perform monthly reconciliations of total gallons of water billed to gallons of water pumped. Monthly reconciliations of gallons of water billed to gallons of water pumped are necessary to help detect significant water loss or other problems and ensure all water usage is properly billed.



City of Parma
Management Advisory Report - State Auditor's Findings

5.3 Utility deposits

Refundable utility deposits held in the Water and Sewer Deposit Escrow bank account⁹ are not accounted for properly. The City Clerk and former City Collector did not keep a listing of deposits held and were not tracking deposits.

City records indicated that water meter deposits were \$150 for rental properties and \$100 for homeowner properties. On October 4, 2019, the current City Clerk prepared a list of 139 known customer water meter deposits totaling \$11,910 based on utility deposit records found. No records could be found for the remaining 108 utility customers. We estimated an additional \$10,800 (108 customers at \$100 each) of water meter deposits should be on hand, for a total estimated liability of \$22,710. As of October 4, 2019, the Water and Sewer Deposit Escrow bank account had a balance of \$2,525 and the Water/Sewer/Garbage bank account had a balance of \$1,662, resulting in an estimated shortage of \$18,523.

Refundable utility deposits are restricted funds held for customers. The Board should review utility deposit records to ensure all customer deposits are accounted for properly. In addition, the City Clerk should maintain an accurate list of utility deposits held and reconcile the list monthly to monies held in the Water and Sewer Deposit Escrow bank account.

5.4 Sales tax

The City Clerk did not file returns with the DOR or remit sales taxes collected related to water services provided, which totaled \$9,650 from April 1, 2016, through March 31, 2019. The current City Clerk filed these sales tax returns in September 2019. Based on records maintained by the current City Clerk, as of March 3, 2020, the DOR is still owed \$8,600 from taxes (\$6,566) and interest and penalties (\$2,034).

Section 144.080, RSMo, requires sales tax collections be reported and remitted to the DOR on a monthly or quarterly basis, depending on the amounts collected. Additionally, penalties may be assessed under Section 144.250, RSMo, because of the city's failure to remit these sales taxes.

Recommendations

The Board of Aldermen:

- 5.1 Ensure all adjustments are independently approved and supporting documentation is retained.
- 5.2 Ensure monthly reconciliations are performed of amounts billed to amounts collected and delinquent accounts, and of gallons of water billed to gallons pumped, and investigate significant differences.

⁹ The Water and Sewer Deposit Escrow bank account was opened on September 6, 2019.



City of Parma
Management Advisory Report - State Auditor's Findings

Auditee's Response

- 5.3 Ensure a list of utility deposits is prepared and reconciled to the balance of deposits held monthly and promptly investigate any differences.
- 5.4 Ensure sales taxes collected are reported and remitted timely.
- 5.1 *We will ensure all adjustments are independently approved and supporting documentation is retained.*
- 5.2 *We will ensure monthly reconciliations are performed of amounts billed to amounts collected and delinquent accounts, and gallons of water billed to gallons pumped, and investigate any differences.*
- 5.3 *We will ensure a list of utility deposits is prepared and reconciled to the balance of deposits held monthly and promptly investigate any differences.*
- 5.4 *We will ensure sales taxes collected are reported and remitted timely.*

6. Budgets and Financial Reporting

6.1 Budgets

The city does not prepare annual budgets, file annual financial reports timely, or publish semiannual financial statements in compliance with state law.

Neither the Board nor the City Clerk prepared budgets for the 2 years ended June 30, 2019. There is no evidence in Board meeting minutes indicating a budget was adopted and approved for these 2 years.

City Code, Section 130.020 and Section 67.010, RSMo, require the budget to present a complete and accurate financial plan for the ensuing budget year, and outline the various information the budget must include. An accurate, complete, and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations.

6.2 Financial reporting

Neither the Board nor the City Clerk submitted a financial report to the SAO as required by state law for the year ended June 30, 2018. As a result, fines totaling \$47,500 were imposed as outlined in Section 105.145, RSMo. The DOR reduced the city's sales and use tax distribution by \$2,030 as payment, leaving a balance due of \$45,470 as of May 31, 2019. The DOR continued to reduce the city's sales and use tax distributions and the city owed \$44,199 to the DOR as of January 31, 2020.

Section 105.145, RSMo, requires each political subdivision to file an annual report of its financial transactions with the SAO. In addition, 15 Code of State Regulations (CSR) 40-3.030, requires each political subdivision to file annual



City of Parma
Management Advisory Report - State Auditor's Findings

financial reports within 6 months of the end of the subdivision's fiscal year. Effective August 28, 2017, under Section 105.145, RSMo, the SAO must notify the Missouri Department of Revenue if a political subdivision fails to file a timely financial statement. Failure to timely file a financial statement may subject the political subdivision to a fine of \$500 per day.

6.3 Published financial statements

The City Clerk did not prepare and publish financial statements for the 4 years ended June 30, 2018, as required by city code and state law. The current City Clerk prepared and posted a semiannual financial statement in December 2019. The Administrative Assistant prepared and posted an annual financial statement for the year ended June 30, 2019, when a semiannual financial statement was required.

Section 79.160, RSMo, and City Code, Section 110.100 require the Board to prepare and publish semiannual financial statements that include a full and detailed account of the receipts, disbursements, and indebtedness of the city. To ensure compliance with city code and state law, the Board should require timely preparation of financial statements and review the statements prior to publication.

Recommendations

The Board of Aldermen:

- 6.1 Prepare budgets that contain all information required by city code and state law.
- 6.2 Submit annual financial reports to the State Auditor's Office as required by state law.
- 6.3 Ensure publication of the city's semiannual financial statements as required by city code and state law.

Auditee's Response

- 6.1 *We will prepare budgets that contain all information required by city code and state law.*
- 6.2 *We will submit annual financial reports to the State Auditor's Office as required by state law.*
- 6.3 *We will ensure publication of the city's semiannual financial statements as required by city code and state law.*

7. Electronic Data Security

Controls over some city computerized applications were not sufficient to prevent unauthorized access, and sufficient plans and processes were not in place for recovering systems and data. As a result, city records were not adequately protected and were susceptible to unauthorized access, and the city could not resume normal business operations timely after the fire at city hall.



City of Parma
Management Advisory Report - State Auditor's Findings

7.1 User identifications and passwords

The Mayor, City Clerk, and former City Collector shared the user identification and password for the city's utility software application. This allowed them to access all utility functions.

The security of passwords is dependent upon keeping them confidential and requiring users to enter their password when switching users. Allowing certain users to share logon credentials increases the risk of unauthorized access and/or changes to the system and records and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

7.2 Contingency plan and backup data

The city had not developed a formal, written contingency plan for resuming normal business operations and recovering computer systems and data in the event of a disaster or other extraordinary situations. As previously mentioned, a fire destroyed most of city hall, some records, and computers. While city personnel indicated they backed up electronic data periodically, the backup data was stored on-site at city hall. As a result, both the computers and backup data were destroyed during the fire.

A formal, written contingency plan should be prepared, and periodically tested and updated as needed to address actions for restoring computer systems should a disaster or other extraordinary situation occur. Storing backup data in a secure off-site location provides increased assurance city electronic records could be restored if necessary.

Recommendations

The Board of Aldermen:

- 7.1 Require unique user identifications for each software application and require passwords remain confidential and be changed periodically.
- 7.2 Develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. The Board should also store backup data in a secure off-site location.

Auditee's Response

- 7.1 *We will require unique user identifications for each software application and require passwords remain confidential and be changed periodically.*
- 7.2 *We will develop a formal, written contingency plan that is periodically tested, evaluated, and updated as needed. We will also store backup data in a secure off-site location.*

City of Parma

Organization and Statistical Information

The City of Parma is located in New Madrid County. The city was incorporated in 1903 and is currently a fourth-class city. The city employed 4 full-time employees and 2 part-time employees on June 30, 2018.

City operations include utility services (water and sewer), police, maintenance of streets, and parks and recreation.

Mayor and Board of Aldermen

The city government consists of a mayor and a 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 4-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at June 30, 2018, are identified below. The Mayor is paid \$400 per month and the Board of Aldermen members receive no compensation for their service.

Tyus Byrd, Mayor (1)
Allen Hampton, Alderman
Simon Wofford, Alderman (2)
Jerry Shaw, Alderman (3)
Moneen Jones, Alderwoman (4)

(1) Rufus Williamson replaced Mayor Byrd in April 2019.

(2) Lydia Cackowski replaced Alderman Wofford in June 2020.

(3) Lynda Husted replaced Alderman Shaw in June 2020.

(4) Carolyn Powers replaced Alderwoman Jones in April 2019.

Financial Activity

A summary of the city's financial activity, prepared using the city's bank statements, for the year ended June 30, 2018, is as follows:



City of Parma
Organization and Statistical Information

City of Parma
Schedule of Receipts, Disbursements, and Changes in Cash
Year Ended June 30, 2018

	General Account	Payroll Account	Special Street Account	Water/ Sewer/ Garbage Account	Municipal Court Account	Municipal Court Bond Account	Savings Account	Replacement and Extension Account	Fire Department Account	Total
RECEIPTS										
Receipts	\$ 180,648	1,152	29,609	193,071	3,463	1,750	0	1	1,350	411,044
Transfers in	34,107	147,207	7,276	6,400	3,601	0	0	0	0	198,591
Total Receipts	214,755	148,359	36,885	199,471	7,064	1,750	0	1	1,350	609,635
DISBURSEMENTS										
Disbursements	(168,483)	(145,056)	(16,591)	(71,202)	(5,837)	(807)	0	0	(50)	(408,026)
Transfers out	(45,649)	0	(17,800)	(127,042)	(3,300)	0	(1,500)	(3,300)	0	(198,591)
Total Disbursements	(214,132)	(145,056)	(34,391)	(198,244)	(9,137)	(807)	(1,500)	(3,300)	(50)	(606,617)
RECEIPTS OVER(UNDER)	623	3,303	2,494	1,227	(2,073)	943	(1,500)	(3,299)	1,300	3,018
DISBURSEMENTS	8,263	1,157	766	(545)	2,148	1,091	1,835	3,638	0	18,353
CASH BALANCE, JULY 1, 2017	8,886	4,460	3,260	682	75	2,034	335	339	1,300	21,371
CASH BALANCE, JUNE 30, 2018										

City of Parma

Supporting Documentation of Misappropriated Monies

The following appendixes provide supporting documentation for the misappropriated monies and subpoenas issued as discussed in MAR finding number 1 and are summarized in the following table.

Appendix	Type of Supporting Documentation
A	State Auditor's Office Investigative Letter Sent to the Mayor
B	Payroll Overpayments
C	Improper Withdrawal and Payments
D	Improper Purchases
E	Improperly Recorded Utility Payments and Improper Adjustments
F	Falsified Meeting Minutes
G	State Auditor Subpoena - AT&T
H	State Auditor Subpoena - Verizon Wireless
I	State Auditor Subpoena - Verizon
J	State Auditor Subpoena - Green Dot Bank
K	State Auditor Subpoena - Ameren
L	State Auditor Subpoena - Tyus Byrd
M	State Auditor Subpoena - Helen Frye
N	State Auditor Subpoena - Simon Wofford



NICOLE GALLOWAY, CPA
Missouri State Auditor

January 11, 2019

Tyus Byrd, Mayor
103 East Main Street
Parma, MO 63870

Dear Mayor Byrd:

The Missouri State Auditor's Office Whistleblower Hotline recently received complaints from constituents who are concerned about the operations and finances of the City of Parma. The individuals have asked that their identity remain protected as allowed under Section 29.221.1, RSMo.

The complainants are alleging you gave yourself a pay raise from \$400.00 per month to \$800.00 per month within a few months of being elected, and then an increase to \$1,200.00 per month currently. In addition, the complainants stated they believe you have written city checks to "Cash," without the approval of the board of alderman. It is alleged these checks to "Cash," were used to purchase pre-paid credit cards which were used for purchases at Walmart. It is also alleged there are no receipts for these purchases retained in City Hall.

Next, the complainants are concerned with a donation of at least \$1,200.00 that was given to you for the purpose of establishing a bank account to support the Parma Fire Department, but there has never been documentation provided to the board of alderman to indicate this bank account was established. In addition, the complainants state the Parma Fire Department is not functioning and Parma residents have seen their home insurance costs rise sharply due to the lack of a fire department.

Next, the complainants stated the City of Parma recently received notice from the U.S. Treasury stating that the city has failed to pay payroll taxes for city employees from July of 2015 to the present which has accrued to approximately \$60,000 in taxes owed to the Treasury.

Under Section 29.221, RSMo, this office is conducting an initial review to investigate the complaints to determine if the complaints are credible. To assist with that investigation, we ask that you provide this office with the following:

1. a. Salary structure for the Mayor's position when you took office through the current salary
- b. Meeting minutes indicating board of alderman approval of all increases, including how each board member voted
2. Copies of all city checks written to "Cash" for the last 3 years and documentation for how these funds were used

Appendix A

City of Parma

State Auditor's Office Investigative Letter Sent to the Mayor

3. Receipts for any city purchases made with pre-paid credit cards for the last 3 years
4. Receipts for any donations made to the city and bank statements for the accounts in which the donations were deposited
5. Any notification from the Federal government related to a balance owed for unpaid payroll taxes
6. A statement from the board of alderman on the operational status of the city fire department

Please provide this documentation to our office no later than February 1, 2019.

If you have any questions or would like to discuss this matter, I can be reached at 573-751-4213 or brent.bayer@auditor.mo.gov.

Sincerely,



Brent Bayer
Director of Operations

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Mayor Tyus Byrd									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Gross Pay Amount	Net Pay Amount	Check Signers	Check Endorsements	
05/01/2015		22436		Pay Period. 05/01/2015 - 05/31/2015	\$ 400.00	369.40	Kimberly Hampton (3)	Tyus Byrd	
06/01/2015		22466		Pay Period 06/01/2015 - 06/30/2015	400.00	369.40	Kimberly Hampton (3)	Tyus Byrd & Simon Wofford	
07/03/2015		22503		July payroll	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
07/31/2015		22530		Aug 2015 Mayor	400.00	(4) 366.40	Tyus Byrd & Helen Frye	Tyus Byrd	
08/28/2015		22590		Mayor Salary For the Month of Sept	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
10/01/2015		22684		Mayor Salary For the Month of Oct	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
10/30/2015		22746		Mayor Salary For the Month of Nov	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
11/25/2015		5034		Mayor Salary For the Month of Dec 2015	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
12/31/2015		5072		Mayor Salary For the Month of January 1st, 2016	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
Total 2015					<u>3,600.00</u>	<u>3,321.60</u>			
01/28/2016		5102		Mayor Salary For the Month of February 1st, 2016	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
02/26/2016		5143		Mayor of Parma Pay Period Feb 1 thru Feb 29, 2016	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
04/01/2016		5191		Mayor of Parma Pay Period March 1 thru March 31, 2016	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
04/28/2016		5241		Mayor of Parma Pay Period April 1 thru April 30, 2016	400.00	369.40	Tyus Byrd & Helen Frye	Tyus Byrd	
06/01/2016		5288		Mayor of Parma Pay Period May 1 thru May 31, 2016	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
06/15/2016		5316		Mayor of Parma Pay Period May 1 thru May 31, 2016	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
07/01/2016		5338		Mayor of Parma Pay Period June 1 thru June 30, 2016	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
07/15/2016		5353		Mayor of Parma Pay Period July 1 thru July 31, 2016	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
07/21/2016		5370		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
				Vacation Check from April 2015 thru April 2016					
08/01/2016		5380		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
				Pay Check from Aug 1 2016 thru Aug 31 2016					
				Pay on the 1st and 15th of Each month					
08/15/2016		5402		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd & Adrian Byrd	
				Pay Check from Aug 1 2016 thru Aug 31 2016					
				Pay on the 1st and 15th of Each month					
09/01/2016		5426		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
				Pay Check from Sept 1 2016 thru Sept 30 2016					
				Pay on the 1st and 15th of Each month					
09/15/2016		5443		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
				Pay Check from Sept 1 2016 thru Sept 30 2016					
				Pay on the 1st and 15th of Each month					
09/29/2016		5471		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd & Adrian Byrd	
				Pay Check from Sept 1 2016 thru Sept 30 2016					
				Pay on the 1st and 15th of Each month					
10/14/2016		5491		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
				Pay Check from Oct 1 2016 thru Oct 31 2016					
				Pay on the 1st and 15th of Each month					
10/27/2016		5511		Mayor of Parma	500.00	(5) 441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
				Pay Check from Oct 1 2016 thru Oct 31 2016					
				Pay on the 1st and 15th of Each month					
11/09/2016		5535		Mayor of Parma	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd	
				Pay on the 1st and 15th of Each month					
				Pay Check between Nov 1 2016 thru Nov 31 2016					

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Mayor Tyus Byrd								
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Gross Pay Amount	Net Pay Amount	Check Signers	Check Endorsements
11/30/2016		5552		Mayor of Parma Pay on the 1st and 15th of Each month Pay Check between Dec 1 2016 thru Dec 31 2016	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd
12/13/2016		5578		Mayor of Parma Pay on the 1st and 15th of Each month Pay Check between Dec 1 2016 thru Dec 31 2016	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd
12/22/2016		5601		Dec 15th	500.00	441.75	Tyus Byrd & Helen Frye	Tyus Byrd
Total 2016					<u>9,600.00</u>	<u>8,545.60</u>		
01/04/2017		5624		1/4/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
01/12/2016	01/12/2017	5631			500.00	(5) 460.75	Nelvia Donaldson (3) & Helen Frye	Tyus Byrd
01/30/2017		5651		1/30/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
02/13/2017		5667	5656	1/	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
02/15/2017		5677	5663		1,000.00	(6) 1,000.00	Tyus Byrd & Helen Frye	Tyus Byrd & Simon Wofford
03/01/2017		5691		3/1/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
03/14/2017		5712		3/14/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
03/30/2017		5725		4/10/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
04/10/2017		5736		4/15/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
04/28/2017		5762		5/1/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
04/12/2017	05/12/2017	5779		5/17/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
05/25/2017		5800		5/26/2017 Vacation	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
06/07/2017		5818		6/7/2017 Vacation Ck	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
06/14/2017		5828		6/14/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
06/28/2017		5860		6/28/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
07/12/2017		5880	5800	7/15/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
07/18/2017		5896		7/18/2017 Vacation	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
08/02/2017		5913		8/1/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd & Simon Wofford
08/15/2017		5936		8/15/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd & Simon Wofford
09/01/2017		5955		9/1/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
10/15/2017	09/15/2017	5979		9/15/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
11/29/2017	09/29/2017	5997	5800	10/15/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
10/13/2017		6018		10/18/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
11/01/2017		6037			500.00	(5) 460.75	Tyus Byrd & Helen Frye	Tyus Byrd
11/16/2017		6054		11/1/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
11/21/2017		6065	(7)	11/15/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
12/14/2017		6096		12/1/2017	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
12/27/2017		6111		12/27/2018 (8)	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
Total 2017					<u>14,500.00</u>	<u>13,440.25</u>		
01/04/2018		6123		Mayor of Parma Paid twice a month 1st and 15th of the month Twice a month: 1st and 15th of the month	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
01/17/2018		6143		1/17/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
02/01/2018		6160		2/1/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
02/15/2018		6184		2/15/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
02/27/2018		6205		2/27/2018 Vacation	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Mayor Tyus Byrd								
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Gross Pay Amount	Net Pay Amount	Check Signers	Check Endorsements
03/12/2018		6220		3/1/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
03/22/2018		6243		3/27/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
03/29/2018		6256		4/5/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
04/05/2018		6257		4/5/2018 Vacation	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
04/12/2018		6270		4/13/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
04/24/2018		6287		Mayor of Parma	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
Paid twice a month 1st and 15th of the month								
Twice a month: 1st and 15th of the month								
04/01/2018	05/01/2018	6293		5/3/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
04/08/2018	05/08/2018	6303		5/11/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
05/30/2018		6332		6/4/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
06/14/2018		6361		6/20/2018	500.00	460.75	Simon Wofford & Helen Frye	Tyus Byrd
06/26/2018		6368		6/26/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
07/03/2018		6392		7/9/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
07/31/2018		6424		8/3/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
08/15/2018		6445		8/16/2018	500.00	460.75	Simon Wofford & Helen Frye	Tyus Byrd & Simon Wofford
08/31/2018		6465		9/1/2018	500.00	460.75	Simon Wofford & Helen Frye	Tyus Byrd
09/14/2018		6480		9/14/2018	500.00	460.75	Simon Wofford & Helen Frye	Tyus Byrd
10/04/2018		6503		10/4/2018	500.00	460.75	Simon Wofford & Helen Frye	Tyus Byrd
10/25/2018		6526		10/25/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
11/08/2018		6541		11/13/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
11/21/2018		6569		11/27/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
11/28/2018		6579		12/1/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
12/12/2018		6582		12/17/2018	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
12/28/2018		6615			500.00	(5) 460.75	Tyus Byrd & Helen Frye	Tyus Byrd
Total 2018					<u>14,000.00</u>	<u>12,901.00</u>		
01/31/2019		6653		Mayor of Parma	500.00	460.75	Tyus Byrd & Helen Frye	Tyus Byrd
For the 1st Pay Roll Period Semi-monthly Advancement for February 2019 Paycheck								
03/01/2019		6687		Mayor of Parma	500.00	(5) 460.75	Simon Wofford & Helen Frye	Tyus Byrd
03/21/2019		6714		Mayor of Parma	1,000.00	(5) 809.50	Tyus Byrd & Helen Frye	Tyus Byrd
03/29/2019		6724		Mayor of Parma	500.00	(5) 460.75	Tyus Byrd & Helen Frye	Tyus Byrd
Total 2019					<u>2,500.00</u>	<u>2,191.75</u>		
Total Payments \$					<u>44,200.00</u>	<u>40,400.20</u>		

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Mayor Tyus Byrd								
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Gross Pay Amount	Net Pay Amount	Check Signers	Check Endorsements
					Appropriate Amounts That Should Have Been Paid			
					Year			
					2015	\$ 3,426.67	(9)	
					2016	4,800.00	(10)	
					2017	4,800.00	(10)	
					2018	4,800.00	(10)	
					2019	1,413.33	(11)	
					Subtotal	\$ 19,240.00		
					Total Overpayments	\$ 24,960.00		

- (1) Checks written to the Mayor from May 1, 2015, through October 30, 2015, were issued from the city's General bank account. Checks written from November 25, 2015, through March 29, 2019, were issued from the city's Payroll bank account.
- (2) Pay period/payment details were obtained from check memo lines for the period of May 1, 2015, through December 13, 2016, and payroll ledgers for the period of December 22, 2016, through January 31, 2019; with the exception of check numbers 6123, 6287, and 6653, for which the details came from paycheck stubs. These details are presented exactly as they are listed in the source documents, unless otherwise indicated.
- (3) Kimberly Hampton was the prior City Treasurer. Nelvia Donaldson was a former Alderwoman.
- (4) The payroll log indicates the net pay for this check was \$369.40; however, the actual check was written for \$366.40.
- (5) Payroll records supporting this payment could not be located. Gross pay was determined based on historical gross and net pay amounts.
- (6) The payroll ledger indicated the check was issued for a gross pay amount of \$500; however, the actual check was issued for \$1,000.
- (7) The payroll ledger shows check number 6065 was issued twice, once on November 15, 2017, and again on December 14, 2017; however, the actual check date was November 21, 2017.
- (8) The pay period/payment details shown based on city records was inaccurate.
- (9) This total includes a \$400 monthly payment for 8 months (May through December). It also includes \$226.67 for April 14 to April 30, which is the portion of the month the Mayor served.
- (10) This total includes a \$400 monthly payment for 12 months.
- (11) This total includes a \$400 monthly payment for 3 months (January through March). It also includes \$213.33 for April 1 to April 16, which is the portion of the month the Mayor served.

Appendix B is continued on the next page with Payroll Overpayments to City Clerk Helen Frye

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Gross Pay Amount	Net Pay Amount	Check Signers	
06/19/2015		22493		Pay Period 06/09/2015 - 06/15/2015		\$ 262.50	242.41	Kimberly Hampton (3)	
07/24/2015		22520		July City Clerk		262.50	242.41	Tyus Byrd & Helen Frye	
07/31/2015		22537		July City Collector Divided Share of Office		369.38	(4) 341.31	Tyus Byrd & Helen Frye	
08/14/2015		22561		Payroll 8/10- thru 8/14		262.50	242.42	Tyus Byrd & Helen Frye	
08/28/2015		22581		City Clerk Salary For the Month of Sept		300.00	276.05	Tyus Byrd & Helen Frye	
09/02/2015		22601		City Collector, Collection for the Month of Aug		690.06	690.06	Tyus Byrd & Helen Frye	
09/04/2015		22611		Pd for City Treasure		400.00	365.40	Tyus Byrd & Helen Frye	
09/11/2015		22622	22	Collector on Collection for Sept		559.00	502.24	Tyus Byrd & Helen Frye	
09/18/2015		22663		collector on Collection for Sept		320.00	293.52	Tyus Byrd & Helen Frye	
09/25/2015		22671		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
10/01/2015		22687		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Sept 24th thru Oct 1st, 2015					
10/01/2015		22700		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Oct 2nd thru Oct 8th, 2015					
10/01/2015		22714		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Oct 9th thru Oct 15th, 2015					
10/23/2015		22729		City Clerk of Parma	(5) 40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Oct 9th thru Oct 15th, 2015					
10/30/2015		22745		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Oct 23th thru Oct 29th, 2015					
11/05/2015		5004		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Oct 30th thru Nov 5th, 2015					
11/13/2015		5016		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Nov 6th thru Nov 12th, 2015					
11/19/2015		5021		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Nov 13th thru Nov 19th, 2015					
11/25/2015		5033		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Nov 20th thru Nov 26th, 2015					
12/03/2015		5039		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Nov 27th thru Dec 3rd, 2015					
12/10/2015		5048		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Dec 4th thru Dec 10th, 2015					
12/17/2015		5054		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Dec 11th thru Dec 17th, 2015					
12/22/2015		5065		City Treasure for City of Parma		400.00	365.40	Tyus Byrd & Helen Frye	
12/24/2015	(6)	5068		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period Dec 18 thru Dec 23 2015					

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Gross Pay Amount	Net Pay Amount	Check Signers	
12/31/2015		5071		City Clerk of Parma Pay Period Dec 24th thru Dec 31st, 2015	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
Total 2015						<u>8,625.94</u>	<u>7,964.02</u>		
01/07/2016		5084		City Clerk of Parma Pay Period Jan 1st thru Jan 7th 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
01/14/2016		5090		City Clerk of Parma Pay Period Jan 8th thru Jan 14th 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
01/21/2016		5096		City Clerk of Parma Pay Period Jan 15th thru Jan 21th 2016	40.00	320.00	293.52	Tyus Byrd	
01/28/2016		5110		City Clerk of Parma Pay Period Jan 22nd thru Jan 28th 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
02/03/2016		5113		City Clerk of Parma Pay Period January 29 thru February 4 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
02/11/2016		5123		City Clerk of Parma Pay Period Feb 5 thru February 11 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
02/18/2016		5129		City Clerk of Parma Pay Period Feb 12th thru February 18th 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
02/22/2016		5141		City Clerk of Parma Pay Period Feb 19th thru February 25th 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
03/03/2016		5152		City Clerk of Parma Pay Period Feb 26th thru March 3 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
03/10/2016		5161		City Clerk of Parma Pay Period March 4th thru March 10th, 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
03/17/2016		5168		City Clerk of Parma Pay Period March 11th thru March 17th, 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
03/17/2016		5177		City Clerk of Parma March 11th - March 17th, 2016		500.00	500.00	Tyus Byrd & Helen Frye	
03/17/2016		5181		City Clerk of Parma Pay Period March 18th thru March 24th, 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
03/30/2016		5185		City Clerk of Parma Pay Period March 25th thru March 31st, 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
04/06/2016		5202		City Clerk of Parma Pay Period March 31st, 2016 thru April 7th, 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
04/14/2016		5212		City Clerk of Parma Pay Period April 8th, 2016 thru April 14th, 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
04/21/2016		5218		City Clerk of Parma Pay Period April 15th, 2016 thru April 21th, 2016	40.00	320.00	293.52	Tyus Byrd & Helen Frye	

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Gross Pay Amount	Net Pay Amount	Check Signers	
04/28/2016		5226		City Clerk of Parma	40.00	320.00	293.52	Tyus Byrd & Helen Frye	
				Pay Period April 22th, 2016 thru April 28th, 2016					
04/28/2016		5244		Pay Adv 4/48/2016	(5)	250.00	250.00	Tyus Byrd & Helen Frye	
05/04/2016		5248		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period April 29th, 2016 thru May 4th, 2016					
05/12/2016		5259		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period 5th 2016 thru May 12th, 2016					
05/18/2016		5264		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period May 13th 2016 thru May 18th, 2016					
05/18/2016		5274		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period May 19th 2016 thru May 25th, 2016					
06/01/2016		5287		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period May 26th 2016 thru May 31th, 2016					
06/08/2016		5299		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period 6/2/2016 thru 6/8/2016					
06/15/2016		5315		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period June 9th 2016 thru June 15th, 2016					
06/22/2016		5326		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period June 16th 2016 thru June 22nd, 2016					
06/29/2016		5332		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period June 23rd 2016 thru June 29th, 2016					
07/06/2016		5343		City Clerk of Parma		400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period June 30th 2016 thru July 6th, 2016					
				VACATION CHECK from May 26th, 2015 thru May 26th, 2016					
07/06/2016		5345		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period June 30th 2016 thru July 6th, 2016					
07/09/2016		5352		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period July 7th 2016 thru July 13th, 2016					
07/15/2016		5357		City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
				Pay Period July 14th 2016 thru July 21st, 2016					
07/22/2016		5371		Payroll Period July 21th thru July 27th, 2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
08/01/2016		5381		City Clerk of Parma	120.00	1,200.00	1,026.20	Tyus Byrd & Helen Frye	
				Pay Period January 1 2016 thru June 30th, 2016					
				Court Clerk and City Clerk Comp time for 6 months					
08/04/2016		5390		City Clerk of Parma	40.00	400.00	369.40	Nelvia Donaldson (3) & Helen Frye	
				Pay Period July 28th 2016 thru Aug 3rd, 2016					

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Gross Pay Amount	Net Pay Amount	Check Signers	
08/10/2016		5393		City Clerk of Parma Pay Period January 1 2016 thru June 30th, 2016 Court Clerk and City Clerk Comp time for 6 months Total hours 240 broken down in 2 checks	120.00	1,200.00	1,026.20	Tyus Byrd & Helen Frye	
08/10/2016		5394		City Clerk of Parma Pay Period Aug 4th 2016 thru Aug 10th, 2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
08/15/2016		5401		City Clerk of Parma Pay Period Aug 11th 2016 thru Aug 17th, 2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
08/22/2016		5412		City Clerk of Parma Pay Period Aug 18th 2016 thru Aug 24th, 2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
08/24/2016		5421		City Clerk of Parma Pay Period Aug 25th 2016 thru Aug 31st, 2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
08/26/2016		5425		Adva 8/26/2016		500.00	500.00	Tyus Byrd & Helen Frye	
09/01/2016		5429		City Clerk of Parma Pay Period 9/1/ 2016 thru 9/7/2016, 2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
09/08/2016		5442		City Clerk of Parma Pay Period 9/8/ 2016 thru 9/ 14/2016, 2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
09/14/2016		5445		City Clerk of Parma		400.00 (7)	369.40	Tyus Byrd & Helen Frye	
09/21/2016		5458		Payperiod 9/15/2016 thru 9/20/2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
09/28/2016		5467		City Clerk of Parma Payperiod 9/22/2016 thru 9/28/2016	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
10/05/2016		5477		City Clerk of Parma Payperiod 9/29/2016 thru 10/05/2016		400.00 (7)	369.40	Tyus Byrd & Helen Frye	
10/11/2016		5482		City Clerk of Parma Payperiod 10/6/2016 thru 10/12/2016		400.00 (7)	369.40	Tyus Byrd & Helen Frye	
10/11/2016		5490		City Clerk of Parma Payperiod 10/13/2016 thru 10/19/2016		400.00 (7)	369.40	Tyus Byrd & Helen Frye	
10/19/2016		5501		City Clerk of Parma		400.00 (7)	369.40	Nelvia Donaldson (3) & Helen Frye	
10/26/2016		5510		Payperiod 10/20/2016 thru 10/26/2016		400.00 (7)	369.40	Tyus Byrd & Helen Frye	
11/02/2016		5525		City Clerk of Parma Payperiod 10/27/2016 thru 11/2/2016		400.00 (7)	369.40	Tyus Byrd & Helen Frye	
11/07/2016		5528		City Clerk of Parma Payperiod 11/3/2016 thru 11/9/2016		400.00 (7)	319.40	Tyus Byrd & Helen Frye	
11/14/2016		5533		City Clerk of Parma Payperiod 11/10/2016 thru 11/16/2016		400.00 (7)	319.40	Tyus Byrd & Helen Frye	

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Gross Pay Amount	Net Pay Amount	Check Signers	
11/21/2016		5562		Payperiod 11/17/2016 thru 11/23/2016 City Clerk of Parma		400.00 (7)	319.40	Tyus Byrd & Helen Frye	
11/29/2016		5554	(8)	Payperiod 11/24/2016 thru 11/30/2016 City Clerk of Parma		400.00 (7)	319.40	Tyus Byrd & Helen Frye	
12/07/2016		5572		Payperiod 12/1/2016 thru 12/7/2016 City Clerk of Parma		400.00 (7)	319.40	Tyus Byrd & Helen Frye	
12/08/2016		5577		City Clerk of Parma		400.00 (7)	319.40	Tyus Byrd & Helen Frye	
12/21/2016		5593		Payperiod 12/15/2016 thr 12/21/2016 City Clerk of Parma		400.00 (7)	319.40	Tyus Byrd & Helen Frye	
12/22/2016		5602		City Clerk of Parma		400.00 (7)	400.00	Tyus Byrd & Helen Frye	
12/27/2016		5607		Payperiod 12/22/2016 thr 12/28/2016 City Clerk of Parma		400.00 (7)	369.40	Tyus Byrd & Helen Frye	
Total 2016						<u>24,690.00</u>	<u>22,379.44</u>		
01/03/2017		5612		Payperiod 12/29/20167 thru 1/4/201 City Clerk of Parma	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
01/04/2017		5623		City Clerk of Parma		400.00 (9)	400.00	Tyus Byrd & Helen Frye	
01/11/2017		5626		City Clerk of Parma	40.00	400.00	315.40	Nelvia Donaldson (3) & Helen Frye	
				Pay Period 1/5/2017thru 1/11/2017					
01/18/2017		5634		City Clerk of Parma	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
				Pay Period 1/12/2017thru 1/18/2017					
01/20/2017		5640		Payroll Advancement		1,000.00 (7)	1,000.00	Tyus Byrd & Helen Frye	
				See Check Description for details and authorized personnel and Pay Arrangements in Employee File					
01/24/2016	01/24/2017	5644		City Clerk of Parma	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
				Pay Period 1/19/2017thru 1/25/2017					
01/27/2017		5650		City Clerk of Parma	(5)	400.00 (7)	365.40	Tyus Byrd & Helen Frye	
				Pay Period 26/19/2017thru 2/1/2017					
01/27/2017		5652		1/26-2/1/2017	40.00	400.00	315.40	Tyus Byrd & Helen Frye	
02/09/2017		5662		2/2/-2/8/2017	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
02/13/2017		5666		2/9/-2/15/2017	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
02/14/2017		5676	(8)	See Check Description for details on check voucher (10)		1,000.00 (9)	1,000.00	Tyus Byrd & Helen Frye	
02/17/2017		5673		2/16-2/22/2017	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
03/01/2017		5690		2/23/-3/1/2017	40.00	400.00	265.40	Tyus Byrd & Helen Frye	
03/06/2017		5698		3/2/-3/8/2017	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
03/14/2017		5706		3/9/-3/15/2017	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
03/22/2017		5714		3/16/-3/29/2017	(5)	40.00	365.40	Tyus Byrd & Helen Frye	
03/29/2017		5724		3/23-3/29/2017	40.00	400.00	365.40	Tyus Byrd & Helen Frye	
04/03/2017		5728		3/30-4/5/2017	40.00	400.00	365.40	Tyus Byrd & Helen Frye	

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date	Actual	Check	Check		Hours				
Per Canceled	Check Date,	Number Per	Number		Worked Per				
Check	if Different	Canceled	Per City		Payroll				
		Check (1)	Records, if	Pay Period/Payment Details	Ledgers or		Gross Pay	Net Pay	
			Different	as Shown in City Records, if Available (2)	Check	Stubs, if	Amount	Amount	
						Available		Check Signers	
04/10/2017		5739		4/6/-4/12/2017		40.00	400.00	315.40	Tyus Byrd & Helen Frye
04/13/2017		5750		4/13/-4/19/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
04/24/2017		5756		4/20/-4/26/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
05/01/2017		5763		4/27-5/3/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
05/05/2017		5770		Hours worked Jan 2, 2017 thru April 30, 2017		64.00	481.28	434.48	Tyus Byrd & Helen Frye
05/10/2017		5775		5/4-5/10/2017		40.00	400.00	315.40	Tyus Byrd & Helen Frye
05/12/2017		5777		5/11/-5/17/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
05/19/2017		5791		5/18/-5/24/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
05/25/2017		5798		5/25-5/31/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
06/06/2017		5812		6/1-6/7/2017		40.00	400.00	315.40	Tyus Byrd & Helen Frye
06/10/2017		5829		6/8-6/14/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
06/16/2017		5842		6/15-6/21/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
06/21/2017		5854		V-Chk# 5854 6/15-6/21/2017	(11)	40.00	400.00	365.40	Tyus Byrd & Helen Frye
06/28/2017		5859		6/22-6/28/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
07/03/2017		5872		6/29-7/5/2017		24.00	240.00	221.64	Tyus Byrd & Helen Frye
07/06/2017		5881		V- Chk# 5881 6/29-7/3/2017	(11)	40.00	400.00	365.40	Tyus Byrd & Helen Frye
07/14/2017		5885		7/6-7/12/2017		24.00	240.00	171.64	Tyus Byrd & Helen Frye
07/18/2017		5894		7/13-7/19/2017		24.00	240.00	221.64	Tyus Byrd & Helen Frye
07/22/2017		5901		7/20-7/26/2017		24.00	240.00	221.64	Tyus Byrd & Helen Frye
07/28/2017		5910		7/27-8/3/2017		30.00	300.00	277.05	Tyus Byrd & Helen Frye
08/04/2017		5920		8/4-8/10/2017		30.00	300.00	277.05	Tyus Byrd & Helen Frye
08/11/2017		5922		8/11-8/16/2017		40.00	400.00	315.40	Tyus Byrd & Helen Frye
08/16/2017		5945		8/17-8/22/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
08/22/2016	08/22/2017	5952		8/-8/24/2017	(5)	40.00	400.00	365.40	Tyus Byrd & Helen Frye
09/06/2017		5963		8/31-9/6/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
09/11/2017		5971		9/7-9/13/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
09/18/2017		5985		9/14-9/20/2017		40.00	400.00	315.40	Tyus Byrd & Helen Frye
09/25/2017		5991		9/21-9/27/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
10/02/2017		6004		9/29-10/5/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
10/10/2017		6008		10/6-10/12/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
10/19/2017		6024		10/13-10/19/2017		40.00	400.00	365.40	Tyus Byrd & Helen Frye
10/25/2017		6029	1029	10/20-10/26/2016	(5)	40.00	400.00	315.40	Tyus Byrd & Helen Frye
11/01/2017		6038		10/27-11/2/2017		20.00	200.00	184.70	Tyus Byrd & Helen Frye
11/09/2017		6047		11/3-11/9/2017		20.00	200.00	184.70	Tyus Byrd & Helen Frye
11/16/2017		6055		11/10-11/16/2017		20.00	200.00	184.70	Tyus Byrd & Helen Frye
11/21/2017		6066		11/17-11/21/2017		20.00	200.00	184.70	Tyus Byrd & Helen Frye
11/27/2017		6075		11/24-11/30/2017		36.00	360.00	282.46	Tyus Byrd & Helen Frye

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye								
Check Date	Actual	Check	Check	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Gross Pay Amount	Net Pay Amount	Check Signers
Per Canceled Check	Check Date, if Different	Number Per Canceled Check (1)	Number Per City Records, if Different					
412//2017	12/04/2017	6086		12/1-12/7/2017	20.00	200.00	184.70	Tyus Byrd & Helen Frye
12/11/2017		6094		12/8-12/14/2017	30.00	300.00	277.05	Tyus Byrd & Helen Frye
12/11/2017		6101		12/15-12/21/2017	30.00	300.00	277.05	Tyus Byrd & Helen Frye
12/20/2017		6106		12/22-12/28/2017	30.00	300.00	227.05	Tyus Byrd & Helen Frye
12/27/2017		6112				300.00	(7) 277.05	Tyus Byrd & Helen Frye
Total 2017						23,001.28	20,609.30	
01/11/2018		6137		Payperiod between 1/4-1/10/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
01/18/2018		6142		Payperiod between 1/11-1/17/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
01/25/2018		6149		Payperiod between 1/18-1/24/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
02/01/2018		6175				300.00	(7) 227.05	Tyus Byrd & Helen Frye
02/06/2018		6179		Payperiod between 2/1-2/7/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
02/08/2018		6177	(8)	Authorized by Mayor Byrd Police Department-Police Officer	(12)	1,500.00	(13) 1,500.00	Tyus Byrd & Helen Frye
Payroll Loan- Deduction of \$225 and 277 per pay period from City Clerk/Court Clerk paycheck weekly Deductions starts on 2/14/2018 - Mar 28, 2018 This payroll deduction will be continue until the last payment is made from the employee pay check.								
02/15/2018		6185		Payperiod between 2/8-2/14/2018/2018	30.00	300.00	227.05	Tyus Byrd & Helen Frye
02/22/2018		6198		Payperiod between 2/15-2/21/2018	30.00	300.00	(13) 52.05	Tyus Byrd & Helen Frye
03/01/2018		6204		Payperiod between 2/22-2/28/2018	30.00	300.00	(13) 27.05	Tyus Byrd & Helen Frye
03/08/2018		6217		Payperiod between 3/1-3/7/2018	30.00	300.00	(13) 27.05	Tyus Byrd & Helen Frye
03/15/2018		6225		Payperiod 3/8-3/14/2018	30.00	300.00	(13) 27.05	Tyus Byrd & Helen Frye
03/21/2018		6239		City Clerk		300.00	(7) 277.05	Tyus Byrd & Helen Frye
03/26/2018		6247		Payperiod 3/22-3/28/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
04/04/2018		6245	(8)	Payperiod between 3/29-4/4/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
04/04/2018		6269		Payperiod between 4/5-4/11/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
04/19/2018		6283		Payperiod between 4/12-4/18/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
02/24/2018	04/24/2018	6288		Payperiod between 4/19-4/26/2018	(5) 30.00	300.00	277.05	Tyus Byrd & Helen Frye
04/03/2018	05/03/2018	6296		Payperiod between 3/29-4/2/2018	(5) 30.00	300.00	277.05	Tyus Byrd & Helen Frye
04/07/2018	05/07/2018	6301		Payperiod between 4/3-4/9/2018	(5) 30.00	300.00	277.05	Tyus Byrd & Helen Frye
05/12/2018		6310		Payperiod between 5/10-5/17/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye
05/17/2018		6312		Payperiod between 5/10-5/17/2018	40.00	400.00	369.40	Tyus Byrd & Helen Frye
1st Week of 2 Weeks Vacation Check								
05/23/2018		6325		Payperiod between 5/18-5/23/2018	30.00	300.00	227.05	Tyus Byrd & Helen Frye
05/23/2018		6327		Payperiod between 5/18-5/23/2018 2nd Week Vacation	40.00	400.00	396.40	Tyus Byrd & Helen Frye
05/29/2018		6333		Payperiod between 5/23-5/30/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date	Actual	Check	Check	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours	Gross Pay	Net Pay	Check Signers	
Per Canceled Check	Check Date, if Different	Number Per Canceled Check (1)	Number Per City Records, if Different		Worked Per Payroll Ledgers or Check Stubs, if Available	Amount	Amount		
06/05/2018		6339		Payperiod between 5/31-6/6/2018/2018	30.00	300.00	227.00	Tyus Byrd & Helen Frye	
06/09/2018		6353		Payperiod between 6/7-6/6/13/2018/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye	
06/13/2018		6362		Payperiod between 6/7-6/6/13/2018/2018	30.00	300.00	277.05	Simon Wofford & Helen Frye	
06/20/2018		6376		Payperiod between 6/14-6/20/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye	
06/26/2018		6378		Payperiod between 6/21-6/27/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye	
07/03/2018		6387		Payperiod between 6/21-6/27/2018	(5) 30.00	300.00	277.05	Tyus Byrd & Helen Frye	
07/07/2018		6396		City Clerk		300.00	(7) 277.05	Tyus Byrd & Helen Frye	
07/16/2018		6404		Payperiod between 7/12-7/18/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye	
07/20/2018		6417		Payperiod between 7/19-7/25/2018	30.00	300.00	227.05	Tyus Byrd & Helen Frye	
07/26/2018		6421		Payperiod between 7/26-7/31/2018	30.00	300.00	277.05	Tyus Byrd & Helen Frye	
08/02/2018		6433		Payperiod between 8/1-8/8/2018	40.00	400.00	396.05	Tyus Byrd & Helen Frye	
08/09/2018		6439		Payperiod between 8/9-8/15/2018	40.00	400.00	396.05	Simon Wofford & Helen Frye	
08/16/2018		6446		Payperiod between 8/16-8/22/2018	40.00	400.00	396.05	Simon Wofford & Helen Frye	
08/23/2018		6456		Payperiod between 8/24-8/29/2018	40.00	400.00	396.05	Tyus Byrd & Helen Frye	
08/30/2018		6464		Payperiod between 8/30-9/5/2018	40.00	400.00	396.05	Simon Wofford & Helen Frye	
09/05/2018		6472		Payperiod between 9/6-9/12/2018	40.00	400.00	396.05	Tyus Byrd & Helen Frye	
09/13/2018		6475		Payperiod between 9/13-9/19/2018	40.00	400.00	396.05	Simon Wofford & Helen Frye	
09/19/2018		6487		Payperiod between 9/19-9/26/2018	40.00	400.00	369.40	Simon Wofford & Helen Frye	
09/27/2018		6495		Payperiod 9/26-10/2/2018	40.00	400.00	369.40	Simon Wofford & Helen Frye	
10/04/2018		6498		Payperiod between 10/4-10/10/2018	40.00	400.00	369.40	Simon Wofford & Helen Frye	
10/10/2018		6507		City Clerk		400.00	(7) 369.40	Tyus Byrd & Helen Frye	
10/18/2018		6519		Payperiod between 10/11-10/17/2018	(5) 40.00	400.00	369.40	Simon Wofford & Helen Frye	
10/25/2018		6527		Payperiod between 10/24-10/31/2018	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
10/31/2018		6531		Payperiod between 11/1-11/7/2018	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
11/08/2018		6547		Payperiod between 11/8-14/2018	40.00	400.00	319.40	Tyus Byrd & Helen Frye	
11/14/2018		6555		Payperiod between 11/15-11/21/2018	40.00	400.00	319.40	Tyus Byrd & Helen Frye	
11/19/2018		6563		Payperiod between 11/22-11/28/2018	40.00	400.00	319.40	Simon Wofford & Helen Frye	
12/03/2018		6572		Payperiod between 11/29-12/5/2018	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
12/13/2018		6595		Payperiod between 12/6-12/12/2018	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
12/20/2018		6602		Payperiod between 12/13-12/19/2018	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
12/26/2018		6608		Payperiod between 12/19-12/26/2018	40.00	400.00	369.40	Tyus Byrd & Helen Frye	
Total 2018						<u>20,000.00</u>	<u>17,423.25</u>		

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check (1)	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Gross Pay Amount	Net Pay Amount	Check Signers	
01/15/2019		6629		Payperiod between 1/11-11/16/19	(5) 40.00	400.00	369.40	Tyus Byrd & Helen Frye	
01/31/2019		6654		Payperiod 2/15/2019	40.00	400.00	369.00	Tyus Byrd & Helen Frye	
03/01/2019		6686		City Clerk		400.00	(7) 369.40	Simon Wofford & Helen Frye	
03/27/2019		6719		City Clerk		733.95	(14) 677.80	Tyus Byrd & Helen Frye	
03/29/2019		6718	(8)	City Clerk		400.00	(7) 69.40	Tyus Byrd & Helen Frye	
Total 2019						<u>2,333.95</u>	<u>1,855.00</u>		
						Total Payments	\$ <u><u>78,651.17</u></u>	<u><u>70,231.01</u></u>	
							Appropriate Amounts That Should Have Been Paid		
						Year			
						2015	\$ 7,329.94	(15)	
						2016	19,840.00	(16)	
						2017	16,544.00	(17)	
						2018	14,560.00	(18)	
						2019	<u>1,867.16</u>	(19)	
						Subtotal	\$ <u>60,141.10</u>		
Adjustment for the Repayment of some Payroll Advances						\$	<u>(825.00)</u>	(13)	
Total Overpayments						\$	<u>17,685.07</u>		

- (1) Checks written from June 19, 2015, through October 30, 2015, were issued from the city's General bank account. Checks written from November 5, 2015, through March 29, 2019, were issued from the city's Payroll bank account.
- (2) Pay period/payment details were obtained from check memo lines for the period of June 19, 2015, through January 27, 2017 (check number 5650), with the exception of check numbers 22611, 22622, 5244, and 5425 for which the details came from payroll ledgers; payroll ledgers for the period of January 27, 2017 (check number 5652), through December 27, 2017, with the exception of check numbers 5676 and 5770 for which the details came from check memo lines; paycheck stubs for the period of January 11, 2018, through March 29, 2019, with the exception of check numbers 6239, 6396, 6507, 6686, 6719, and 6718 for which the details came from check memo lines. These details are presented exactly as they are listed in the source documents, unless otherwise indicated.
- (3) Kimberly Hampton was the prior City Treasurer. Nelvia Donaldson was a former Alderwoman.
- (4) Payroll records supporting this payment could not be located. However, city records indicate the payment was divided between the City Collector and City Clerk during July. Gross pay was determined based on the City Collector's payroll ledger.
- (5) The pay period/payment details shown based on city records are inaccurate.
- (6) No date was recorded on the actual check. However, based on the check number sequence and date the check cleared the city's bank account, it was likely written on December 24, 2015.
- (7) Payroll records supporting this payment could not be located. Gross pay was determined based on historical gross and net pay amounts.

Appendix B
City of Parma
Payroll Overpayments

Overpayments to City Clerk Helen Frye								
Check Date	Actual	Check	Check	Pay Period/Payment Details as Shown in City Records, if Available (2)	Hours Worked Per Payroll Ledgers or Check	Gross Pay Amount	Net Pay Amount	Check Signers
Per Canceled Check	Check Date, if Different	Number Per Canceled Check (1)	Number Per City Records, if Different		Stubs, if Available			
(8) Check was issued out of order.								
(9) Gross pay and net pay are the same. No payroll withholdings were withheld from these checks.								
(10) We determined this check was a payroll advance/loan.								
(11) V-Check represents the payment of 2 weeks of vacation per calendar year.								
(12) The payroll check stub also indicated a \$225 payroll deduction would be made on February 14 and March 14, 2018, a \$277 payroll deduction would be made on February 23, February 28, and March 7, 2018, and a final \$219 payroll deduction would be made on March 22, 2018, for a total of \$1,500.								
(13) Payroll deductions totaling \$825 were made for the repayment of the \$1,500 payroll advance made on February 8, 2018. These deductions were \$175 on check number 6198, \$200 on check number 6204, \$200 on check number 6217, and \$250 on check number 6225.								
(14) Gross pay was determined based on historical information of withholding 7.65 percent from the previous paycheck.								
(15) Includes \$3,105.94 from June 9 through September 30, 2015, and \$4,224 for the remaining 13 weeks and 1 day of the year. The City Clerk was paid \$8 per hour and worked 40 hours per week or 8 hours per work day from October 1, 2015, through the end of the year.								
(16) Includes \$16,640 for 52 weeks during the year, \$320 for 1 week of vacation per calendar year, and \$2,880 for 240 hours of compensatory time. The City Clerk was paid \$8 per hour for 40 hours per week January 1, 2016, through April 28, 2016, and should have been paid at \$8 per hour the remainder of the year. Compensatory time was calculated at time and a half or \$12 per hour.								
(17) Includes \$11,840 for 37 weeks from January 1 through June 28, 2017 (26 weeks), and August 11 through October 26, 2017 (11 weeks), \$768 for 4 weeks from June 29 through July 26, 2017, \$1,440 for 6 weeks from July 27 through August 10, 2017 (2 weeks), and December 8 through January 3, 2018 (4 weeks), \$800 for 5 weeks from October 27 through November 21, 2017 (4 weeks), and the week of December 1 through December 7, 2017, \$288 for the week November 22 through November 30, 2017, \$640 for 2 weeks of vacation per calendar year, and \$768 of compensatory time worked January 2 through April 30, 2017. The City Clerk should have been paid \$8 per hour during 2017, and compensatory time was calculated at time and a half or \$12 per hour.								
(18) Includes \$6,720 for 21 weeks from August 1 through December 26, 2018, \$7,200 for 30 weeks from January 1 through July 31, 2018, and \$640 for 2 weeks of vacation per calendar year. The City Clerk should have been paid \$8 per hour during 2018.								
(19) Includes \$1,280 for 160 hours worked and paid on January 15, 2019 (40 hours), January 31, 2019 (40 hours), March 1, 2019 (40 hours), and March 29, 2019 (40 hours), and \$587.16 for 73.4 hours worked and paid on March 27, 2019. The City Clerk should have been paid \$8 per hour during 2019. The City Clerk indicated in sworn testimony that she did not consistently work 40 hours per week during 2019.								

Appendix B is continued on the next page with Payroll Overpayments to Water Supervisor David Thatch

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Water Supervisor David Thatch										
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (1)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Hours Worked Based on Gross Pay (2)	Gross Pay Amount	Net Pay Amount	Check Signers	
12/23/2015		5066		Pay Period December 18th thru Dec 23rd, 2015 Water and Street Department Employee		Unknown	\$ 201.01	(3) 169.31	Tyus Byrd & Helen Frye	
Total 2015							201.01	169.31		
01/05/2016		5078		Pay Period Jan 4th and Jan 5th, 2015 Water, Street, and Sewer Dept	(4) 8.00		64.00	79.10	Tyus Byrd & Helen Frye	
01/28/2016		5114		Pay Period Jan 29th thru February 4, 2016 Water, Street, and Sewer Dept	16.00		120.96	111.71	Tyus Byrd & Helen Frye	
02/11/2016		5119		Pay Period Feb 5th thru Feb 11, 2016 Water, Street, and Sewer Dept	40.00		302.40	256.27	Tyus Byrd & Helen Frye	
02/18/2016		5132		Pay Period Feb 12th thru Feb 18th, 2016 Water, Street, and Sewer Dept	32.00		256.00	221.42	Tyus Byrd & Helen Frye	
02/25/2015	02/25/2016	5144		Pay Period Feb 19th thru Feb 25th, 2016 Water, Street, and Sewer Dept	32.00		256.00	219.42	Tyus Byrd & Helen Frye	
03/03/2016		5157		Pay Period Feb 26th thru March 3rd, 2016 Water, Street, and Sewer Dept	40.00		320.00	269.52	Tyus Byrd & Helen Frye	
03/10/2016		5163		Pay Period March 4 thru March 10, 2016 Water, Street, and Sewer Dept	40.00		320.00	269.52	Tyus Byrd & Helen Frye	
03/17/2016		5169		Pay Period March 11 thru March 17, 2016 Water, Street, and Sewer Dept	40.00		320.00	269.52	Tyus Byrd & Helen Frye	
03/24/2016		5178		Pay Period March 18 thru March 24, 2016 Water, Street, and Sewer Dept	48.00		384.00	316.62	Tyus Byrd & Helen Frye	
03/31/2016		5186		Pay Period March 19 through March 31, 2016 Water, Street, and Sewer Dept	(4) 40.00		320.00	269.52	Tyus Byrd & Helen Frye	
04/07/2016		5204		Pay Period April 1 thru April 7, 2016 Water, Street, and Sewer Dept	40.00		320.00	269.52	Tyus Byrd & Helen Frye	
04/14/2016		5209		Pay Period April 8 thru April 14, 2016 Water, Street, and Sewer Dept	40.00		320.00	269.52	Tyus Byrd & Helen Frye	
04/21/2016		5220		Pay Period April 15 thru April 21, 2016 Water, Street, and Sewer Dept	40.00		320.00	269.52	Tyus Byrd & Helen Frye	
02/28/2016	04/28/2016	5228		Pay Period April 22 thru April 28, 2016 Water, Street, and Sewer Dept	40.00		320.00	269.52	Tyus Byrd & Helen Frye	
05/06/2016		5249		Pay Period April 29 thru May 4, 2016 Water, Street, and Sewer Dept	40.00		320.00	134.76	Tyus Byrd & Helen Frye	
05/12/2016		5256		Pay Period May 5th thru May 12, 2016 Water, Street, and Sewer Dept	40.00		320.00	134.76	Tyus Byrd & Helen Frye	
05/18/2016		5269		Pay Period May 13th thru May 18, 2016 Water, Street, and Sewer Dept	32.00		256.00	93.66	Tyus Byrd & Helen Frye	
05/25/2016		5278		Pay Period May 19th thru May 25th, 2016 Water, Street, and Sewer Dept	40.00		320.00	134.76	Tyus Byrd & Helen Frye	
06/01/2016		5290	5278	Water, Street, and Sewer Dept Pay Period for May 25th thru June 1st, 2016	48.00		384.00	198.86	Tyus Byrd & Helen Frye	

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Water Supervisor David Thatch										
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06/08/2016		5300		Water, Street, and Sewer Dept Pay Period for June 2nd thru June 8th, 2016	40.00		320.00	134.76	Tyus Byrd & Helen Frye	
06/15/2016		5313		Water, Street, and Sewer Dept Pay Period for June 9th thru June 15th, 2016	46.00		427.80	246.31	Tyus Byrd & Helen Frye	
06/22/2016		5322		Water, Street, and Sewer Dept Pay Period for June 16th thru June 22nd, 2016	40.00		372.00	268.49	Tyus Byrd & Helen Frye	
06/29/2016		5329		Water, Street, and Sewer Dept Pay Period for June 23rd thru June 29th, 2016	40.00		372.00	205.78	Tyus Byrd & Helen Frye	
07/06/2016		5347		Water, Street, and Sewer Dept Pay Period for June 30TH thru July 6th, 2016	46.00		427.80	255.31	Tyus Byrd & Helen Frye	
07/13/2016		5350		Water, Street, and Sewer Dept Pay Period for July 7TH thru July 13th, 2016	40.00		372.00	203.78	Tyus Byrd & Helen Frye	
07/20/2016		5364		Water, Street, and Sewer Dept Pay Period for July 14th thru July 20th, 2016	63.00		585.90	327.32	Tyus Byrd & Helen Frye	
07/27/2016		5376		Water, Street, and Sewer Dept Pay Period for July 21st thru July 27th, 2016	44.00		409.20	287.14	Tyus Byrd & Helen Frye	
08/04/2016		5387		Water, Street, and Sewer Dept Pay Period for July 28th thru Aug 3rd, 2016	50.00		465.00	282.67	Nelvia Donaldson (5) & Helen Frye	
08/10/2016		5396		Water, Street, and Sewer Dept Pay Period for Aug 4th thru Aug 10th, 2016	44.00		409.20	230.14	Tyus Byrd & Helen Frye	
08/17/2016		5406		Water, Street, and Sewer Dept Pay Period for Aug 11th thru Aug 17th, 2016	48.00		446.40	268.49	Tyus Byrd & Helen Frye	
08/24/2016		5418		Water, Street, and Sewer Dept Pay Period for Aug 19th thru Aug 24th, 2016	61.00		567.30	362.14	Tyus Byrd & Helen Frye	
08/31/2016		5433		Water, Street, and Sewer Dept Pay Period for Aug 25th thru Aug 31th, 2016	67.00		623.10	403.67	Tyus Byrd & Helen Frye	
09/08/2016		5437		Water, Street, and Sewer Dept Pay Period for Sept 1 - Sept 7th, 2016	60.00		558.00	355.55	Tyus Byrd & Helen Frye	
09/08/2016		5448		Water, Street, and Sewer Dept Pay Period for Sept 1 - Sept 7th, 2016	(4) 51.00		474.30	291.26	Tyus Byrd & Helen Frye	
09/21/2016		5461		Water, Street, and Sewer Dept Pay Period for Sept 15 - Sept 20, 2016	59.00		548.70	348.96	Tyus Byrd & Helen Frye	
09/28/2016		5464		Water, Street, and Sewer Dept Pay Period for Sept 15 - Sept 20, 2016	(4) 53.00		492.90	309.43	Tyus Byrd & Helen Frye	
09/28/2016		5479		Water, Street, and Sewer Dept Pay Period for Sept 29 - Nov 5th, 2016	(4) 63.00		585.90	327.20	Tyus Byrd & Helen Frye	
09/30/2016		5475	(6)	P-ADVA Chk#5475 9/30/2016		N/A	500.00	500.00	Tyus Byrd & Helen Frye	
10/12/2016		5486		Water, Street, and Sewer Dept Pay Period for Oct 6th - Oct 12th, 2016	59.00		548.70	348.96	Tyus Byrd & Helen Frye	
10/19/2016		5500		Water, Street, and Sewer Dept Pay Period for Oct 13th - Oct 19th, 2016	59.00		548.70	348.96	Nelvia Donaldson (5) & Helen Frye	

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Water Supervisor David Thatch									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (1)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Hours Worked Based on Gross Pay (2)	Gross Pay Amount	Net Pay Amount	Check Signers
10/27/2016		5513		Water, Street, and Sewer Dept Pay Period for Oct 20th - Oct 26th, 2016	64.00		595.20	383.91	Tyus Byrd & Helen Frye
11/02/2016		5521		Water, Street, and Sewer Dept Pay Period for Oct 27th - Nov 2nd, 2016	52.00		483.60	297.84	Tyus Byrd & Helen Frye
11/09/2016		5531		Water, Street, and Sewer Dept Pay Period for 11/3/2016 - 11/9/2016	58.00		539.40	341.38	Tyus Byrd & Helen Frye
11/16/2016		5543		Water, Street, and Sewer Dept Pay Period for 11/10/2016 - 11/16/2016	59.00		548.70	350.96	Tyus Byrd & Helen Frye
11/23/2016		5564	(6)	Water, Street, and Sewer Dept Pay Period for 11/17/2016 - 11/23/2016	51.00		474.30	290.26	Nelvia Donaldson (5) & Helen Frye
11/29/2016		5557		Water, Street, and Sewer Dept Pay Period for 11/24/2016 - 11/30/2016	54.00		502.20	312.02	Tyus Byrd & Helen Frye
12/7/2016		5574		Water, Street, and Sewer Dept Pay Period for 12/1/2016 - 12/7/2016	53.00		492.90	304.43	Tyus Byrd & Helen Frye
12/14/2016		5585		Water, Street, and Sewer Dept Pay Period for 12/8/2016 - 12/14/2016	53.00		492.90	304.43	Tyus Byrd & Helen Frye
12/21/2016		5596		Water, Street, and Sewer Dept Pay Period for 12/15/2016 - 12/21/2016	53.00		492.90	304.43	Tyus Byrd & Helen Frye
12/27/2016		5610		Water, Street, and Sewer Dept Pay Period for 12/22/2016 - 12/28/2016	53.00		492.90	304.43	Tyus Byrd & Helen Frye
Total 2016							<u>20,713.26</u>	<u>13,557.91</u>	
01/04/2017		5615		Water, Street, and Sewer Dept Pay Period for 12/29/2016 - 1/4/2017	48.00		456.00	275.36	Tyus Byrd & Helen Frye
01/11/2017		5629		Water, Street, and Sewer Dept Pay Period for 1/5/2017 - 1/11/2017	56.00		532.00	334.54	Nelvia Donaldson (5) & Helen Frye
01/18/2017		5637		Water, Street, and Sewer Dept Pay Period for 1/12/2017-1/18/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye
01/25/2017		5645		Water, Street, and Sewer Dept Pay Period for 1/19/2017-1/25/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye
02/01/2016	02/01/2017	5657		Water, Street, and Sewer Dept Pay Period for 1/26-2/1/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye
02/08/2017		5659		Water, Street, and Sewer Dept Pay Period for 2/2-2/8/2017	54.00		513.00	320.00	Tyus Byrd & Helen Frye
02/13/2017		5671		2/9/ - 2/15/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye
02/21/2017		5679		2/16-2/22/2017	40.00		380.00	213.17	Tyus Byrd & Helen Frye
03/01/2017		5685		2/23/ -3/1/2017	50.00		475.00	291.90	Tyus Byrd & Helen Frye
03/08/2017		5701		3/2/ -3/8/2017	50.00		475.00	291.90	Tyus Byrd & Helen Frye
03/14/2017		5711		3/9-3/14/2017	50.00		475.00	291.90	Tyus Byrd & Helen Frye
03/22/2017		5716		3/16/-3/22/2017	50.00		475.00	291.90	Tyus Byrd & Helen Frye
03/29/2017		5722		3/23/-3/29/2017	40.00		380.00	213.17	Tyus Byrd & Helen Frye
04/05/2017		5732		3/30/ -4/5/2017	48.00		456.00	275.36	Tyus Byrd & Helen Frye

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Water Supervisor David Thatch										
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04/12/2017		5741		4/6/ -4/12/2017	72.00		684.00	441.91	Tyus Byrd & Helen Frye	
04/19/2017		5746		4/13/ -4/19/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
04/26/2017		5758		4/20/ -4/26/2017	54.00		513.00	317.00	Tyus Byrd & Helen Frye	
05/03/2017		5766		4/26/ -5/3/2017	51.00		484.50	300.68	Tyus Byrd & Helen Frye	
05/10/2017		5771		5/4/-5/10/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
05/17/2017		5781		5/11-5/17/2917	(4) 56.00		532.00	334.54	Tyus Byrd & Helen Frye	
05/25/2017		5793		5/18-5/25/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
05/31/2017		5808	5693	5/26/-5/31/2017	56.00		532.00	334.54	Tyus Byrd	
06/07/2017		5820		6/1/ -6/7/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
06/14/2017		5826		6/8-6/14/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
06/21/2017		5845		6/15/-6/21/2017	40.00		380.00	194.17	Tyus Byrd & Helen Frye	
06/28/2017		5862		6/22/-6/28/2017	56.00		532.00	353.54	Tyus Byrd & Helen Frye	
07/03/2017		5867		6/29-7/5/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
07/12/2017		5875		7/6/ -7/12/2017	46.00		437.00	265.81	Tyus Byrd & Helen Frye	
07/19/2017		5891		7/13/ -7/19/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
07/26/2017		5902		7/20/ -7/26/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
08/02/2017		5916		7/27-8/3/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
08/09/2017		5926	5726	8/4/-8/9/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
08/16/2017		5939	5739	8/10-8/16/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
08/23/2016	08/23/2017	5946		8/17-8/23/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
08/30/2017		5953		8/24-8/30/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
08/30/2017		5961		Vac 8/24-8/30/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
09/07/2017		5970		8/31/ -9/6/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
09/13/2017		5974		9/7-9/13/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
09/20/2017		5986		9/14-9/20/2017	40.00	56.00	532.00	334.54	Tyus Byrd & Helen Frye	
09/27/2017		5992		9/21/-9/28/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
10/05/2017		6001		9/28/ -10/4/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
10/12/2017		6009		10/5/ -10/11/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
10/18/2017		6017		10/12/ -10/18/2017	56.00		532.00	334.54	Tyus Byrd & Helen Frye	
10/25/2017		6028		10/19/ -10/25/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
11/01/2017		6040		10/26-11/1/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
11/09/2017		6049		11/2/ -11/8/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
11/16/2017		6064		11/9/ -11/15/2017	40.00		380.00	276.36	Tyus Byrd & Helen Frye	
11/22/2017		6073		11/16/ -11/22/2017	56.00		532.00	335.54	Tyus Byrd & Helen Frye	
11/30/2017		6077		11/23/ - 11/29/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
12/07/2017		6084		11/30 -12/6/2017	46.00		437.00	261.81	Tyus Byrd & Helen Frye	
12/14/2017		6099		12/7/ 3-12/13/2017	46.00		437.00	261.81	Tyus Byrd & Helen Frye	
12/21/2017		6110		12/14 -12/20/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
12/28/2017		6114		12/22/ - 12/28/2017	40.00		380.00	212.17	Tyus Byrd & Helen Frye	
12/28/2017		6120		12/22/-12/28/2017	6.00		57.00	52.64	Tyus Byrd & Helen Frye	
Total 2017							25,830.50	15,921.33		

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Water Supervisor David Thatch										
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01/04/2018		6126		Payperiod 12/28-1/4/2018	(7) 40.00	46.00	437.00	268.81	Tyus Byrd & Helen Frye	
01/11/2018		6136		Payperiod 1/4-1/10/2018	(7) 40.00	46.00	437.00	268.81	Tyus Byrd & Helen Frye	
01/18/2018		6147		Payperiod 1/11-1/17/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
01/25/2018		6148		Payperiod 1/18-1/24/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
02/01/2018		6158		Payperiod 1/25-1/31/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
02/01/2018		6176		Payperiod 2/1-2/7/2018	40.00		380.00	216.17	Tyus Byrd & Helen Frye	
02/13/2018		6186		Payperiod 2/8-2/13/2018	40.00	46.00	437.00	268.81	Tyus Byrd & Helen Frye	
02/22/2018		6196		Payperiod 2/15-2/21/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
03/01/2018		6207		Payperiod 2/22-2/28/20182018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
03/08/2018		6215		Payperiod 3/1-3/7/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
03/15/2018		6223		Payperiod 3/8-3/14/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
03/22/2018		6237		Payperiod 3/15-3/21/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
03/29/2018		6251		Payperiod 3/22-3/28/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
04/05/2018		6262		Payperiod 3/29-4/4/2018	46.00	40.00	380.00	216.17	Tyus Byrd & Helen Frye	
04/12/2018		6272		Payperiod 4/5-4/11/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
04/19/2018		6278		Payperiod 4/12-4/18/2018	46.00		437.00	268.81	Tyus Byrd & Helen Frye	
04/19/2018		6284		Payperiod 4/12-4/18/2018	(8) 9.00		85.50	78.96	Tyus Byrd & Helen Frye	
04/25/2018		6289		Payperiod 4/19-4/25/2018	46.00	40.00	380.00	216.17	Tyus Byrd & Helen Frye	
04/01/2018	05/01/2018	6290		Payperiod 3/29-4/2/2018	(4) 55.00		522.50	364.50	Tyus Byrd & Helen Frye	
05/10/2018		6306		Payperiod 5/3-5/9/2018	31.00		294.50	136.50	Tyus Byrd & Helen Frye	
05/17/2018		6314		Payperiod 5/10-5/16/2018	56.00		532.00	374.00	Tyus Byrd & Helen Frye	
05/24/2018		6322		Payperiod 5/17-5/23/2018	43.43		412.59	254.59	Tyus Byrd & Helen Frye	
05/31/2018		6337		Payperiod 5/24-5/31/2018	54.37		516.52	343.01	Tyus Byrd & Helen Frye	
06/07/2018		6349		Payperiod -5/31/2018-6/6/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
06/13/2018		6359		Payperiod -6/7/2018-6/13/2018	56.00		532.00	339.30	Simon Wofford & Helen Frye	
06/20/2018		6374		Payperiod -6/14-6/20/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
06/27/2018		6380		Payperiod -6/21-6/26/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
07/03/2018		6390		Payperiod -6/27-7/3/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
07/06/2018		6397		Payperiod -6/27-7/3/2018	80.00		760.00	649.86	Tyus Byrd & Helen Frye	
07/12/2018		6405		Payperiod - 7/5-7/11/2018	56.00		532.00	336.30	Simon Wofford & Helen Frye	
07/19/2018		6411		Payperiod - 7/12-7/18/2018	56.00		532.00	336.30	Tyus Byrd & Helen Frye	
07/26/2018		6419		Payperiod - 7/19-7/25/2018	56.00		532.00	336.30	Tyus Byrd & Helen Frye	
08/02/2018		6427		Payperiod - 7/26-8/1/2018	56.00		532.00	336.30	Tyus Byrd & Helen Frye	
08/06/2018		6434		Payperiod - 8/2-8/8/2018	56.00		532.00	336.30	Tyus Byrd & Helen Frye	
08/22/2018		6455		Payperiod - 8/16-8/22/2018	56.00		532.00	336.30	Tyus Byrd & Helen Frye	
08/30/2018		6462		Payperiod - 8/23-8/29/2018	56.00		532.00	336.30	Simon Wofford & Helen Frye	
09/05/2018		6470		Payperiod - 8/30-9/5/2018	56.00		532.00	336.30	Tyus Byrd & Helen Frye	
09/13/2018		6478		Payperiod - 9/6-9/12/2018	56.00		532.00	336.30	Simon Wofford & Helen Frye	
09/19/2018		6481		Payperiod - 9/13-9/19/2018	56.00		532.00	336.30	Tyus Byrd & Helen Frye	
09/27/2018		6491		Payperiod 9/20-9/26/2018	56.00		532.00	336.54	Simon Wofford & Helen Frye	
10/04/2018		6496		Payperiod - 9/27-10/3/2018	56.00		532.00	336.30	Simon Wofford & Helen Frye	

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Water Supervisor David Thatch										
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (1)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Hours Worked Based on Gross Pay (2)	Gross Pay Amount	Net Pay Amount	Check Signers	
10/10/2018		6504		Payperiod - 10/4-10/10/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
10/10/2018	10/18/2018	6517	(6)	Payperiod - 10/11-10/17/2018	56.00		532.00	339.30	Simon Wofford & Helen Frye	
10/25/2018		6515		Payperiod - 10/18-10/25/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
10/31/2018		6532		Payperiod - 10/25-10/31/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
11/08/2018		6537		Payperiod - 11/1-11/7/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
11/14/2018		6548		Water, Street, and Sewer Dept		56.00	532.00	(3) 339.30	Helen Frye	
11/20/2018		6565		Payperiod - 11/15-11/21/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
11/29/2018		6575		Payperiod - 11/-22/28/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
12/06/2018		6583		Payperiod - 11/-29/-12/05/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
12/13/2018		6589		Payperiod - 12/06/-12/12/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
12/20/2017	12/20/2018	6604		Payperiod - 12/13/-12/19/2018	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
12/27/2018		6613		Payperiod - 12/20/-12/26/2018	56.00		532.00	339.30	Simon Wofford & Helen Frye	
Total 2018							25,809.61	16,417.21		
01/03/2019		6620		Payperiod - 12/27/-1/3/2019	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
01/10/2018	01/10/2019	6625		Payperiod - 1/3/-1/9/2019	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
01/17/2019		6632		Payperiod - 1/10/-1/16/2019	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
01/24/2019		6638		Payperiod - 1/17/-1/23/2019	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
01/31/2019		6651		Payperiod - 1/24/-1/30/2019	56.00		532.00	339.30	Tyus Byrd & Helen Frye	
02/07/2019		6661		Water, Street, and Sewer Dept		56.00	532.00	(3) 339.30	Tyus Byrd & Helen Frye	
02/14/2019		6668				56.00	532.00	(3) 339.30	Simon Wofford & Helen Frye	
02/21/2019		6674		Water, Street, and Sewer Dept		56.00	532.00	(3) 339.30	Simon Wofford & Helen Frye	
02/28/2019		6683		Water, Street, and Sewer Dept		56.00	532.00	(3) 338.54	Simon Wofford & Helen Frye	
03/01/2019		6692		Water, Street, and Sewer Dept		56.00	532.00	(3) 338.54	Simon Wofford & Helen Frye	
03/14/2019		6701		Water, Street, and Sewer Dept		80.00	760.00	(3) 644.86	Tyus Byrd & Helen Frye	
03/14/2019		6702		Payperiod - 3/7-3/13/2019	56.00		532.00	338.54	Simon Wofford & Helen Frye	
03/21/2019		6711		Water, Street, and Sewer Dept		56.00	532.00	(3) 339.54	Tyus Byrd & Helen Frye	
03/28/2019		6722		Water, Street, and Sewer Dept		56.00	532.00	(3) 339.54	Tyus Byrd & Helen Frye	
04/04/2019		6729		Payperiod - 3/28- 4/3/2019	32.00	56.00	532.00	339.54	Tyus Byrd & Helen Frye	
04/11/2019		6737		Payperiod - 4/4- 4/10/2019	52.00	56.00	532.00	339.54	Tyus Byrd & Helen Frye	
Total 2019							8,740.00	5,733.04		
Total Payments \$							81,294.38			

Appendix B
City of Parma
Payroll Overpayments

Overpayments to Water Supervisor David Thatch									
Check Date Per Canceled Check	Actual Check Date, if Different	Check Number Per Canceled Check	Check Number Per City Records, if Different	Pay Period/Payment Details as Shown in City Records, if Available (1)	Hours Worked Per Payroll Ledgers or Check Stubs, if Available	Hours Worked Based on Gross Pay (2)	Gross Pay Amount	Net Pay Amount	Check Signers
							Appropriate Amounts That Should Have Been		
							Year Paid		
							2015 \$ 201.01		
							2016 20,213.26	(9)	
							2017 25,678.50	(10)	
							2018 25,752.60	(11)	
							2019 8,474.00	(12)	
							Subtotal \$ 80,319.37		
							Total Overpayments \$ 975.01		

N/A Not applicable

- (1) Pay period/payment details were obtained from check memo lines for the period of December 23, 2015, through February 8, 2017, with the exception of check number 5475 for which the details came from payroll ledgers; payroll ledgers for the period of February 13, 2017, through December 28, 2017; and pay check stubs for the period of January 4, 2018, through April 11, 2019. These details are presented exactly as they are listed in the source documents, unless otherwise indicated.
- (2) Hours worked is shown only when hours worked based on gross pay differed from hours worked per city records.
- (3) Payroll records supporting this payment could not be located. Gross pay was determined based on historical gross and net pay amounts.
- (4) The pay period/payment details shown based on city records was inaccurate.
- (5) Nelvia Donaldson was a former Alderwoman.
- (6) Check was issued out of order.
- (7) The payroll check stub also indicated "Per Mayor, hours are 40 until further noticed."
- (8) The payroll check stub also indicated "David worked 55 hrs and was paid 46 (these 9 hours) is his difference."
- (9) Includes \$423.36 for the period of January 29 through February 11, 2016, \$5,440 for January 4 and 5, 2016, and the period of February 12 through June 8, 2016, and \$14,349.90 for the period of June 9 through December 28, 2016. During the period January 29, 2016, through February 11, 2016, David Thatch was paid \$7.56 per hour for 56 hours of work; \$8 per hour for 680 hours of work on January 4 and 5, 2016, and the period of February 12 through June 8, 2016; and \$9.30 per hour for 1,543 hours of work during the period of June 9, 2016, through December 28, 2016.
- (10) Includes \$25,298.50 for 2663 hours worked during the period of December 29, 2016, through December 28, 2017, and \$380 for 1 week of vacation. David Thatch was paid \$9.50 per hour during 2017.
- (11) Includes \$24,992.60 for 2630.8 hours worked during the period December 29, 2017, through December 26, 2018 (including 5 sick days), and \$760 for 2 weeks of vacation. David Thatch was paid \$9.50 per hour during 2018.
- (12) Includes \$7,714 for 812 hours worked during the period December 27, 2018, through April 10, 2019, and \$760 for 2 weeks of vacation. David Thatch was paid \$9.50 per hour during 2019.

Appendix C
City of Parma
Improper Withdrawal and Payments

Unsupported Payments to Mayor Tyus Byrd							
Check Date	Check Number	Payee, as Shown on Canceled Check (1)	Amount	Fund	Purpose as Shown in Check Memo Line, if Provided (1)	Check Signers	Check Endorsements
08/26/2015	22578	Tyus Byrd	\$ 777.00	General	Mayor Expense for going to the 2015 Missouri Municipal League Conference	Tyus Byrd & Helen Frye	Tyus Byrd
10/19/2015	22719	Mayor Byrd	150.00	General	Mayor Expense for Non Violence Seminar to Ferguson, MO	Tyus Byrd & Helen Frye	Tyus Byrd
12/30/2015	22787	Cash for City Prepaid Business Card	350.00	General	City of Parma, have accounts on Line and do not have a Business Credit Card This Card will serve as a temporary Prepaid Visa Card	Tyus Byrd & Helen Frye	Tyus Byrd & Helen Frye
12/30/2015	22792	Cash for City Prepaid Business Card	400.00	General	City of Parma, have accounts on Line and do not have a Business Credit Card This Card will serve as a temporary Prepaid Visa Card	Tyus Byrd & Helen Frye	Tyus Byrd
12/30/2015	(2)	Cash Withdrawal	400.00	Municipal Court		N/A	N/A
Total 2015			<u>2,077.00</u>				
01/26/2016	22811	CASH PREPAID CARD BUSINESS CARD	1,500.00	General	City of Parmma accounts on Line and do not have a Business Credit Card The Card will serve as a temporary Prepaid Card	Tyus Byrd & Helen Frye	Tyus Byrd
02/22/2016	22816	Cash on -Prepaid Card	1,500.00	General	Card used to pay for online city business and other business meeting training for employees	Tyus Byrd & Helen Frye	Mayor Tyus Byrd (3)
03/26/2016	22837	CASH-PREPAID CARD BUSINESS CARD	1,500.00	General	City of Parmma accounts on Line and do not have a Business Credit Card The Card will serve as a temporary Prepaid Card.	Tyus Byrd & Helen Frye	Mayor Tyus Byrd
04/26/2016 (4)	22873	CASH-PREPAID CARD BUSINESS CARD	1,500.00	General	City of Parmma accounts on Line and do not have a Business Credit Card The Card will serve as a temporary Prepaid Card	Tyus Byrd & Helen Frye	Mayor Tyus Byrd (3)
05/24/2016	22890	CASH-PREPAID CARD BUSINESS CARD	1,500.00	General	City of Parmma accounts on Line and do not have a Business Credit Card The Card will serve as a temporary Prepaid Card.	Tyus Byrd & Helen Frye	Mayor Tyus Byrd
06/22/2016	22911	CASH-PREPAID CARD BUSINESS CARD	1,500.00	General	City of Parmma accounts on Line and do not have a Business Credit Card The Card will serve as a temporary Prepaid Card	Tyus Byrd & Helen Frye	No Endorsement
07/26/2016	22941	CASH-PREPAID CARD BUSINESS CARD	1,500.00	General	City of Parmma accounts on Line and do not have a Business Credit Card The Card will serve as a temporary Prepaid Card	Tyus Byrd & Helen Frye	Tyus Byrd & Helen Frye
07/26/2016	22942	CASH-PREPAID CARD BUSINESS CARD	500.00	General	City of Parma accounts on Line and do not have a Business Credit Card Paid out of GF-Officer Terry Elmore Police Training and 2 set of Notary for City of Parma	Tyus Byrd & Helen Frye	Tyus Byrd & Helen Frye
08/10/2016	22961	Tyus Byrd	750.00	General	Mayor of Parma Perk Building set up Computer Lab and other activities for the youth and citizen of Parma Monitoring the Facility and Supplying with all needs and Youth funded by Fundraisers/Donations	Tyus Byrd & Helen Frye	Tyus Byrd
08/18/2016	1370	Tyus Byrd	550.00	Water/Sewer/Garbage	Aug 2016 Training and Workshop	Helen Frye	Tyus Byrd
08/26/2016	22969	TYUS BYRD CASH-PREPAID CARD BUSINESS CARD	1,500.00	General	Training for Mayor and Staff- City Clerk and 2 Water Department workers City of Parma accounts on Line and do not have a Business Credit Card Mayor Expense	Tyus Byrd & Helen Frye	Tyus Byrd
09/23/2016	22983	TYUS BYRD CASH-PREPAID CARD BUSINESS CARD	1,500.00	General	City of Parma accounts on Line and do not have a Business Credit Card Mayor Expense	Tyus Byrd & Helen Frye	Tyus Byrd
10/04/2016	22982 (5)	Tyus Byrd	1,046.00	General	Mayor Tyus Byrd, Officer Jannel Winters, and Alderman Simon Wofford attending Mayor Event in Chicago, ILL - See Invoices for Details 2 Day event Oct 5 and Oct 6, 2016: Wednesday and Thursday Statements and Receipt Expenses	Tyus Byrd & Helen Frye	Tyus Byrd
11/02/2016	22998	TYUS BYRD CASH PREPAID CARD BUSINESS CARD	700.00	General	City of Parma accounts on Line and do not have a Business Credit Card Meetings and other Schedule appointments	Tyus Byrd & Helen Frye	Tyus Byrd
11/16/2016	23006	TYUS BYRD	800.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
12/05/2016	23015	TYUS BYRD---CASH-PREPAID CARD BUSINESS CARD	700.00	General	City of Parma accounts on Line and do not have a Business Credit Card Meetings and other Schedule appointments	Tyus Byrd & Helen Frye	Tyus Byrd
12/16/2016	23026	TYUS BYRD	800.00	General	City of Parma accounts on Line and do not have a Business Credit Card Meetings and other Schedule appointments CASH PREPAID CARD BUSINESS CARD	Tyus Byrd & Helen Frye	Tyus Byrd
12/23/2016	23031	Tyus Byrd	275.00	General	Purchase a cell phone and minutes, (broke phone)	Tyus Byrd & Helen Frye	Tyus Byrd
12/28/2016 (6)	23033	Tyus Byrd	600.00	General	Business Meeting Trip to Atlanta-Mayor Expense	Tyus Byrd & Helen Frye	Tyus Byrd
Total 2016			<u>20,221.00</u>				

Appendix C
City of Parma
Improper Withdrawal and Payments

Unsupported Payments to Mayor Tyus Byrd							
Check Date	Check Number	Payee, as Shown on Canceled Check (1)	Amount	Fund	Purpose as Shown in Check Memo Line, if Provided (1)	Check Signers	Check Endorsements
01/17/2017	23060	TYUS BYRD	1,500.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
02/01/2017	23057 (5)	TYUS BYRD	800.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
02/21/2017	23078	TYUS BYRD	700.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
03/08/2017	23089	TYUS BYRD	700.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
03/18/2017	23097	TYUS BYRD	800.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
04/13/2017	23107	TYUS BYRD	700.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
05/18/2017	23123	TYUS BYRD	500.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
07/20/2017	23138	Tyus Byrd	450.00	General	City Business Trip to Jefferson City	Tyus Byrd & Helen Frye	Tyus Byrd
08/09/2017	23155	Tyus Byrd	650.00	General		Tyus Byrd & Helen Frye	Tyus Byrd
12/11/2017	23178	Tyus Byrd	350.00	General	Purchase Christmas Decoration	Tyus Byrd & Helen Frye	Tyus Byrd
Total 2017			<u>7,150.00</u>				
01/08/2018	23194	Tyus Byrd	246.34	General	Mayor Event in Jefferson City- See Invoices for Details 2 Day event Jan 10 and Jan 11, 2018: Wednesday and Thursday Statement and Receipt Expenses	Tyus Byrd & Helen Frye	Tyus Byrd
02/12/2018 (7)	23214	Tyus Byrd	797.45	General	Mayor Tyus Byrd traveling and motel expense Jefferson City, MO Legislative Conference 3 Day event Feb 12, 13, 14: Tues, Wed, Thursday Mayor Event in Jefferson City, MO - Mayor Convention See invoices for Details	Tyus Byrd & Helen Frye	Tyus Byrd
03/08/2018	23227	Tyus Byrd	300.00	General	Mayor Tyus Byrd traveling and motel expense Jefferson City, MO Legislative Conference 2018SFSP- Training for New Sponsor Mayor Event in Jefferson City, MO- Mayor and City Clerk went to the training for City Business St. Louis, Poplar Bluff, Sikeston, and Dexter	Tyus Byrd & Helen Frye	Tyus Byrd
05/17/2018	23259	Tyus Byrd	250.00	General		Tyus Byrd & Helen Frye	Tyus Byrd & David Thatch
Total 2018			<u>1,593.79</u>				
Total Payments \$			<u>31,041.79</u>				
Total Amount Loaded to Prepaid Debit Card \$			<u>(8,721.00)</u> (8)				
Total Unsupported Payments \$			<u>22,320.79</u>				

N/A Not applicable

(1) These details are presented exactly as they are listed in the source documents, unless otherwise indicated.

(2) Cash withdrawal ticket was signed by Tyus Byrd and Helen Frye.

(3) Endorsement appears to indicate "Mayor" that is clearly followed by "Tyus Byrd."

(4) The date recorded on the check was April 26, 206. However, this appears to be an error, with the year intended to be 2016.

(5) Check was issued out of order.

(6) The date recorded on the check was December 28, 2017. However, based on the check number sequence and date the check cleared the city's bank account, it was likely written on December 28, 2016.

(7) The date recorded on the check was August 9, 2017. However, the check cleared the city's bank account on February 12, 2018, and the memo line indicates expenses relate to a February event.

(8) Various check details above indicate the purpose of obtaining cash was to purchase/load a prepaid debit card. Due to lack of store receipt slips showing the purchase/load of the prepaid debit card we could not definitively tie these transactions to the related purchases. However, we did identify \$8,721 of purchases/loads of a prepaid debit card and obtained documentation of use. Thus, the total unsupported payments is reduced by \$8,721, and the improper purchases made with this card are included on Appendix D.

Appendix C is continued on the next page with Unsupported Payments to City Clerk Helen Frye

Appendix C
City of Parma
Improper Withdrawal and Payments

Unsupported Payments to City Clerk Helen Frye							
Check Date	Check Number	Payee, as Shown on Canceled Check (1)	Amount	Fund	Purpose as Shown in Check Memo Line, if Provided (1)	Check Signers	Check Endorsements
05/06/2016	22878	Helen Frye	\$ 350.00	General	Police Department	Tyus Byrd & Helen Frye	Helen Frye
08/17/2016	8280	Helen Frye	550.00	Special Street	Police Clerk, arranging and moving files back to Police Station Facility	Tyus Byrd & Helen Frye	Helen Frye
09/23/2016	8282	Helen Frye	250.00	Special Street	Inventory over the summer months for the Street Department	Tyus Byrd & Helen Frye	Helen Frye
11/23/2016	1394	Helen Frye	200.00	Water/Sewer/Garbage	Research and Prepared Information for Road and Street Grant All Paperwork will be submitted to Bootheel Regional Planning Commission	Tyus Byrd & Helen Frye	Helen Frye
12/23/2016	1401	Helen Frye	150.00	Water/Sewer/Garbage	Assist with water meter reading	Tyus Byrd & Helen Frye	Helen Frye
12/23/2016	1410	HELEN FRYE	275.00	Water/Sewer/Garbage	2 Days coverage water meter reader employee called out sick	Tyus Byrd & Helen Frye	Helen Frye
Total 2016			1,775.00		The month of November reading for December 2016 billing	Tyus Byrd & Helen Frye	Helen Frye
04/18/2017	23111	Helen Frye	250.00	General	Water Reports and water plant inventory End of the year reports	Tyus Byrd & Helen Frye	Helen Frye
06/29/2017	23134	HELEN FRYE	175.00	General	water meters for month of Dec 2016	Tyus Byrd & Helen Frye	Helen Frye
Total 2017			425.00		Clean up the Trophy Area in the Front City Hall Entrance and Organized the case	Tyus Byrd & Helen Frye	Helen Frye
05/09/2018	23252	Helen Frye	170.00	General		Tyus Byrd & Helen Frye	Helen Frye
07/20/2018	23295	Helen Frye	250.00	General	Made out in the City Clerk name for Prepaid Card- Pay for Desk for New Office	Tyus Byrd & Helen Frye	Helen Frye
Total 2018			420.00		National Office Supply		
Total Unsupported Payments to City Clerk Helen Frye \$			2,620.00				

Unsupported Payments to Fry Maxx Janitorial Service and Keith Frye Jr. (2)							
Check Date	Check Number	Payee, as Shown on Canceled Check (1)	Amount	Fund	Purpose as Shown in Check Memo Line, if Provided (1)	Check Signers	Check Endorsements
07/28/2016	22946	FRY MAXX JANITORIAL SERVICE	\$ 6,000.00	General	Janitorial Contract for 1 year servicing all City Facilities	Tyus Byrd & Helen Frye	Keith Frye (3) & Helen Frye
02/14/2019	23374	Keith Frye Jr.	2,100.00	General	Community Center/City Hall and Police Station and all other Facilities Follow up on the four year contract for the Flooring Service	Tyus Byrd & Helen Frye	Keith Frye (3)
Total Unsupported Payments to Fry Maxx Janitorial Service and Keith Frye Jr.			8,100.00				
Total Unsupported Payments \$			10,720.00				

(1) These details are presented exactly as they are listed in the source documents, unless otherwise indicated.

(2) According to the Missouri Secretary of State's online business filing website, Fry Maxx Janitorial Service (fictitious name registration) is owned by Keith Frye Jr, Helen Frye's husband. However, the registration for the fictitious name expired on April 30, 2017.

(3) In sworn testimony, Helen Frye confirmed the endorsement on these checks was her husband's signature.

(4) Portions of the memo line of the check, notated by a ~ symbol, were obstructed by a sticker placed on the canceled check. Thus, the wording is not known.

Appendix C is continued on the next page with Unsupported Payments to Water Supervisor David Thatcher

Appendix C
City of Parma
Improper Withdrawal and Payments

Unsupported Payments to Water Supervisor David Thatch							
Check Date	Check Number	Payee, as Shown on Canceled Check (1)	Amount	Fund	Purpose as Shown in Check Memo Line, if Provided (1)	Check Signers	Check Endorsements
11/16/2016	23005	DAVID THATCH	\$ 200.00	General	Digged a Grave for Clifford Temples	Tyus Byrd & Helen Frye	David Thatch
12/15/2016	23019	David Thatch	350.00	General	RECONSTRUCTING THE PERK BUIDLING BathroomS and Ceilings other work	Tyus Byrd & Helen Frye	David Thatch
12/30/2016	1412	David Thatch	350.00	Water/Sewer/Garbage	Tore down all scrap and metal after the clean up of workers	Tyus Byrd & Helen Frye	David Thatch
Total 2016			900.00				
01/19/2017	1422	David Thatch	290.00	Water/Sewer/Garbage	Put down new tiles at the Perk facility (old school building) Painted the sheetrock after installment the walls	Tyus Byrd & Helen Frye	David Thatch
01/27/2017	23051	David Thatch	350.00	General	off Duty Work Off Duty weekend-Took down all the air conditions at the Perk facility (oldschool)	Tyus Byrd & Helen Frye	David Thatch
02/10/2017	23065	David Thatch	300.00	General	Cleaned and washed out the Car Storage Bay for Police Cars Old Debris and Power Washed the Bay	Tyus Byrd & Helen Frye	David Thatch
02/22/2017	23080	David Thatch	225.00	General	Assist in Grave Digging the Shultz Funeral	Tyus Byrd & Helen Frye	David Thatch
02/22/2017 (2)	23081	David Thatch	250.00	General	2nd, Working on the Perk Facility tearing out walls and removing air condition from the old Parma School facility	Tyus Byrd & Helen Frye	David Thatch
03/08/2017	23091	David Thatch	125.00	General	Grave Digging for the City of Parma Closing Cemetary	Tyus Byrd & Helen Frye	David Thatch
03/18/2017	23101	David Thatch	300.00	General	Renovation in the Perk Facility	Tyus Byrd & Helen Frye	David Thatch
04/07/2017	23104	David Thatch	175.00	General	Cleaned out the Dog Pound at the back of the City Hall	Tyus Byrd & Helen Frye	David Thatch
Total 2017			2,015.00				
07/18/2018	1861	David Thatch	900.00	Water/Sewer/Garbage	David Thatch-Starting July 2018 will be the Water and Waste~ter~perator Input and Trainee for the City of Parma See Description of all task and duties (3)	Tyus Byrd & Helen Frye	David Thatch
07/26/2018	1866	Petty Cash - David Thatch	100.00	Water/Sewer/Garbage	Petty Cash - David Thatch Water Clerk Draw for Change for service	Tyus Byrd & Helen Frye	David Thatch
07/31/2018	23299	David Thatch	500.00	General	Graveside Digging Parma, MO See Below Description	Tyus Byrd & Helen Frye	David Thatch
11/06/2018	23346	David Thatch	450.00	General	Graveside Digging Parma, MO See Below Description	Tyus Byrd & Helen Frye	David Thatch
Total 2018			1,950.00				
02/19/2019	23378	David Thatch	400.00	General	Graveside Digger 1 graves in Parma; Grave digging for Wakin and Son for Martha Starnes Open and closing of the grave	Tyus Byrd & Helen Frye	David Thatch
Total 2019			400.00				
Total Unsupported Payments \$			5,265.00				

(1) These details are presented exactly as they are listed in the source documents, unless otherwise indicated.

(2) The date recorded on the check was February 22, 2016. However, based on the check number sequence and date the check cleared the city's bank account, it was likely written on February 22, 2017.

(3) Portions of the memo line of the check, notated by a ~ symbol, were obstructed by a sticker placed on the canceled check. Thus, the wording is not known.

Appendix C
City of Parma
Improper Withdrawal and Payments

Unsupported Payments to Alderman Simon Wofford's Business							
Check Date	Check Number	Payee, as Shown on Canceled Check (1)	Amount	Fund	Purpose as Shown in Check Memo Line, if Provided (1)	Check Signers	Check Endorsements
07/22/2016	22925	Wofford Auto	\$ 400.00	General	Repaired Police Charger Car/and Labor	Tyus Byrd & Helen Frye	Wofford Body Shop Simon Wofford
08/19/2016	22964	Wofford Auto	175.00	General	Repaired Police Truck/and Labor	Tyus Byrd & Helen Frye	Wofford Body Shop Simon Wofford
Total 2016			<u>575.00</u>				
07/21/2017	8324	Wofford's Body Shop	356.66	Special Street	Repair Order on the City Red Work Truck	Tyus Byrd & Helen Frye	Wofford Body Shop Simon Wofford
Total 2017			<u>356.66</u>				
Total Unsupported Payments \$			<u><u>931.66</u></u>				

(1) These details are presented exactly as they are listed in the source documents, unless otherwise indicated.

Appendix D
City of Parma
Improper Purchases

Improper Purchases Using Prepaid Debit Card by Mayor Tyus Byrd						
Transaction Date	Merchant, as Shown on Prepaid Debit Card Records	Gift Card Purchase and Fee Amount	Cellular Phone Card Purchase and Fee Amount	Other Purchases Amount	Cash Withdrawals, Maintenance and ATM Fees	Total Improper Purchase Amount
01/02/2016	VESTA *AT&T	\$ 0.00	0.00	64.79	0.00	64.79
01/07/2016	CHINA WOK	0.00	0.00	12.91	0.00	12.91
01/07/2016	CASEYS GEN STORE 2078	0.00	0.00	42.60	0.00	42.60
01/09/2016	CAPAHA BANK	0.00	0.00	0.00	363.50	363.50
01/10/2016	DELTA AIR BAGGAGE FEE	0.00	0.00	25.00	0.00	25.00
01/10/2016	DELTA AIR 0062162898143	0.00	0.00	50.00	0.00	50.00
01/11/2016	MONTHLY MAINTENANCE FEE	0.00	0.00	0.00	3.00	3.00
01/11/2016	ATM CASH TRNS FEE DOMEST	0.00	0.00	0.00	2.00	2.00
01/13/2016	DELTA AIR BAGGAGE FEE	0.00	0.00	25.00	0.00	25.00
01/19/2016	DENNY'S #2318	0.00	0.00	30.25	0.00	30.25
01/19/2016	CASEYS GEN STORE 2064	0.00	0.00	11.37	0.00	11.37
01/20/2016	WALMART 453	0.00	0.00	101.75	0.00	101.75
01/20/2016	BALANCE INQUIRY FEE	0.00	0.00	0.00	1.00	1.00
01/21/2016	ATM CASH TRNS FEE DOMEST	0.00	0.00	0.00	2.00	2.00
01/26/2016	MCDONALD'S F2060	0.00	0.00	16.93	0.00	16.93
01/26/2016	WAL WAL-MART STORE 240	0.00	0.00	5.18	0.00	5.18
01/26/2016	WAL-MART #0453	0.00	0.00	34.57	100.00	134.57
01/26/2016	FIRST NB MALDEN	0.00	0.00	0.00	500.00	500.00
01/27/2016	FIRST NB MALDEN	0.00	0.00	0.00	500.00	500.00
01/31/2016	VESTA *AT&T	0.00	0.00	64.94	0.00	64.94
02/04/2016	HARRY BLACKWELL FORD-DODG	0.00	0.00	3.59	0.00	3.59
02/04/2016	WAL WAL-MART STORE 320	0.00	0.00	12.77	60.00	72.77
02/11/2016	WAL-MART #453	0.00	0.00	16.85	60.00	76.85
02/12/2016	KINGS WIGS AND BEAUTY	0.00	0.00	47.38	0.00	47.38
02/22/2016	LA ESTANCIA MEXICAN RESTA	0.00	0.00	29.97	0.00	29.97
02/22/2016	FIRST MISSOURI	0.00	0.00	0.00	500.00	500.00
02/23/2016	FIRST MISSOURI	0.00	0.00	0.00	500.00	500.00
02/24/2016	MONTGOMERY BANK	0.00	0.00	0.00	400.00	400.00
03/02/2016	VESTA *AT&T	0.00	0.00	64.94	0.00	64.94
04/02/2016	PAI ISO	0.00	0.00	0.00	203.50	203.50
04/03/2016	WAL-MART #0453	0.00	0.00	62.69	100.00	162.69
04/04/2016	ATM CASH TRNS FEE DOMEST	0.00	0.00	0.00	2.00	2.00
04/05/2016	FIRST MISSOURI	0.00	0.00	0.00	500.00	500.00
04/07/2016	PAI ISO	0.00	0.00	0.00	203.50	203.50
04/08/2016	ATM CASH TRNS FEE DOMEST	0.00	0.00	0.00	2.00	2.00
04/09/2016	LA ESTANCIA MEXICAN RESTA	0.00	0.00	9.99	0.00	9.99
04/09/2016	WAL WAL-MART STORE 951	0.00	0.00	24.10	40.00	64.10
04/10/2016	WAL-MART #0453	0.00	0.00	28.11	40.00	68.11
04/11/2016	MONTHLY MAINTENANCE FEE	0.00	0.00	0.00	3.00	3.00
04/12/2016	MCDONALD'S F13636	0.00	0.00	9.80	0.00	9.80
04/12/2016	WESTLAND TRAVEL CTR	0.00	0.00	20.00	0.00	20.00
04/13/2016	WAL-MART #0453	0.00	0.00	21.00	60.00	81.00
04/13/2016	FIRSTPREMIER8009875521	0.00	0.00	30.00	0.00	30.00
04/18/2016	POPEYES CAPE #10596	0.00	0.00	26.35	0.00	26.35
04/19/2016	CASEYS 1313 N DOUGLAS	0.00	0.00	20.00	0.00	20.00
04/19/2016	LA ESTANCIA MEXICAN RESTA	0.00	0.00	29.89	0.00	29.89
04/20/2016	WAL-MART #0453	0.00	0.00	10.41	0.00	10.41
04/20/2016	JONES RESTAURANT	0.00	0.00	11.53	0.00	11.53
04/21/2016	DTV*DIRECTV HARDWARE	0.00	0.00	34.01	0.00	34.01
04/23/2016	BILL PMT 800-331-53	0.00	0.00	32.95	0.00	32.95
04/26/2016	SUBWAY 00564757	0.00	0.00	24.39	0.00	24.39
04/26/2016	JONES RESTAURANT	0.00	0.00	5.77	0.00	5.77
04/26/2016	WAL-MART #453	0.00	0.00	26.06	0.00	26.06
04/26/2016	DOLLARTREE	0.00	0.00	33.81	0.00	33.81
04/27/2016	FIRST MISSOURI	0.00	0.00	0.00	500.00	500.00
04/28/2016	WAL-MART #0453	0.00	0.00	24.03	100.00	124.03
04/29/2016	FIRST MISSOURI	0.00	0.00	0.00	500.00	500.00
05/04/2016	HOB-LOB #54	0.00	0.00	80.82	0.00	80.82
05/06/2016	DTV*DIRECTV SERVICE	0.00	0.00	61.97	0.00	61.97
05/08/2016	FAMILY DOLLAR #9383	0.00	0.00	3.88	0.00	3.88

Appendix D
City of Parma
Improper Purchases

Improper Purchases Using Prepaid Debit Card by Mayor Tyus Byrd

Transaction Date	Merchant, as Shown on Prepaid Debit Card Records	Gift Card Purchase and Fee Amount	Cellular Phone Card Purchase and Fee Amount	Other Purchases Amount	Cash Withdrawals, Maintenance and ATM Fees	Total Improper Purchase Amount
05/08/2016	LOVES TRAVEL S00006437	0.00	0.00	10.00	0.00	10.00
05/08/2016	CASEYS GEN STORE 1884	0.00	0.00	34.15	0.00	34.15
05/20/2016	LA ESTANCIA MEXICAN RE	0.00	0.00	22.11	0.00	22.11
05/21/2016	STEAK-N-SHAKE#0167 Q99	0.00	0.00	27.36	0.00	27.36
05/23/2016	MCDONALD'S F2060	0.00	0.00	20.61	0.00	20.61
05/31/2016	SONIC DRIVE IN #2471	0.00	0.00	6.84	0.00	6.84
05/31/2016	KFC G410013 64800139	0.00	0.00	5.35	0.00	5.35
05/31/2016	LOVES TRAVEL S00006437	0.00	0.00	13.04	0.00	13.04
06/01/2016	HARP'S #287	0.00	0.00	2.60	0.00	2.60
06/09/2016	Monthly Maintenance Fee	0.00	0.00	0.00	3.00	3.00
07/09/2016	Monthly Maintenance Fee	0.00	0.00	0.00	3.00	3.00
08/09/2016	Monthly Maintenance Fee	0.00	0.00	0.00	0.09	0.09
08/22/2016	FIRST MISSOURI1009 N DOUG	0.00	0.00	0.00	250.00	250.00
08/24/2016	SPEEDPAY-AMERENUE	0.00	0.00	245.29	0.00	245.29
08/25/2016	WAL-MART #453Wal-Mart Sto	0.00	0.00	13.06	20.00	33.06
08/26/2016	RHODES 101 STOPS # 265	0.00	0.00	8.88	0.00	8.88
09/23/2016	STERLING BANK1103 N DOUGL	0.00	0.00	0.00	400.00	400.00
09/24/2016	Over the Counter Fee	0.00	0.00	0.00	2.00	2.00
09/24/2016	REGIONS BANK CASH ADVA	0.00	0.00	0.00	800.00	800.00
09/24/2016	FARMERS B&T601 W MOULTRIE	0.00	0.00	0.00	100.00	100.00
09/25/2016	WM SUPERCENTER #Wal-Mart	0.00	0.00	89.55	0.00	89.55
09/28/2016	MO MISSOURI TITLE LOAN	0.00	0.00	100.00	0.00	100.00
11/09/2016	Monthly Maintenance Fee	0.00	0.00	0.00	3.00	3.00
12/09/2016	Monthly Maintenance Fee	0.00	0.00	0.00	3.00	3.00
Total 2016		0.00	0.00	1,891.19	6,829.59	8,720.78
01/07/2017	DTV*DIRECTV SERVICE	0.00	0.00	0.22	0.00	0.22
Total 2017		0.00	0.00	0.22	0.00	0.22
Total Improper Purchases Using Prepaid Debit Card \$		0.00	0.00	1,891.41	6,829.59	8,721.00 (1)

Improper Purchases Using Walmart Credit Card by Mayor Tyus Byrd

Transaction Date	Purchase Description	Gift Card Purchase and Fee Amount	Cellular Phone Card Purchase and Fee Amount	Other Purchases Amount	Cash Withdrawals, Maintenance and ATM Fees	Total Improper Purchase Amount
09/23/2015	Cellular phone cards, 2 cellular phones & service plans	\$ 0.00	90.00	227.64	0.00	317.64
Total 2015		0.00	90.00	227.64	0.00	317.64
04/05/2017	Cellular phone cards & 2 cellular phones	0.00	100.00	248.82	0.00	348.82
Total 2017		0.00	100.00	248.82	0.00	348.82
01/11/2018	Cellular phone cards	0.00	139.88	0.00	0.00	139.88
01/11/2018	Gift cards	209.88	0.00	0.00	0.00	209.88
01/19/2018	Cellular phone cards	0.00	130.00	0.00	0.00	130.00
01/29/2018	Cellular phone cards	0.00	31.50	0.00	0.00	31.50
02/13/2018	Gift cards	210.88	0.00	0.00	0.00	210.88
02/19/2018	Cellular phone cards	0.00	50.70	0.00	0.00	50.70
02/28/2018	Gift cards	210.88	0.00	0.00	0.00	210.88
03/06/2018	Cellular phone cards, cellular phone, & popcorn	0.00	77.30	34.86	0.00	112.16
03/19/2018	Cellular phone cards & gift cards	290.73	50.70	0.00	0.00	341.43
04/08/2018	Gift cards	159.38	0.00	0.00	0.00	159.38
05/09/2018	Gift cards	264.82	0.00	0.00	0.00	264.82
Total 2018		1,346.57	480.08	34.86	0.00	1,861.51
Total Improper Purchases Using Walmart Credit Card \$		1,346.57	670.08	511.32	0.00	2,527.97
Total Improper Purchases \$		1,346.57	670.08	2,402.73	6,829.59	11,248.97

(1) Prepaid debit cards were purchased/loaded from checks issued as indicated on Appendix C.

Appendix D is continued on the next page with Improper Purchases by City Clerk Helen Frye

Appendix D
City of Parma
Improper Purchases

Improper Purchases Using Walmart Credit Card by City Clerk Helen Frye

Transaction Date	Purchase Description	Gift Card	Cellular	Other Purchases	Total Improper Purchase
		Purchase and Fee Amount	Phone Card Purchase and Fee Amount		
09/10/2015	Soda, vegetable oil, evaporated milk, corn meal mix, & mackerel	\$ 0.00	0.00	16.46	16.46
Total 2015		0.00	0.00	16.46	16.46
01/06/2016	Blender, jelly, chips, bread, salad dressing, dip, juice, relish, peanut butter, hot sauce, condiments, & instant noodles	0.00	0.00	90.15	90.15
02/11/2016	Cellular phone accessories, single serve candy, muffins, snack cakes, crackers, almond milk, & bread	0.00	0.00	92.10	92.10
04/13/2016	Single serve candy and water, gum, & mints	0.00	0.00	10.44	10.44
04/26/2016	Soda	0.00	0.00	1.68	1.68
05/05/2016	Lip balm	0.00	0.00	2.96	2.96
05/06/2016	Cassette adapter	0.00	0.00	19.88	19.88
06/15/2016	Magazine, soda, crayons, hand needles, needles, handbag, & 3 cinch bags	0.00	0.00	54.00	54.00
06/24/2016	Arthritis compression gloves	0.00	0.00	12.88	12.88
07/05/2016	Single serve candy	0.00	0.00	4.76	4.76
07/27/2016	Single serve candy, bagels, cream cheese, cookies, crackers, & yogurt	0.00	0.00	26.00	26.00
08/01/2016	Headset & earbuds	0.00	0.00	47.84	47.84
08/10/2016	3-single serve water	0.00	0.00	5.64	5.64
08/15/2016	Earbuds, cellular phone charger, & gum	0.00	0.00	24.79	24.79
08/17/2016	Umbrella	0.00	0.00	12.00	12.00
08/19/2016	8-piece tray set & headset	0.00	0.00	28.93	28.93
09/01/2016	Backpack & single serve water	0.00	0.00	20.82	20.82
09/16/2016	TV stand	0.00	0.00	99.00	99.00
09/21/2016	Juice & single serve water	0.00	0.00	14.18	14.18
09/23/2016	18 piece pot and pan set & 3 piece bowl set	0.00	0.00	45.89	45.89
09/30/2016	Snack cakes	0.00	0.00	9.16	9.16
10/04/2016	Electronic tablet & case, service plan, hand bag, top load case, chocolate, chips, & dip	0.00	0.00	201.40	201.40
10/04/2016	2-Backpacks, 3-cases, tablet accessories, & replacement battery	0.00	0.00	152.24	152.24
10/13/2016	Cellular phone wall charger & backrest pillow	0.00	0.00	50.83	50.83
10/14/2016	Cellular phone card & cellular phone	0.00	49.76	25.96	75.72
11/09/2016	Stock pot	0.00	0.00	3.28	3.28
11/17/2016	Stock Pot	0.00	0.00	13.88	13.88
11/21/2016	Dog food	0.00	0.00	19.98	19.98
11/23/2016	Whipped topping & corn	0.00	0.00	6.27	6.27
11/23/2016	Cellular phone cable	0.00	0.00	14.88	14.88
11/30/2016	Vinegar	0.00	0.00	2.85	2.85
12/08/2016	Bird & fish food	0.00	0.00	9.94	9.94
12/10/2016	Cider & cookies	0.00	0.00	15.98	15.98
12/12/2016	24 piece glass food storage set	0.00	0.00	19.00	19.00
12/14/2016	Clothes, throw, slow cooker, deep fryer, burner, service plan, salt, pepper, seasoning packets, cheese, chili beans, kidney beans, spicy tomatoes, & paper bowls	0.00	0.00	182.78	182.78
12/15/2016	Cellular phone card, clothes, Christmas cards, & popcorn tin	0.00	45.00	164.39	209.39
12/17/2016	Clothes	0.00	0.00	60.84	60.84
12/22/2016	Neck massager & coloring books	0.00	0.00	39.76	39.76
Total 2016		0.00	94.76	1,607.36	1,702.12
01/16/2017	Miscellaneous groceries	0.00	0.00	8.97	8.97 (1)
01/19/2017	Energy bars, chips, & mints	0.00	0.00	34.66	34.66
01/21/2017	3 piece pan set, apron, 2-TV carts, media tower, & cheeseballs	0.00	0.00	101.54	101.54
01/24/2017	Cookies, chips, dip, candy, trail mix, crackers, & popcorn	0.00	0.00	49.24	49.24
01/27/2017	Cellular phone card & earbuds	0.00	45.00	8.62	53.62
01/27/2017	Cellular phone card, meat and cheese tray, & Valentine merchandise	0.00	24.88	20.98	45.86
01/28/2017	Gift cards, Valentine merchandise, birthday and sympathy cards, supplements; baby wipes, formula, water, medicine, diapers; headphones, snack cakes, & cookies	53.94	0.00	181.21	235.15
01/28/2017	Hair color, accessories, & speaker	0.00	0.00	44.99	44.99
01/28/2017	Gift cards	107.88	0.00	0.00	107.88
01/30/2017	Gift cards, clothes, & graham crackers	53.94	0.00	23.38	77.32
02/01/2017	Gift cards	107.88	0.00	0.00	107.88
02/01/2017	Earbuds, headphones, service plan, & writing table	0.00	0.00	130.60	130.60
02/04/2017	Sofa bed	0.00	0.00	151.82	151.82
02/06/2017	Coolers	0.00	0.00	100.94	100.94
02/07/2017	Gift cards, foil pans, deli meat, ribs, point meat, beef brisket, hamburger, vegetables, salad, foil, rolls, barbeque sauce, ice cream toppings, dip, lighter fluid, chips, & cookies	107.88	0.00	155.99	263.87

Appendix D
City of Parma
Improper Purchases

Improper Purchases Using Walmart Credit Card by City Clerk Helen Frye

Transaction Date	Purchase Description	Gift Card Purchase and Fee Amount	Cellular Phone Card Purchase and Fee Amount	Other Purchases Amount	Total Improper Purchase Amount
02/09/2017	Gift cards, salad, salad dressing, candy, & barbeque sauce	53.94	0.00	24.23	78.17
02/14/2017	iTunes cards	100.00	0.00	0.00	100.00
02/16/2017	Gift cards	105.44	0.00	0.00	105.44
02/26/2017	Gift cards, chips, & single water	53.94	0.00	2.10	56.04
03/03/2017	Gift cards	105.44	0.00	0.00	105.44
03/14/2017	Popcorn	0.00	0.00	4.98	4.98
03/16/2017	Electronic tablet & service plan	0.00	0.00	99.00	99.00
03/18/2017	Gift cards, chocolate, & salad dressing	53.94	0.00	5.86	59.80
03/22/2017	Gift cards	53.94	0.00	0.00	53.94
03/27/2017	Gift cards, beef brisket, grapes, & sausage	107.88	0.00	52.97	160.85
03/29/2017	Candy, wet wipes, soda, fish food, bird food, & alarm clock	0.00	0.00	53.55	53.55
03/30/2017	Gift cards & art case	53.94	0.00	19.97	73.91
04/03/2017	Gift cards, fruit, & speakers	105.44	0.00	19.46	124.90
06/07/2017	Gift cards	105.44	0.00	0.00	105.44
06/08/2017	Gift cards, single serve water, snack cakes, & candy	105.44	0.00	18.16	123.60
06/09/2017	Gift cards & cellular phone accessories	159.38	0.00	14.76	174.14
06/12/2017	Gift cards	53.94	0.00	0.00	53.94
06/14/2017	Gift cards & crackers	53.94	0.00	5.12	59.06
06/20/2017	Earbuds, crackers, juice, & candy	0.00	0.00	14.35	14.35
06/20/2017	Gift cards	53.94	0.00	0.00	53.94
06/30/2017	Gift cards & cellular phone accessories	316.32	0.00	62.64	378.96
07/03/2017	Gift cards & gum	159.38	0.00	2.96	162.34
07/06/2017	Gift cards	53.94	0.00	0.00	53.94
07/09/2017	Speakers & single serve water	0.00	0.00	14.28	14.28
07/09/2017	Gift cards	159.38	0.00	0.00	159.38
07/10/2017	Gift cards	159.38	0.00	0.00	159.38
07/13/2017	Gift cards & single serve candy	159.38	0.00	3.52	162.90
07/15/2017	Gift cards	105.44	0.00	0.00	105.44
07/15/2017	Earbuds	0.00	0.00	5.41	5.41
07/18/2017	Gift cards, cellular phone cards, & candy	159.38	49.88	1.98	211.24
07/21/2017	Gift cards, cellular phone cards, & accessories	159.38	129.88	19.96	309.22
07/22/2017	Gift cards, earbuds, & cellular phone accessories	53.94	0.00	39.79	93.73
07/27/2017	Gift cards, candy, & gum	210.88	0.00	8.82	219.70
08/07/2017	Gift cards	105.44	0.00	0.00	105.44
08/10/2017	Gift cards	105.44	0.00	0.00	105.44
08/10/2017	Gift cards & cell phone accessories	316.32	0.00	16.78	333.10
08/12/2017	Gift cards	105.44	0.00	0.00	105.44
08/16/2017	Gift cards & cellular phone cards	105.44	68.44	0.00	173.88
08/19/2017	Gift cards, snack cakes, & cookies	105.44	0.00	11.60	117.04
09/23/2017	Gift cards	105.44	0.00	0.00	105.44
09/26/2017	Snack cakes	0.00	0.00	2.97	2.97
09/27/2017	Cellular phone card & ear phones	0.00	40.00	47.88	87.88
09/28/2017	Cellular phone card	0.00	45.00	0.00	45.00
10/03/2017	Gift cards	105.44	0.00	0.00	105.44
10/07/2017	Gift cards	53.94	0.00	0.00	53.94
11/11/2017	Gift cards & cellular phone accessories	105.44	0.00	19.94	125.38
12/12/2017	Gift cards	53.94	0.00	0.00	53.94
12/14/2017	Gift cards	53.94	0.00	0.00	53.94
12/15/2017	Clothes and earbuds	0.00	0.00	148.82	148.82
12/20/2017	Gift cards & cellular phone cards	56.88	65.00	0.00	121.88
12/21/2017	Cellular phone accessories	0.00	0.00	18.86	18.86
12/22/2017	Electronic tablet & case	0.00	0.00	87.33	87.33
Total 2017		4,832.84	468.08	1,860.99	7,161.91
03/22/2018	Gift cards	105.44	0.00	0.00	105.44
03/24/2018	Gift cards	105.44	0.00	0.00	105.44
03/26/2018	Gift cards	53.94	0.00	0.00	53.94
04/11/2018	Gift cards, silverware, & single serve candy	53.94	0.00	21.24	75.18
Total 2018		318.76	0.00	21.24	340.00
Total Improper Purchases \$		5,151.60	562.84	3,506.05	9,220.49

Appendix D
City of Parma
Improper Purchases

Improper Purchases Using Walmart Credit Card by City Clerk Helen Frye

Transaction Date	Purchase Description	Gift Card	Cellular	Other Purchases	Total
		Purchase and Fee Amount	Phone Card Purchase and Fee Amount		Improper Purchase Amount

(1) Purchases totaled \$182.23. However, a personal Electronic Benefit Transfer card was used to pay for \$140.00 of the purchases, with the remaining \$42.23 paid using the city's credit card. Only \$33.26 of legitimate city purchases were made, leaving \$8.97 of improper purchases.

Appendix D is continued on the next page with Improper Purchases by Water Supervisor David Thatch

Appendix D
City of Parma
Improper Purchases

Improper Purchases by Water Supervisor David Thatch

Transaction Date	Vendor	Purchase Description	Cellular Phone Card Purchase and Fee Amount	Other Purchases Amount	Total Improper Purchase Amount
03/01/2016	Walmart	Chips, dip, & juice	\$ 0.00	9.64	9.64
05/12/2016	Walmart	Milk, cereal, popcorn, crackers, single serve candy, soda, salad dressing, & umbrellas	0.00	52.34	52.34
Total 2016			0.00	61.98	61.98
02/22/2017	Walmart	Cellular phone charger	0.00	11.88	11.88
12/05/2017	Walmart	Cellular phone card	45.00	0.00	45.00
Total 2017			45.00	11.88	56.88
01/30/2018	Walmart	Chips & hot sauce	0.00	5.86	5.86
04/19/2018	Walmart	Cellular phone cards	105.00	0.00	105.00
11/29/2018	Plaza Tire Service #39	Tires for personal vehicle	0.00	272.82	272.82
Total 2018			105.00	278.68	383.68
01/23/2019	Plaza Tire Service #39	Oil change for personal vehicle	0.00	35.95	35.95
Total 2019			0.00	35.95	35.95
Total Improper Purchases \$			150.00	388.49	538.49

Appendix D is continued on the next page with Improper Purchases with Unknown Purchaser

Appendix D
City of Parma
Improper Purchases

Improper Purchases with Unknown Purchaser

Transaction Date	Vendor	Purchase Description	Gift Card Purchase and Fee Amount	Cellular Phone Card Purchase and Fee Amount	Other Purchases Amount	Total Improper Purchase Amount
10/29/2016	Walmart	Cookies, 6 square jars, & cookie cutters	\$ 0.00	0.00	26.80	26.80
Total 2016			0.00	0.00	26.80	26.80
02/07/2017	AT&T	No purpose documented on memo line of check	0.00	0.00	1,018.93	1,018.93
04/20/2017	Walmart	Gift cards, crackers, popcorn, jelly, peanut butter, nuts, ice cream, & single serve candy	316.32	0.00	41.56	357.88
04/24/2017	Walmart	Gift cards, chips & dip, chicken leg quarters, bread, & barbeque sauce	105.44	0.00	27.84	133.28
04/25/2017	Walmart	Gift cards	53.94	0.00	0.00	53.94
04/25/2017	Walmart	Gift cards	53.94	0.00	0.00	53.94
05/01/2017	Walmart	Gift cards	215.76	0.00	0.00	215.76
05/05/2017	Walmart	Gift cards	105.44	0.00	0.00	105.44
05/05/2017	Walmart	Toy drone	0.00	0.00	33.88	33.88
05/08/2017	Walmart	Gift cards	105.44	0.00	0.00	105.44
05/11/2017	Walmart	Gift cards	105.44	0.00	0.00	105.44
05/12/2017	Walmart	Gift cards	210.88	0.00	0.00	210.88
05/16/2017	Walmart	Gift cards	53.94	0.00	0.00	53.94
05/20/2017	Walmart	Gift cards	107.88	0.00	0.00	107.88
05/22/2017	Walmart	Gift cards	53.94	0.00	0.00	53.94
Total 2017			1,488.36	0.00	1,122.21	2,610.57
05/16/2018	Walmart	Frozen pizza, chips, bread, meat snacks, beefaroni, & milk	0.00	0.00	28.59	28.59
05/17/2018	Walmart	Gift cards	53.94	0.00	0.00	53.94
05/18/2018	Walmart	Cellular phone card & cellular phone	0.00	35.10	79.00	114.10
05/23/2018	Walmart	Cellular phone cards & cellular phone accessories	0.00	90.70	9.98	100.68
06/05/2018	Walmart	Cellular phone card	0.00	50.88	0.00	50.88
06/08/2018	Walmart	Cellular phone card, cellular phone accessories, bread, & chips	0.00	45.00	14.96	59.96
06/12/2018	Walmart	Popsicles	0.00	0.00	2.48	2.48
06/19/2018	Walmart	Cellular phone accessories, chips, & crackers	0.00	0.00	31.43	31.43
06/20/2018	Walmart	Gift cards	107.88	0.00	0.00	107.88
06/20/2018	Walmart	Gift cards	53.94	0.00	0.00	53.94
06/26/2018	Walmart	Cellular phone card, nightstand, and chips	0.00	40.00	22.84	62.84
07/06/2018	Walmart	Gift cards	25.00	0.00	0.00	25.00
07/08/2018	Walmart	Cellular phone cards, tea lights, chips, & bread	0.00	65.00	12.21	77.21
07/24/2018	Walmart	Gift cards	53.94	0.00	0.00	53.94
07/27/2018	Walmart	Cellular phone cards and gift cards	53.94	85.10	0.00	139.04
08/07/2018	Walmart	Cellular phone cards, chips, & soda	0.00	120.00	4.26	124.26
08/08/2018	Walmart	Canning jar supplies, spices, & gift cards	53.94	0.00	27.86	81.80
08/22/2018	Walmart	Cellular phone cards & chips	0.00	115.88	2.48	118.36
09/12/2018	Walmart	Cellular phone cards & soda	0.00	55.00	1.88	56.88
10/09/2018	Walmart	Cellular phone cards	0.00	65.00	0.00	65.00
10/20/2018	Walmart	Turkey drums & cake	0.00	0.00	51.55	51.55
10/26/2018	Walmart	Cellular phone cards & cellular phone	0.00	105.00	189.00	294.00
10/31/2018	Walmart	Cellular phone card, chips, & soda	0.00	55.00	4.86	59.86
11/07/2018	Walmart	Chips & soda	0.00	0.00	3.46	3.46
11/08/2018	Walmart	Cellular phone cards	0.00	115.00	0.00	115.00
11/09/2018	Walmart	Cellular phone card, cellular phone, men's socks, chips, & soda	0.00	45.00	58.82	103.82
Total 2018			402.58	1,087.66	545.66	2,035.90
Total Improper Purchases \$			1,890.94	1,087.66	1,694.67	4,673.27

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

Improperly Recorded Utility Payments and Improper Adjustments for Mayor Tyus Byrd						
Month and Year	Amount of Water/Sewer Fees Billed	Amount Paid	Amount of Improperly Recorded Utility Payment	Amount of Improper Utility Adjustment	Amount of Estimated Improper Utility Adjustment	Account Balance at the End of the Month
May 2015	\$ 68.17	0.00	0.00	0.00	0.00	68.17
June 2015	73.72	0.00	0.00	0.00	0.00	141.89
July 2015	82.18	0.00	0.00	0.00	0.00	224.07
August 2015	93.59	0.00	0.00	0.00	0.00	317.66
September 2015	70.71	93.59	224.07 (1)	0.00	0.00	70.71
October 2015	73.27	0.00	0.00	0.00	0.00	143.98
November 2015	85.77	158.41 (2)	0.00	0.00	0.00	71.34
December 2015	77.40	0.00	0.00	0.00	0.00	148.74
Total 2015	<u>624.81</u>	<u>252.00</u>	<u>224.07</u>	<u>0.00</u>	<u>0.00</u>	
January 2016	85.67	0.00	0.00	0.00	0.00	234.41
February 2016	85.21	0.00	0.00	177.20	0.00	142.42
March 2016	75.48	0.00	0.00	0.00	0.00	217.90
April 2016	70.17	217.90 (3)	0.00	0.00	0.00	70.17
May 2016	78.45 (4)	0.00	0.00	0.00	148.62 (4)	0.00
June 2016	78.45 (4)	0.00	0.00	0.00	78.45 (4)	0.00
July 2016	78.45 (4)	0.00	0.00	0.00	78.45 (4)	0.00
August 2016	78.45 (4)	0.00	0.00	0.00	78.45 (4)	0.00
September 2016	78.45 (4)	0.00	0.00	0.00	78.45 (4)	0.00
October 2016	78.45 (4)	0.00	0.00	0.00	78.45 (4)	0.00
November 2016	78.45 (4)	0.00	0.00	0.00	78.45 (4)	0.00
December 2016	78.45 (4)	0.00	0.00	0.00	78.45 (4)	0.00
Total 2016	<u>944.13</u>	<u>217.90</u>	<u>0.00</u>	<u>177.20</u>	<u>697.77</u>	
January 2017	80.46	0.00	0.00	0.00	0.00	80.46
February 2017	76.52	0.00	0.00	156.98 (5)	0.00	0.00
March 2017	76.52	0.00	0.00	76.52 (5)	0.00	0.00
April 2017	65.78	0.00	0.00	0.00	0.00	65.78
May 2017	59.79	0.00	0.00	125.57 (5)	0.00	0.00
June 2017	59.79	60.00	0.00	0.00	0.00	(0.21)
July 2017	59.79 (6)	0.00	0.00	0.00	0.00	59.58
August 2017	64.65	0.00	0.00	0.00	0.00	124.23
September 2017	89.88	0.00	0.00	0.00	0.00	214.11
October 2017	59.79	0.00	0.00	0.00	0.00	273.90
November 2017	97.45	0.00	0.00	0.00	0.00	371.35
December 2017	68.48	0.00	0.00	304.07 (5)	0.00	135.76
Total 2017	<u>858.90</u>	<u>60.00</u>	<u>0.00</u>	<u>663.14</u>	<u>0.00</u>	
January 2018	75.01	0.00	0.00	0.00	0.00	210.77
February 2018	70.87	0.00	0.00	0.00	0.00	281.64
March 2018	59.79	0.00	0.00	0.00	0.00	341.43
April 2018	61.16	0.00	0.00	0.00	0.00	402.59
May 2018	61.65	0.00	0.00	285.35 (5)	0.00	178.89
June 2018	59.79	0.00	0.00	238.68 (7)	0.00	0.00
July 2018	0.00 (7)	0.00	0.00	0.00	0.00	0.00
Total 2018	<u>388.27</u>	<u>0.00</u>	<u>0.00</u>	<u>524.03</u>	<u>0.00</u>	
Grand Total	<u>\$ 2,816.11</u>	<u>529.90</u>	<u>224.07</u>	<u>1,364.37</u>	<u>697.77</u>	

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

- (1) Utility records show a payment was made on September 1, 2015. However, bank deposits and the related city records for the month of September show no evidence of a payment deposited.
- (2) A \$175 third party check was received as payment on Mayor Tyus Byrd's account. However, only \$158.41 was recorded to the utility account.
- (3) While complete payment reports were not available for this time period, a portion of a payment report was located showing that a payment of \$217.90 was posted to Mayor Tyus Byrd's account on April 29, 2016, for the March billing. A deposit with cash totaling \$269.52 was made on May 2, 2016. Therefore, we are showing \$217.90 of this cash as the amount paid on Mayor Tyus Byrd's account for the March billing. City officials indicated the city discontinued receiving cash payments sometime in early 2016.
- (4) Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balances based on the average billing amounts in 2015 and 2016.
- (5) The billing report for the following month shows a previous account balance of zero or a lesser amount than the previous month's ending balance and no payments made. The city's utility system software provider indicated the likely reason was a credit adjustment made to reduce the previous month's billing amount. No credit adjustment reports were prepared or retained by the city. Therefore, the amount billed and not paid is shown as an improper utility adjustment.
- (6) The billing report was not available. However, we calculated the billing amount based on the difference between the beginning and ending balances of the previous and following months.
- (7) The Mayor's utility account was closed and no further utility activity occurred in 2018 and 2019. No payments were made on the balance of the account of \$238.68. Therefore, the amount billed and not paid is shown as an improper utility adjustment.

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

Improper Utility Adjustments for Water Supervisor David Thatch

Month and Year	Amount of Water/Sewer Fees Billed	Amount Paid	Amount of Improper Utility Adjustment	Amount of Estimated Improper Utility Adjustment	Account Balance at the End of the Month
May 2016 (1)	\$ 82.35 (2)	82.35	0.00	0.00	0.00
June 2016	67.96 (3)	0.00	0.00	67.96 (3)	0.00
July 2016	67.96 (3)	0.00	0.00	67.96 (3)	0.00
August 2016	67.96 (3)	0.00	0.00	67.96 (3)	0.00
September 2016	67.96 (3)	0.00	0.00	67.96 (3)	0.00
October 2016	67.96 (3)	0.00	0.00	67.96 (3)	0.00
November 2016	67.96 (3)	0.00	0.00	67.96 (3)	0.00
December 2016	67.96 (3)	0.00	0.00	67.96 (3)	0.00
Total 2016	558.07	82.35	0.00	475.72	
January 2017	64.51	0.00	0.00	0.00	64.51
February 2017	63.19	0.00	0.00	0.00	127.70
March 2017	75.99	0.00	151.33 (4)	0.00	52.36
April 2017	64.17	0.00	0.00	0.00	116.53
May 2017	72.78	0.00	189.31 (5)	0.00	0.00
June 2017	61.48	0.00	0.00	0.00	61.48
July 2017	59.79	0.00	0.00	0.00	121.27
August 2017	59.79	0.00	0.00	0.00	181.06
September 2017	59.79	0.00	0.00	0.00	240.85
October 2017	59.79	0.00	0.00	0.00	300.64
November 2017	88.80	0.00	389.44 (5)	0.00	0.00
December 2017	85.46	0.00	85.46 (5)	0.00	0.00
Total 2017	815.54	0.00	815.54	0.00	
January 2018	101.08	0.00	101.08 (5)	0.00	0.00
February 2018	81.89	0.00	0.00	0.00	81.89
March 2018	116.81	0.00	0.00	0.00	198.70
April 2018	98.64	0.00	0.00	0.00	297.34
May 2018	73.26	0.00	0.00	0.00	370.60
June 2018	168.94	0.00	0.00	0.00	539.54
July 2018	118.12 (6)	0.00	0.00	0.00	657.66
August 2018	116.81	0.00	774.47 (5)	0.00	0.00
September 2018	65.78	0.00	0.00	0.00	65.78
October 2018	59.79	0.00	0.00	0.00	125.57
November 2018	56.19 (6)	0.00	0.00	0.00	181.76
December 2018	64.96	0.00	246.72 (7)	0.00	0.00
Total 2018	1,122.27	0.00	1,122.27	0.00	
January 2019	59.79 (8)	0.00	0.00	0.00	59.79
February 2019	59.79 (8)	0.00	0.00	0.00	119.58
March 2019	59.79 (8)	0.00	0.00	0.00	179.37
April 2019	59.79 (8)	0.00	0.00	0.00	239.16 (9)
Total 2019	239.16	0.00	0.00	0.00	
Grand Total	\$ 2,735.04	82.35	1,937.81	475.72	

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

- (1) David Thatch started employment with the city on December 18, 2015. However, because city records are not available, we could not determine that he received city water and sewer services prior to April 2016.
- (2) Billing reports were not available during this time period. The monthly payment amount was used to determine the billing amount.
- (3) Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balances based on the average billing amounts in 2017.
- (4) The billing report for March 2017 showed a balance due of \$203.69 and no payments made. However, the previous balance for the April 2017 billing was only \$52.36. The city's utility system software provider indicated the likely reason was a credit adjustment made to reduce the previous month's billing amount. No credit adjustment reports were prepared or retained by the city. Therefore, the amount billed and not paid is shown as an improper utility adjustment.
- (5) The billing report for the following month shows a previous account balance of zero and no payments made. The city's utility system software provider indicated the likely reason was a credit adjustment made to reduce the previous month's billing amount to zero. No credit adjustment reports were prepared or retained by the city. Therefore, the amount billed and not paid is shown as an improper utility adjustment.
- (6) The billing report was not available. However, we calculated the billing amount based on the difference between the beginning and ending balances of the previous and following months.
- (7) No payments were made on the balance of the account of \$246.72. Therefore, the amount billed and not paid is shown as an improper utility adjustment.
- (8) Due to records being destroyed by fire in April 2019, the city billed customers that had not already paid their utility bills for these months a flat amount of \$59.79. Seniors were billed \$57.79 these months.
- (9) A \$300 payment was made on this account on June 10, 2019, for January through May 2019 service.

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

Improperly Recorded Utility Payments and Improper Adjustments for Alderman Simon Wofford							
Month and Year	Amount of Water/Sewer Fees Billed	Amount Paid	Amount of Improperly Recorded Utility Payment	Amount of Improper Utility Adjustment	Amount of Estimated Improper Utility Adjustment	Account Balance at the End of the Month	
January 2016	\$ 65.27 (1)	65.27	0.00	0.00	0.00	0.00	
February 2016	66.99 (1)	66.99	0.00	0.00	0.00	0.00	
March 2016	59.79 (1)	59.79	0.00	0.00	0.00	0.00	
April 2016 (2)	75.95 (1)	75.95	0.00	0.00	0.00	0.00	
May 2016	65.62 (1)	65.62	0.00	0.00	0.00	0.00	
June 2016	66.68 (3)	0.00	0.00	0.00	66.68 (3)	0.00	
July 2016	66.68 (3)	0.00	0.00	0.00	66.68 (3)	0.00	
August 2016	66.68 (3)	0.00	0.00	0.00	66.68 (3)	0.00	
September 2016	66.68 (3)	0.00	0.00	0.00	66.68 (3)	0.00	
October 2016	64.82 (1)	64.82	0.00	0.00	0.00	0.00	
November 2016	66.91 (1)	66.91	0.00	0.00	0.00	0.00	
December 2016	68.06 (1)	68.06	0.00	0.00	0.00	0.00	
Total 2016	800.13	533.41	0.00	0.00	266.72		
January 2017	68.35	0.00	0.00	68.35 (4)	0.00	0.00	
February 2017	66.35	0.00	0.00	66.35 (4)	0.00	0.00	
March 2017	66.35	0.00	0.00	66.35 (4)	0.00	0.00	
April 2017	68.38	68.38	0.00	0.00	0.00	0.00	
May 2017	65.64	0.00	0.00	65.64 (4)	0.00	0.00	
June 2017	66.96	0.00	0.00	66.96 (4)	0.00	0.00	
July 2017	60.96	60.96	0.00	0.00	0.00	0.00	
August 2017	61.19	61.19	0.00	0.00	0.00	0.00	
September 2017	71.05	71.05	0.00	0.00	0.00	0.00	
October 2017	65.76	65.76	0.00	0.00	0.00	0.00	
November 2017	68.52	68.52	0.00	0.00	0.00	0.00	
December 2017	62.63	62.63	0.00	0.00	0.00	0.00	
Total 2017	792.14	458.49	0.00	333.65	0.00		
January 2018	66.91	66.91	0.00	0.00	0.00	0.00	
February 2018	63.76	63.76	0.00	0.00	0.00	0.00	
March 2018	68.41	68.41	0.00	0.00	0.00	0.00	
April 2018	64.58	64.58	0.00	0.00	0.00	0.00	
May 2018	60.93	60.93	0.00	0.00	0.00	0.00	
June 2018	66.12	60.93	5.19 (5)	0.00	0.00	0.00	
July 2018	61.19 (6)	61.19	0.00	0.00	0.00	0.00	
August 2018	64.36	64.36	0.00	0.00	0.00	0.00	
September 2018	65.61	0.00	65.61 (7)	0.00	0.00	0.00	
October 2018	70.67	0.00	0.00	70.67 (4)	0.00	0.00	
November 2018	59.79	59.79	0.00	0.00	0.00	0.00	
December 2018	75.87 (6)	75.87	0.00	0.00	0.00	0.00	
Total 2018	788.20	646.73	70.80	70.67	0.00		
January 2019	68.83	68.83	0.00	0.00	0.00	0.00	
February 2019	64.81	64.81	0.00	0.00	0.00	0.00	
March 2019	57.79 (8)	0.00	0.00	0.00	0.00	57.79	
April 2019	57.79 (8)	57.79	0.00	0.00	0.00	57.79 (9)	
Total 2019	249.22	191.43	0.00	0.00	0.00		
Grand Total	\$ 2,629.69	1,830.06	70.80	404.32	266.72		

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

- (1) Billing reports were not available during this time period. The monthly payment amount was used to determine the billing amount.
- (2) Simon Wofford started serving as Alderman in April 2016.
- (3) Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balance amounts based on the average payment amount for the 8 months of 2016 available.
- (4) The billing report for the following month shows a previous account balance of zero and no payments made. The city's utility system software provider indicated the likely reason was a credit adjustment made to reduce the previous month's billing amount to zero. No credit adjustment reports were prepared or retained by the city. Therefore, the amount billed and not paid is shown as an improper utility adjustment.
- (5) The billing report showed a payment of \$66.12 was made; however, bank records only showed a payment of \$60.93 was deposited and Alderman Wofford did not provide proof of payment of the remaining \$5.19 of the billing amount.
- (6) The billing report was not available. However, we calculated the billing amount based on the difference between the beginning and ending balances of the previous and following months.
- (7) The billing report showed a payment was made; however, bank records showed no evidence of a payment deposited and Alderman Wofford did not provide proof of payment.
- (8) Due to records being destroyed by fire in April 2019, the city billed customers that had not already paid their utility bills for these months a flat amount of \$59.79. Seniors were billed \$57.79 these months.
- (9) A \$57.79 payment was made to this account on May 13, 2019, for March 2019 service and another payment was made on June 10, 2019, for April 2019 service.

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

Improperly Recorded Utility Payments and Improper Adjustments for Alderwoman Moneen Jones

Month and Year	Amount of Water/Sewer Fees Billed	Amount Paid	Amount of Improperly Recorded Utility Payment	Amount of Improper Utility Adjustment	Account Balance at the End of the Month
April 2017 (1)	\$ 65.71	65.71	0.00	0.00	0.00
May 2017	72.97	0.00	0.00	0.00	72.97
June 2017	82.43	162.70	0.00	0.00	(7.30)
July 2017	78.09	0.00	0.00	0.00	70.79
August 2017	80.85	75.82	75.82 (2)	0.00	0.00
September 2017	70.50	70.50	0.00	0.00	0.00
October 2017	68.75	68.75	0.00	0.00	0.00
November 2017	61.60	0.00	0.00	0.00	61.60
December 2017	60.06	0.00	0.00	60.06 (3)	61.60
Total 2017	<u>640.96</u>	<u>443.48</u>	<u>75.82</u>	<u>60.06</u>	
January 2018	60.38	61.60	0.00	0.00	60.38
February 2018	60.58 (4)	0.00	0.00	0.00	120.96
March 2018	59.79	60.38	60.58 (2)	0.00	59.79
April 2018	60.51	0.00	0.00	0.00	120.30
May 2018	84.03	70.00	50.30 (2)	0.00	84.03
June 2018	84.64	84.03	0.00	84.64 (5)	0.00
July 2018	68.83 (4)	0.00	0.00	0.00	68.83
August 2018	71.67	0.00	0.00	0.00	140.50
September 2018	92.20	0.00	0.00	0.00	232.70
October 2018	70.44	0.00	0.00	0.00	303.14
November 2018	79.55	0.00	0.00	0.00	382.69
December 2018	81.33	150.00 (6)	0.00	0.00	314.02
Total 2018	<u>873.95</u>	<u>426.01</u>	<u>110.88</u>	<u>84.64</u>	
January 2019	89.21	0.00	0.00	0.00	403.23
February 2019	59.79 (7)	150.00	0.00	0.00	313.02
March 2019	59.79 (7)	186.00	0.00	0.00	186.81
April 2019	59.79 (7)	186.81	0.00	0.00	59.79 (8)
Total 2019	<u>268.58</u>	<u>522.81</u>	<u>0.00</u>	<u>0.00</u>	
Grand Total	<u>\$ 1,783.49</u>	<u>1,392.30</u>	<u>186.70</u>	<u>144.70</u>	

(1) Alderwoman Jones was elected to the Board in April 2017.

(2) The billing reports indicated a full payment of the previous balance was made. However, bank records indicate only a partial payment of the balance due was made. Therefore, the amount billed and not paid is shown as an improperly recorded utility payment.

(3) The ending balance for December 2017 was \$121.66. However, the previous balance for January 2018 was only \$61.60 and no payment was made. The city's utility system software provider indicated the likely reason was a credit adjustment made to reduce the previous month's billing amount. No credit adjustment reports were prepared or retained by the city. Therefore, the amount billed and not paid is shown as an improper utility adjustment.

(4) The billing report was not available. However, we determined the billing amount based on the previous balance reported on the following month's billing report.

(5) The ending balance for June 2018 was \$168.67. However, the previous balance for August 2018 was only \$68.83. A payment of \$84.03 of the \$168.67 due was made and deposited. Because the billing report for July could not be located, we could not determine whether the remaining \$84.64 due was posted as an improperly recorded utility payment or improper utility adjustment to the account. Therefore, the amount billed and not paid is shown as an improper utility adjustment.

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

- (6) A \$150 check was written on November 22, 2018; however, it did not clear the bank until December 2018. Therefore, the payment is shown in December 2018.
- (7) Due to records being destroyed by fire in April 2019, the city billed customers that had not already paid their utility bills for these months a flat amount of \$59.79. Seniors were billed \$57.79 these months.
- (8) A \$119.58 payment was made on this account on June 10, 2019, for April 2019 and May 2019 (\$59.79) service.

Appendix E is continued on the next page with Improperly Recorded Utility Payments and Improper Adjustments
for a Church

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

Improperly Recorded Utility Payment and Improper Adjustments for a Church

Month and Year	Amount of Water/Sewer Fees Billed	Amount Paid	Amount of Improperly Recorded Utility Payment	Amount of Improper Utility Adjustment	Amount of Estimated Improper Utility Adjustment	Account Balance at the End of the Month
March 2016 (1)	\$ 51.62	0.00	51.62 (2)	0.00	0.00	0.00
April 2016	46.92	0.00	0.00	46.92 (3)	0.00	0.00
May 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
June 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
July 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
August 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
September 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
October 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
November 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
December 2016	49.74 (4)	0.00	0.00	0.00	49.74 (4)	0.00
Total 2016	<u>496.46</u>	<u>0.00</u>	<u>51.62</u>	<u>46.92</u>	<u>397.92</u>	
January 2017	58.28	0.00	0.00	0.00	0.00	58.28
February 2017	55.80	114.08	0.00	0.00	0.00	0.00
March 2017	55.80	0.00	0.00	55.80 (5)	0.00	0.00
April 2017	51.62	0.00	0.00	0.00	0.00	51.62
May 2017	46.92	0.00	0.00	98.54 (5)	0.00	0.00
June 2017	46.92	0.00	0.00	46.92 (5)	0.00	0.00
July 2017	46.92	0.00	0.00	0.00	0.00	46.92
August 2017	46.92	0.00	0.00	0.00	0.00	93.84
September 2017	46.92	0.00	0.00	0.00	0.00	140.76
October 2017	46.92	0.00	0.00	0.00	0.00	187.68
November 2017	46.92	234.60	0.00	0.00	0.00	0.00
December 2017	46.92	0.00	0.00	0.00	0.00	46.92
Total 2017	<u>596.86</u>	<u>348.68</u>	<u>0.00</u>	<u>201.26</u>	<u>0.00</u>	
January 2018	46.92	0.00	0.00	0.00	0.00	93.84
February 2018	46.92	0.00	0.00	0.00	0.00	140.76
March 2018	46.92	0.00	0.00	0.00	0.00	187.68
April 2018	46.92	0.00	0.00	0.00	0.00	234.60
May 2018	46.92	0.00	0.00	281.52 (5)	0.00	0.00
June 2018	46.92	0.00	0.00	0.00	0.00	46.92
July 2018	46.92 (6)	0.00	0.00	0.00	0.00	93.84
August 2018	46.92	0.00	0.00	0.00	0.00	140.76
September 2018	56.32	0.00	0.00	0.00	0.00	197.08
October 2018	46.92	0.00	0.00	244.00 (5)	0.00	0.00
November 2018	46.92	0.00	0.00	0.00	0.00	46.92
December 2018	46.92	46.92	0.00	0.00	0.00	46.92
Total 2018	<u>572.44</u>	<u>46.92</u>	<u>0.00</u>	<u>525.52</u>	<u>0.00</u>	
January 2019	46.92	46.92	0.00	0.00	0.00	46.92
February 2019	46.92	46.92	0.00	0.00	0.00	46.92
March 2019	46.92 (7)	46.92	0.00	0.00	46.92 (7)	0.00
April 2019	59.79 (8)	0.00	0.00	0.00	0.00	59.79 (9)
Total 2019	<u>200.55</u>	<u>140.76</u>	<u>0.00</u>	<u>0.00</u>	<u>46.92</u>	
Grand Total	<u>\$ 1,866.31</u>	<u>536.36</u>	<u>51.62</u>	<u>773.70</u>	<u>444.84</u>	

Appendix E
City of Parma
Improperly Recorded Utility Payments and Improper Adjustments

- (1) The first utility billing located in city records for this church was in April 2016, but the April billing showed a previous balance due for March 2016. However, because city records are not available, we could not determine if the church received city water and sewer services prior to March 2016.
- (2) The billing report showed a payment was made; however, bank records showed no evidence of a payment deposited. Therefore, the payment is shown as an improperly recorded utility payment.
- (3) There is no evidence a payment was made. Therefore, the amount billed and not paid is shown as an improper utility adjustment.
- (4) Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balance amounts based on the average billing amounts in 2017.
- (5) The billing report for the following month shows a previous account balance of zero and no payments made. The city's utility system software provider indicated the likely reason was a credit adjustment made to reduce the previous month's billing amount to zero. No credit adjustment reports were prepared or retained by the city. Therefore, the amount billed and not paid is shown as an improper utility adjustment.
- (6) The billing report was not available. However, we calculated the billing amount based on the difference between the beginning and ending balances of the previous and following months.
- (7) Due to the lack of city billing and payment records and no evidence of payments made, we estimated the billing, adjustment, and ending balance amounts based on the billing amounts in 2018.
- (8) Due to records being destroyed by fire in April 2019, the city billed customers that had not already paid their utility bills for this month a flat amount of \$59.79. Seniors were billed \$57.79 this month.
- (9) A \$59.79 payment was made on this account in May 2019 for April 2019 service.

Appendix F
City of Parma
Falsified Meeting Minutes

Underlined text represents information that is the same in each set of meeting minutes.

Minutes located by SAO investigators at City Hall.

City of Parma
City Council Meeting
Regular Session
July 14, 2015
5:00 p.m.

Mayor Tyus Byrd called the meeting to order. Those present were: Mayor Tyus Byrd, Alderman Nelvia Donaldson, Alderman Rob Branom, and Alderwoman Faith Richards, Court Clerk-Arica George, and City Clerk Helen Frye. The opening prayer was given by Alderwoman Nelvia Donaldson.

Mayor Byrd asked City Clerk- Helen Frye to call roll: Alderwoman Nelvia Donaldson, Alderman Rob Branom

Mayor Byrd asked City Clerk to swear in Alderwoman Faith Richards who was appointed for Ward I. Mayor Byrd announced that after posting Ward I open for Alderman for Ward I and there was no respond she carry on with the City Affairs. After the swearing in of office for Alderwoman Richards. Mayor Byrd informed the City that the last regular meeting was in April and there was no findings on any other meeting by the previous administration. Mayor Byrd stated she has met several times discussing the City Affairs with all the available Alderman prior to the regular session.

Mayor Byrd continued with the Agenda for this meeting. She informed the City Council that she still have one open for Alderman in Ward I and she will post the information up for the public.

Water Department

Mayor Byrd informed the City of the Water Plant there was a broken vacuum pump. The City workers worked around the clock to keep the water system working properly and also informed them that a boiled water procedure was placed in order until further released from DNR (Department of Natural Resource) in which water samples was taken by our local agency in Poplar Bluff.

Mayor Byrd also, discussed with the Alderman that she evaluated the water/sewer bill incoming income, she notice we have a lot of late payers after the 10th, therefore, she discussed in her meeting that the 10th was changed to the 15th for the cut off date, which will probably work better for the residents who are paid by or on the 15th of the month. She also stated that this will cut down on the cut off and the non-collection in the month.

Last Monday in the month for the

Bills to be paid

Mayor Byrd asked for a motion to pay bills next month and have a report by the next meeting. 1st motion Alderwoman Nelvia Donaldson and 2nd Alderwoman Richards to motion to pay bills next month and have a report by the next meeting. All Ayes, motion stands.

Mayor asked for a motion to table the treasure report to the next board meeting. 1st motion Alderwoman Richards and 2nd Alderwoman Donaldson. All Ayes, motion stands.

Redactions were made of information of a personal, privileged, or sensitive nature.

Minutes provided to auditors by the Mayor and City Clerk.

City of Parma
City Council Meeting
Regular Session
July 14, 2015
5:00 p.m.

Mayor Tyus Byrd called the meeting to order, approximately 5:08pm. Those present were: Mayor Tyus Byrd, Alderman Rob Branom, other staff; Officer Jannel Winters, Water Utility Clerk-Arica George, and City Clerk Helen Frye. The opening prayer was given by City Clerk- Helen Frye.

Mayor Byrd asked City Clerk- Helen Frye to call roll: Alderman Rob Branom-present Alderwoman Nelvia Donaldson-absent and Alderwoman Faith Richards-absent

Mayor Byrd informed that only one City Council is present therefore, the regular agenda will not be addressed tonight.

Water Department

Mayor Byrd informed the City; Rick is here to address the water department. Mr. Dave Seuell discussed the water is up and operating properly and if situations come up, He handles it the best of his knowledge and DNR when they came down a few months ago. They watch him work and Mr. Seuell has the water operational system in the capacity that it should be.

Bills to be paid

Mayor Byrd informed the City Council that this will not be discussed due to not a quorum for a regular business meeting.

Police Report: Mayor has no report from police department at this time.

Court Report: Mayor has no report at this time, due to court has not been in session.

Collector's Report/ Treasurers Report:

Mayor informed the City Council that this will not be discussed due to not a quorum for a regular business meeting.

Other business from the public: before a closed session, Mayor yield the floor to the public Discussion from the floor

Motion to Adjourn: Approximately 5:45 pm.

Mayor Tyus Byrd

City Clerk Helen Frye

Underlined text represents information that is the same in each set of meeting minutes.

Minutes located by SAO investigators at City Hall.

Police Report: Mayor has no report from police department at this time

Court Report: Mayor will be meeting with Judge Santie about the previous court report and old cases.

Collector's Report/ Treasurers Report:

Mayor asked to table the collector's and treasure report and she will discuss with the board how she would like to handle these position: 1st motion Alderwoman Donaldson and 2nd Alderwoman Richards to table the Collector's and Treasurers' report: All Ayes, motion stands.

Other business from the public

Down Home Event, Mayor Byrd stated far as she knows the Down Home Event went well and there was no reports.

The City Police Clerk asked about the straight dogs they are running at large and what can be done.

Mayor Byrd informed the Board that she will contact New Madrid County and see what they are doing far as housing straight dogs and cats.

A citizen was presented and asked about the potholes in the street and they are wear and tear on their vehicles. Mayor informed the Board that Rick has been patching up the streets as orders comes in to repair the locations.

Motion to Adjourn: Alderman Rob Brandom made a motion to adjourn the meeting. Alderwoman Nelvia Donldson seconded the motion. 3 Ayes motion stands.

Minutes provided to auditors by the Mayor and City Clerk.

There was no second page for the July 14, 2015 regular session meeting minutes provided by the Mayor.

Mayor Tyus Byrd

City Clerk Helen Frye

Underlined text represents information that is the same in each set of meeting minutes.

Minutes located by SAO investigators at City Hall.

A closed session was not documented in the meeting minutes for July 14, 2015, located at City Hall.

Minutes provided to auditors by the Mayor and City Clerk.1

City of Parma
City Council Meeting
Regular Session
July 14, 2015
5:00 p.m.

Closed Session: The Mayor Tyus Byrd executive board meeting.

Mayor Byrd informed the two-present board of Alderman/Alderwoman who was present at this meeting the moving forward of the City Affairs. She indicated that there is one open alderman position. She informed the Board present she can not get a full quorum. There is always just two either or but hardly three. Mayor indicated she has several discussions; especially with Alderwoman Nelvia Donaldson. She more on hand then:

She indicated she wanted to meet closed because she wanted to discuss personnel issues: Mrs. Frye and I works closely together; she works efficiently and a hard worker, well trained, and know City Business Affairs. Therefore, with her position, I will also be crossed trained with the City Clerk tasks in her absence. She informed the Board both clerks water clerk and city clerk will also cross train in the other position (police clerk, collection, and water clerk) in case one is out.

Mayor stated as of now there is not enough revenue generated in the city; until we wait as documentations and revenue comes in; to open up another position. The police department is slow and collection is mostly 1st thru the 15th and throughout the month citizens comes and go; in which a least one clerk has to be there if not all day.

Mayor Byrd mention in the regular board meeting on the agenda she mentions the changeover in mayor ship and City Clerk and herself has been working precisely and persistently; this is what she discussed with the board about her office administration; this administration will have to wait as time proceed and work with what we have for now.

Mayor Byrd discussed with the board the setup of the previous personnel office for collection and city clerk was once a month and a small amount. Collector \$300.00 to 5% of all collector of revenue in the operational month; City Clerk \$262.50 a month and \$270.00 and \$275.00 for Court Clerk a month.

The City Clerk came in on experience and Mayor would like for the office clerks pay to change to weekly and since both clerks will do each other jobs she mention the city treasure and collector will be divided between the two clerks, along with the police department pay. Alderman Branon mention so someone will be here at all times; because he can't pay his water bill until late in the evening. Mayor Byrd stated yes, the regular open hours will be the same unless the City have other financial concerns.

Mayor Byrd mention her pay of \$400.00 month and this was set under the last administrative office; as funds increase in the City she will bring back to the table being paying on the 1st and 15th; \$800.00 a month this will take effect one employee at a time, as revenue generates. Mayor Byrd had mention this to Alderwoman Faith Richard. Miss Alderwoman Richard stated you

Appendix F
City of Parma
Falsified Meeting Minutes

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Minutes located by SAO investigators at City Hall.

A closed session was not documented in the meeting minutes for July 14, 2015, located at City Hall.

Minutes provided to auditors by the Mayor and City Clerk.

City of Parma
City Council Meeting
Regular Session
July 14, 2015
5:00 p.m.

a family and do you have any other income besides the City income. Mayor Byrd replied this her only income; and she will check the procedure and bring her research back to the board.

Alderman Faith asked what was the previous Mayor receiving besides the \$400.00 the ordinance; she further stated it should be \$1,000.00 a month with all the meetings and traveling to seek funds to help the City. Alderman Rob Branom stated yes it has to be a lot to operate when you do not know where things are.

Mayor Byrd the increase will occur over time; due to how the City Revenue will generate.

City Clerk stated she could not find any records on the previous Mayor pay or his traveling and mayor business expense; she only knows from experience how traveling pay and business expense was part of the mayorship packet to seek funding and revenue for the city. Mayor Byrd

Mayor Byrd indicated the city clerk and she will be traveling to learn what revenue or grants at top level and get agencies in to help with revenue and other betterment for the City.

Mayor Byrd asked was there anything else.

Closed meeting adjourned. No one closed the meeting everyone was talking.

Underlined text represents information that is the same in each set of meeting minutes.

Minutes located by SAO investigators at City Hall.

The first and last page of the August 11, 2015, meeting minutes were not located at City Hall and were likely destroyed in the fire. A page of the August 11, 2015, meeting minutes located at City Hall is on the next page.

Minutes provided to auditors by the Mayor and City Clerk.

City Council Meeting
Regular Session
Aug 11, 2015
5:00 p.m.

Mayor Tyus Byrd called the meeting to order approximately 5:05 pm. Those present were: Mayor Tyus Byrd, Alderman Rob Branom, and Alderwoman Faith Richards, and City Clerk Helen Frye. The opening prayer was given by Alderwoman Faith Richards.

Mayor Byrd asked City Clerk- Helen Frye to call roll: Alderwoman Faith Richards and Alderman Rob Branom; Alderwoman Nelvia Donaldson absent.

Other staff presented; Court Clerk-Arica George, Officer Jannel Winters, and Dave Seuell (Rick) from Water and Street Department

Mayor Byrd and City Council reviewed and read over the July 14th, meeting minutes. Mayor Byrd asked motion for approval of the July 14th, meeting. She asked a motion for the July 14th, board meeting; 1st motion by Alderwoman Richards and 2nd by Alderman Branom. All Ayes and motion stand for approval.

Mayor Byrd stated she has been discussing the City Affairs with all the available Alderman prior to the regular session.

Mayor Byrd informed City Council for the records that she and the City Clerk had called and written different vendors and other agencies to update City Records. The updating consist of these administrative office; position changes, name changes on documents, bank accounts signature change, and other city business, and also the incoming income from other agencies.

Mayor Bryd informed; Mayor Byrd, Alderwoman Nelvia Donaldson, along with City Clerk- Helen Frye are on the three on the signature card at First State Community Bank in Malden, MO.

Mayor Byrd made contact with Focus Bank in Sikeston, MO concerning a few loans that the City has taken out.

Mayor Bryd informed the City Council that the turnover in Mayor-ship and New Office Staff were transitioned great.
Mayor Byrd continued with the Agenda for this meeting.

Mayor Bryd reported to the City Council there is one position open Alderman in Ward I and she will post the information up for the public. She also indicated she would call to speak with the County Clerk – Mr. Clément Craven in New Madrid regarding this open Alderman position.

Mayor Byrd informed the City Council for the city records, this year Down Home was on and she had not verbally heard from their board about the success of it. From her knowledge, it was a good turnout.

Appendix F
City of Parma
Falsified Meeting Minutes

Underlined text represents information that is the same in each set of meeting minutes.

Minutes located by SAO investigators at City Hall.

Mayor Byrd informed the City Council for the city records, this year Down Home was on
and she had not verbally heard from their board about the success of it. From her
knowledge, it was a good turnout.

Stray Dogs

Mayor Byrd and Officer Winters will make contact with New Madrid County on the stray dogs and cats.

Pot Holes

Mayor Byrd was informed by City Water and Street, Rick (Dave) Seuell that he has been preparing and filling in pot holes, she has been informed about the wear and tear on the residents' vehicles. A citizen was present and reported there is a large pot hole located near a manhole.

Water Department

Mayor Byrd informed the citizens that 2014 Annual Water Quality Report (CCR) has been signed and sent back in. It and was reported to the residents on their water bill If a copy is needed it can be provided inside the city hall.

Mayor Byrd informed that Rick (Dave) Seuell works around the clock to keep the water system working properly. Mr. Tommy Williams works on the water sample and other samples. These monthly documentations are faxed or mailed in to DNR (Department of Natural Resource).

Mayor Byrd informed the City Council that she has three men who are experienced about the city water system, city pumps and about city water

Bills to be paid

Mayor Byrd presented to the City Council the bills to be paid for the month of August. She stated as indicated in the last minutes there are bills that are bank drafts at the beginning of the month and other first of the month bills that were unchangeable. She stated the bulk of the bills as indicated in the July 2015 minutes will be paid by the 15th of the month.

Mayor Byrd presented the Treasure Report for July and Aug for all incoming revenue.

Police Report: Mayor Byrd informed the City Council that Officer Jannel Winters and Police Clerk Arica George met with Judge Santie concerning how to properly handle old cases. Mayor Byrd indicated Officer Brian Johnson resigned from the police department on July 7, 2015.

Court Report: Mayor met with Judge Santie and he reviewed the previous cases under the previous administration

Collector's Position/ Treasurers Position:

Mayor has not met with City Council on the collector and treasure position. She will discuss with the board how she would like to handle these position: 1st motion Alderman Rob Brandom and 2nd Alderwoman Faith Richards to table the Collector's and Treasurers' position: All Ayes, motion stands.

Minutes provided to auditors by the Mayor and City Clerk.

**City Council Meeting
Regular Session
Aug 11, 2015
5:00 p.m.**

Mayor Byrd presented the Treasure Report for July and Aug for all incoming revenue.

Collector's Position/ Treasurers Position:

Motion to Adjourn: Alderman Rob Brandom made a motion to adjourn the meeting approximately 6:15 pm Alderwoman Faith Richards seconded the motion. 3 Ayes motion stands.


Mayor Tyus Byrd


City Clerk Helen Frye

Appendix F
City of Parma
Falsified Meeting Minutes

Underlined text represents information that is the same in each set of meeting minutes.

Minutes located by SAO investigators at City Hall.

Minutes provided to auditors by the Mayor and City Clerk.

City of Parma
City Council Meeting
Regular Session
Nov 10th, 2015
5:00 p.m.

The first page of the November 10, 2015, meeting minutes was not located at City Hall. The page of the November 2015, meeting minutes that was located at City Hall is shown on the next page.

Mayor Tyus Byrd called the meeting to order, approximately 5:05pm. Those present were: Mayor Tyus Byrd, Alderman Rob Brannon, other staff, Officer Janel Winters, Water Utility Clerk-Africa George, and City Clerk Helen Frye. The opening prayer was given by Alderwoman Nelvia Donaldson.

Mayor Byrd asked City Clerk Helen Frye to call roll: Alderman Rob Brannon-present Alderwoman Nelvia Donaldson-present and Alderwoman Faith Richards-absent

Mayor Byrd informed only two City Council were present therefore, the regular agenda will not be addressed tonight.

Mayor Byrd also informed the Citizens that she would not be addressing any ongoing issues; Her door is open to address any concerns, she further informed Alderwoman Donaldson, who presides in Ward II to speak with former City Treasure Kimberly Hampton of her concerns.

NO CITY BUSINESS WERE ADDRESSED, DISCUSSED OR TABLE

Bills to be paid
Mayor Byrd informed the City Council that this will not be discussed due to not a quorum for a regular business meeting.

Police Report: Mayor has no report from police department at this time.

Court Report: Mayor has no report at this time, due to court has not been in session.

Collector's Report/Treasurers Report:
Mayor informed the City Council that this will not be discussed due to not a quorum for a regular business meeting.

Other business from the public
Discussion from the floor

Motion to Adjourn: Approximately 5:35 pm.


Mayor Tyus Byrd


City Clerk Helen Frye

Appendix F
City of Parma
Falsified Meeting Minutes

Underlined text represents information that is the same in each set of meeting minutes.

Minutes located by SAO investigators at City Hall.

City of Parma
City Council Meeting
Regular Session
Nov 10th, 2015
5:00 p.m.

To place in City records Mayor Byrd briefly met with Alderman Rob Branom and Alderwoman Nelvia Donaldson about some concerns.

1. Bills to be paid – Mayor Byrd informed the City Council the bills are being paid in a timely matter, some invoices are unknown to be paid and are coming in late. All accurate and current bills are paid.
2. Discussing about how much information or how accurate do a Financial Report should be presented to the Board. Alderman Branom stated quarterly reports on the finance would be implemented, which will be your detailed of all records.
3. Meeting with the Alderman before the Board Meeting on the 1st Tuesday before the meeting would also be in place, so City Council will be aware what is on the Agenda.
4. Mayor Byrd informed the City Alderman the City needs credit cards for online business, police department and other city expenses. Some City Business required credit card transactions, or business trips to Jefferson City, or far off; even on some on line transaction. The City Clerk applied numerous and different companies; result was denial or a card already in use; and we can not discuss or give out information unless you have the pass code or your social security number.
5. Alderwoman Nelvia Donaldson stated Walmart offers different types of prepaid services. Alderwoman Nelvia Donaldson state to get all necessary information and will table and discussed at the next meeting.

Mayor Byrd called each present members by name was there anything else.

Mayor Tyus Byrd

City Clerk Helen Frye

Minutes provided to auditors by the Mayor and City Clerk.

City of Parma
City Council Meeting
Regular Session
Nov 10th, 2015
5:00 p.m.

To place in City records Mayor Byrd briefly met with Alderman Rob Branom and Alderwoman Nelvia Donaldson about some concerns.

1. Bills to be paid – Mayor Byrd informed the City Council the bills are being paid in a timely matter, some invoices are unknown to be paid and are coming in late. All accurate and current bills are paid.
2. Discussing about how much information or how accurate do a Financial Report should be presented to the Board. Alderman Branom stated quarterly reports on the finance would be implemented, which will be your detailed of all records.
3. Meeting with the Alderman before the Board Meeting on the 1st Tuesday before the meeting would also be in place, so City Council will be aware what is on the Agenda.


Mayor Tyus Byrd


City Clerk Helen Frye

Bank accounts and routing numbers have been redacted. Anything not related to AT&T transactions on the bank statements have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

November 6, 2019

AT&T
11760 US Highway 1
North Palm Beach, FL 33408

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. As instructed, we have listed the routing and account number of the bank account that was used and the dates of the payments. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at joel.Anderson@auditor.mo.gov.

A handwritten signature in blue ink, appearing to read "Joel E. Anderson", with a long horizontal flourish extending to the right.

Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

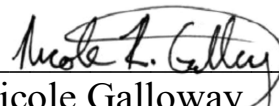
SUBPOENA

To: AT&T
11760 US Highway 1
North Palm Beach, FL 33408

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, on November 18, 2019 at 8:00 a.m., for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102 prior to the date for deposition set forth above.

ISSUED this 6th day of November, 2019, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A-Page 1 of 2

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

Please produce all records of the subscriber information (billing statement including account numbers, name on the account, and address of the account) for any accounts that benefit from payments relating to the following ACH payments made from the City of Parma's bank accounts for the date range October 1, 2017 through April 30, 2019. Routing number [REDACTED]

Account Number [REDACTED] (We have included the dates the transaction was processed by the bank)

01/02/2018 AT&T Mobility \$122.09
01/31/2018 AT&T Mobility \$368.09
04/09/2018 AT&T Mobility \$255.10
07/11/2018 AT&T Mobility \$330.32
08/08/2018 AT&T Mobility \$328.17
09/07/2018 AT&T Mobility \$327.87
10/03/2018 AT&T Mobility \$327.87
11/08/2018 AT&T Mobility \$327.87



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A-Page 2 of 2

Account Number [REDACTED] (We have included the dates the transaction was processed by the bank. In addition, we attached a copy of the bank statements for this account showing the transaction.)

02/26/2018 AT&T Mobility \$314.65
05/09/2018 AT&T Mobility \$300.00
06/11/2018 AT&T Mobility \$296.24
12/11/2018 AT&T Mobility \$288.86
01/08/2019 AT&T Mobility \$382.63
02/08/2019 AT&T Mobility \$323.47
02/22/2019 AT&T Mobility \$324.14

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

State Auditor Subpoena - AT&T

112

Appendix G
City of Parma
State Auditor Subpoena - AT&T

Date 5/31/18
Primary Account
Short Name
CIF Number

2
CITY PARMA

Page 2 of 6

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Commercial Checking-Waived

(Continued)

Date	Description	Amount	
5/02	[REDACTED]	[REDACTED]	[REDACTED]
5/02	[REDACTED]	[REDACTED]	[REDACTED]
5/03	[REDACTED]	[REDACTED]	[REDACTED]
5/03	[REDACTED]	[REDACTED]	[REDACTED]
5/04	[REDACTED]	[REDACTED]	[REDACTED]
5/07	[REDACTED]	[REDACTED]	[REDACTED]
5/07	[REDACTED]	[REDACTED]	[REDACTED]
5/07	[REDACTED]	[REDACTED]	[REDACTED]
5/07	[REDACTED]	[REDACTED]	[REDACTED]
5/08	[REDACTED]	[REDACTED]	[REDACTED]
5/08	[REDACTED]	[REDACTED]	[REDACTED]
5/09	[REDACTED] ATT 217004005MBC1S TEL City of Parma 031100207360279	300.00-	[REDACTED]
5/10	[REDACTED]	[REDACTED]	[REDACTED]
5/11	[REDACTED]	[REDACTED]	[REDACTED]

FDIC

Appendix G
City of Parma
State Auditor Subpoena - AT&T

Date 6/29/18
Primary Account
Short Name
CIF Number

2
CITY PARMA

Page 2 of 6

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Public Fund Account

(Continued)

Date	Description	Amount
6/07	[REDACTED]	[REDACTED]
6/07	[REDACTED]	[REDACTED]
6/07	[REDACTED]	[REDACTED]
6/07	[REDACTED]	[REDACTED]
6/07	[REDACTED]	[REDACTED]
6/08	[REDACTED]	[REDACTED]
6/11	ATT 152076006MBC1X TEL City of Parma 031100201964901	296.24-
6/14	[REDACTED]	[REDACTED]
6/15	[REDACTED]	[REDACTED]
6/19	[REDACTED]	[REDACTED]
6/20	[REDACTED]	[REDACTED]
6/20	[REDACTED]	[REDACTED]
6/20	[REDACTED]	[REDACTED]
6/20	[REDACTED]	[REDACTED]
6/20	[REDACTED]	[REDACTED]

FDIC

Appendix G
City of Parma
State Auditor Subpoena - AT&T

Date 12/31/18
Primary Account
Short Name
CIF Number

2
CITY PARMA

Page 2 of 4

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Public Fund Account

(Continued)

Date	Description	Amount
12/07	[REDACTED]	[REDACTED]
12/10	[REDACTED]	[REDACTED]
12/11	[REDACTED]	[REDACTED]
12/11	ATT 050323002IVR3J TEL BLANK NAME 031100202019657	288.86-
12/12	[REDACTED]	[REDACTED]
12/12	[REDACTED]	[REDACTED]
12/13	[REDACTED]	[REDACTED]
12/14	[REDACTED]	[REDACTED]
12/19	[REDACTED]	[REDACTED]
12/20	[REDACTED]	[REDACTED]
12/20	[REDACTED]	[REDACTED]
12/20	[REDACTED]	[REDACTED]
12/21	[REDACTED]	[REDACTED]
12/21	[REDACTED]	[REDACTED]
12/21	[REDACTED]	[REDACTED]
12/24	[REDACTED]	[REDACTED]
12/31	[REDACTED]	[REDACTED]
12/31	[REDACTED]	[REDACTED]
12/31	[REDACTED]	[REDACTED]

FDIC

Primary Account

Short Name

CITY PARMA

Page 2 of 4

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Public Fund Account

(Continued)

Date	Description	Amount	
1/0			
1/08			
1/08			
1/08			
1/08			
1/08			
1/08		382.63-	
1/08	ATT		
	286226003IVR3L		
	BLANK NAME		
	031100208868358		
1/08			
1/09			
1/14			
1/15			
1/15			
1/16			
1/16			
1/16			

FDIC

Appendix G
City of Parma
State Auditor Subpoena - AT&T

Primary Account

Short Name

CITY PARMA

Page 2 of 4

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Public Fund Account

(Continued)

Date	Description		Amount	
2/08	ATT 488211003IVR3Q BLANK NAME 031100209597583	Payment TEL	323.47-	
2/11				
2/11				
2/12				
2/12				
2/12				
2/19				
2/19				
2/20				
2/20				
2/22	ATT 136295004IVR2D BLANK NAME 031100208086694	Payment TEL	324.14-	5,767.50
2/22				
2/26				
2/28				
2/28				
2/28				
2/28				
2/28				

Checks in Serial Number Order

Date	Check No	Amount	Date	Check No	Amount	Date	Check No	Amount

* Indicates a Skip in Check Numbers or Electronic Transaction



Social security, bank account, and routing numbers have been redacted. Anything not related to Verizon Wireless transactions on the bank statements have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

September 26, 2019

Verizon
Attn: Verizon Security Assistance Team
1080 Washington Valley Rd
Bedminster, NJ 07921

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. As instructed, we have enclosed a redacted copy of the bank account that was used showing the payments. These payments were processed through JPMorgan. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@auditor.mo.gov.

Sincerely,


Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

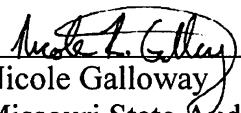
SUBPOENA

To: Verizon
Attn: Verizon Security Assistant Team
1080 Washington Valley Rd
Bedminster, NJ 07921

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 8:00 a.m. on October 25, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 26th day of September, 2019, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all records (billing statement including account numbers, name on the account, and address of the account) relating to the following phone payments made from the City of Parma's bank account No. [REDACTED]:

01/27/2016	ACHIVR VISB TEL	\$320.08
05/16/2016	ACHIVR VISB TEL	\$601.51
05/16/2016	ACHIVR VISB TEL	\$698.51
08/29/2016	ACHIVR VISB TEL	\$286.23
09/22/2016	ACHIVR VISB TEL	\$361.65
12/15/2016	ACHIVR VISB TEL	\$124.87
12/15/2016	ACHIVR VISB TEL	\$265.47

This amount should have been \$698.92.

Check Transaction

03/23/2016 Verizon Wireless \$363.44 check #22834

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

State Auditor Subpoena - Verizon Wireless

2
[REDACTED]
CITY PARMA
[REDACTED]

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

[REDACTED] (Continued)

FBI

Appendix H
City of Parma
State Auditor Subpoena - Verizon Wireless

Date 5/31/16
Primary Account
Short Name
CIF Number

2
CITY PARMA

Page 2 of 5

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Commerical Checking - Waived

(Continued)

Date	Description	Amount
5/06	[REDACTED]	[REDACTED]
5/06	[REDACTED]	[REDACTED]
5/06	[REDACTED]	[REDACTED]
5/06	[REDACTED]	[REDACTED]
5/11	[REDACTED]	[REDACTED]
5/12	[REDACTED]	[REDACTED]
5/12	[REDACTED]	[REDACTED]
5/12	[REDACTED]	[REDACTED]
5/16	[REDACTED]	[REDACTED]
5/16	[REDACTED] ACHIVR VISB 4188259 TEL TYUS *BYRD 021000020757016	601.51-
5/16	[REDACTED] ACHIVR VISB 4187338 TEL TYUS *BYRD 021000020756450	698.92-
5/18	[REDACTED]	[REDACTED]
5/18	[REDACTED]	[REDACTED]
5/19	[REDACTED]	[REDACTED]
5/24	[REDACTED]	[REDACTED]
5/24	[REDACTED]	[REDACTED]
5/24	[REDACTED]	[REDACTED]
5/25	[REDACTED]	[REDACTED]

FDIC

Missouri State Auditor Subpoena Exhibit A attachment

Date 8/31/16
Primary Account
Short Name
CIF Number

3
CITY PARMA

Page 3 of 6

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Commerical Checking - Waived

(Continued)

Date	Description	Amount
8/23		
8/24		
8/25		
8/26		
8/26		
8/26		
8/29	ACHIVR VISB 3067637 TEL TYUS *BYRD 021000025336857	286.23-
8/31		
8/31		

Checks in Serial Number Order

Date	Check No	Amount	Date	Check No	Amount	Date	Check No	Amount
8/15								
8/09								
8/16								
8/22								
8/01								
8/05								
8/04								
8/09								
8/19								
8/26								

* Indicates a Skip in Check Numbers or Electronic Transaction

*** End of Statement ***



Missouri State Auditor Subpoena Exhibit A attachment

Date 9/30/16
Primary Account
Short Name
CIF Number

2
CITY PARMA
00000000

Page 2 of 4

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Commerical Checking - Waived

(Continued)

Date	Description	Amount
9/07	[REDACTED]	[REDACTED]
9/07	[REDACTED]	[REDACTED]
9/07	[REDACTED]	[REDACTED]
9/07	[REDACTED]	[REDACTED]
9/07	[REDACTED]	[REDACTED]
9/08	[REDACTED]	[REDACTED]
9/14	[REDACTED]	[REDACTED]
9/14	[REDACTED]	[REDACTED]
9/15	[REDACTED]	[REDACTED]
9/15	[REDACTED]	[REDACTED]
9/22	ACHIVR VISE 3884538 TEL TYUS *BYRD 021000021718406	361.65-
9/26	[REDACTED]	[REDACTED]
9/26	[REDACTED]	[REDACTED]
9/27	[REDACTED]	[REDACTED]
9/28	[REDACTED]	[REDACTED]
9/28	[REDACTED]	[REDACTED]
9/28	[REDACTED]	[REDACTED]
9/28	[REDACTED]	[REDACTED]
9/28	[REDACTED]	[REDACTED]
9/28	[REDACTED]	[REDACTED]
9/28	[REDACTED]	[REDACTED]
9/29	[REDACTED]	[REDACTED]
9/29	[REDACTED]	[REDACTED]
9/30	[REDACTED]	[REDACTED]
9/30	[REDACTED]	[REDACTED]



Date 12/30/16
Primary Account
Short Name
CIF Number

3
CITY PARMA

Page 3 of 6

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Commerical Checking - Waived		(Continued)	
12/15	██████████ ACHIVR VISB 3326131 TEL CITY OF PARMA 021000028319431	124.87-	██████████
12/15	██████████ ACHIVR VISB 3326279 TEL TYUS *BYRD 021000028319520	265.47-	██████████
12/15	██████████	██████████	██████████
12/15	██████████	██████████	██████████
12/16	██████████	██████████	██████████
12/16	██████████	██████████	██████████
12/16	██████████	██████████	██████████
12/19	██████████	██████████	██████████
12/19	██████████	██████████	██████████
12/20	██████████	██████████	██████████
12/20	██████████	██████████	██████████
12/21	██████████	██████████	██████████
12/21	██████████	██████████	██████████
12/27	██████████	██████████	██████████
12/27	██████████	██████████	██████████
12/27	██████████	██████████	██████████
12/28	██████████	██████████	██████████
12/28	██████████	██████████	██████████
12/29	██████████	██████████	██████████
12/29	██████████	██████████	██████████
12/29	██████████	██████████	██████████
12/29	██████████	██████████	██████████
12/29	██████████	██████████	██████████
12/30	██████████	██████████	██████████
12/30	██████████	██████████	██████████

FDIC

P

2 of 5

00713745 026 3161 20160405 484184 013 029	
CITY OF PARMA GENERAL FUND PO Box 688 Parma, MO 63970	First State Community Bank 60-19-32810 Reno, MO 63974
022834	
3/23/2016	
PAY TO THE ORDER OF Verizon-wireless-61-Y573-4154501862-02	\$363.44
Three Hundred Sixty Three Dollars and 44/100..... DOLLARS	
Long Distant Service Police, Fire Department, City Hall	
FOR	<i>James Byrd</i>
⑈022834⑈	

Check: 22834 Amount: \$363.44 Date: 4/7/2016
Run: 2, Batch: 11, Seq: 393, Source: imsfar1_Inclearing_1

3161 20160405 484184 013 029
CONSOLIDATED RTN BONY > [REDACTED]
BANK OF NEW YORK 04/08/16 VERIZON MN
CONSOLIDATED RTN BONY > [REDACTED]

Check: 22834 Amount: \$363.44 Date: 4/7/2016
Run: 2, Batch: 11, Seq: 393, Source: imsfar1_Inclearing_1

Missouri State Auditor Subpoena Exhibit A attachment



NICOLE GALLOWAY, CPA
Missouri State Auditor

October 22, 2019

Verizon
Attn: Verizon Security Assistance Team
1080 Washington Valley Rd
Bedminster, NJ 07921

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. As instructed, we have enclosed a redacted copy of the bank account that was used showing the payments. These payments were processed through JPMorgan. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at
Sincerely

Joel.Anderson@audtior.mo.gov.

Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: Verizon
Attn: Verizon Security Assistant Team
1080 Washington Valley Rd
Bedminster, NJ 07921

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 9:00 a.m. on November 1, 2019 for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this October 22, 2019, pursuant to Section 29.235.4(1), RSMo.

Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

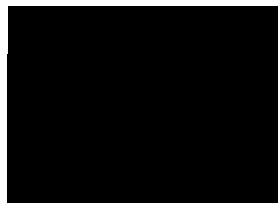
Please produce all records (billing statement including account numbers, name on the account, and address of the account) relating to the following phone payments made from the City of Parma's bank account No. [REDACTED]:

05/16/2016 ACHIVR VISB TEL \$698.51
08/29/2016 ACHIVR VISB TEL \$286.23

This amount should have been \$698.92.

Service name on the account for these payments are suspected to be related to one or more of the following names and social security numbers, which may aid you in producing these records:

Tyus Byrd
Helen Frye
David Thatch
Jannel Winters



This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

Appendix H
City of Parma
State Auditor Subpoena - Verizon Wireless

Date 5/31/16
Primary Account
Short Name
CIF Number

2
CITY PARMA

Page 2 of 5

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Commerical Checking - Waived

(Continued)

Date	Description	Amount
5/06	[REDACTED]	[REDACTED]
5/06	[REDACTED]	[REDACTED]
5/06	[REDACTED]	[REDACTED]
5/06	[REDACTED]	[REDACTED]
5/11	[REDACTED]	[REDACTED]
5/12	[REDACTED]	[REDACTED]
5/12	[REDACTED]	[REDACTED]
5/12	[REDACTED]	[REDACTED]
5/12	[REDACTED]	[REDACTED]
5/16	[REDACTED]	[REDACTED]
5/16	[REDACTED]	[REDACTED]
5/16	[REDACTED]	[REDACTED]
5/16	[REDACTED] ACHIVR VISB 4187338 TEL TYUS *BYRD 021000020756450	698.92-
5/18	[REDACTED]	[REDACTED]
5/18	[REDACTED]	[REDACTED]
5/18	[REDACTED]	[REDACTED]
5/19	[REDACTED]	[REDACTED]
5/24	[REDACTED]	[REDACTED]
5/24	[REDACTED]	[REDACTED]
5/24	[REDACTED]	[REDACTED]
5/24	[REDACTED]	[REDACTED]
5/25	[REDACTED]	[REDACTED]

FDIC

Missouri State Auditor Subpoena Exhibit A attachment

Date 8/31/16
Primary Account
Short Name
CIF Number

3
CITY PARMA

Page 3 of 6

City Of Parma
General Fund
PO Box 668
Parma MO 63870-0668

Commerical Checking - Waived

(Continued)

Date	Description	Amount
8/23		
8/24		
8/25		
8/26		
8/26		
8/26		
8/29	ACHIVR VISB 3067637 TEL TYUS *BYRD 021000025336857	286.23-
8/31		
8/31		

Checks in Serial Number Order

Date	Check No	Amount	Date	Check No	Amount	Date	Check No	Amount
8/15								
8/09								
8/16								
8/22								
8/01								
8/05								
8/04								
8/09								
8/19								
8/26								

* Indicates a Skip in Check Numbers or Electronic Transaction

*** End of Statement ***



Missouri State Auditor Subpoena Exhibit A attachment

Social security, bank account, and routing numbers have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

October 22, 2019

Verizon
1080 Washington Valley Rd
Bedminster, NJ 07921

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. As instructed, we attached a screen shot that was received from the Verizon Wireless Security Team. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at

Joel.Anderson@auditor.mo.gov.

Sincerely

Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

SUBPOENA

To: Verizon
1080 Washington Valley Rd
Bedminster, NJ 07921

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 9:00 a.m. on November 10, 2019 for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this October 22, 2019, pursuant to Section 29.235.4(1), RSMo.

Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

Please produce all records (billing statement including account numbers, name on the account, and address of the account) relating to the following phone payments made from the City of Parma's bank account No. [REDACTED]:

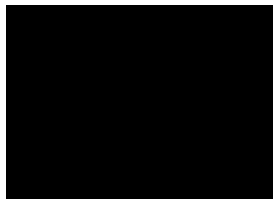
Check Transaction

03/23/2016 Verizon Wireless \$363.44 check #22834

(See attachment from Verizon Wireless Security Team for more detail)

Service name on the account for these payments are suspected to be related to one or more of the following names and social security numbers, which may aid you in producing these records:

**Tyus Byrd
Helen Frye
David Thatch
Jannel Winters**



This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

Account #



Check #22834

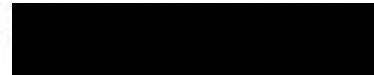
Record Identifier

Account ID

Customer Name

PI

04061609463500000002844-00000



Status

Telephone No

Amount

Date

Source

Prepaid RC

AC

Vendor

Proc

00000054

\$363.44

04/06/16

EMIT

No

WAUSAUNY

Social security numbers have been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

September 6, 2019

Green Dot Bank
Attn: Subpoena Compliance
3465 East Foothill Blvd.
Pasadena, CA 91107

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

If you have any questions or require additional information with respect to the records we are seeking, please contact Pam Allison at Pamela.Allison@auditor.mo.gov or at (417) 895-6519. You are also welcome to contact me by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@auditor.mo.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joel E. Anderson", with a long horizontal line extending to the right.

Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

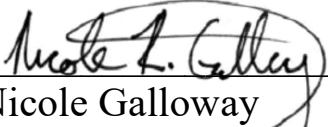
SUBPOENA

To: Green Dot Bank
Attn: Subpoena Compliance
3465 East Foothill Blvd.
Pasadena, CA 91107

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Truman State Office Building, 301 West High Street Room 880, Jefferson City, Missouri 65101, at 8:00 a.m. on September 16, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents described in Exhibit A attached to this Subpoena.

In lieu of appearance, you may send the records described in Exhibit A by electronic mail to James Kayser at james.kayser@auditor.mo.gov.

ISSUED this 6th day of September, 2019, pursuant to Section 29.235.4(1) of the Revised Statutes of Missouri.



Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

Please produce all logged data for any account tied to the below listed social security numbers including: transactions, authorization transactions, IP's used during online communications, account details such as name, address, phone numbers, direct deposit, MoneyPak purchases, and Electronic Fund Transfers (EFT) within the Green Dot network including the above items for the account listed in the EFT for the dates April 14, 2015 through April 16, 2019:

David Thatch - [REDACTED]
Helen Frye - [REDACTED]

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

The debit card number has been redacted.



NICOLE GALLOWAY, CPA
Missouri State Auditor

July 25, 2019

AMEREN
11760 US Highway
Palm Beach, FL 33408

RE: Subpoena from Missouri State Auditor

To whom it may concern:

Enclosed is a subpoena from the Missouri State Auditor's office. It is requesting records for an account for which the number is unknown. We have provided some details that may help identify the account. If those details are insufficient, we would appreciate it if you would let us know so that we may determine if we have any other details that might be helpful.

Production of the records themselves will satisfy the subpoena, and may be sent to me as a PDF file by electronic mail if that is more convenient. If sent in that manner, we will acknowledge receipt. If the date set forth in the subpoena is problematic, please let me know as soon as possible.

I may be contacted by mail at the address shown at the bottom, as well as by phone. I am also happy to communicate by e-mail at Joel.Anderson@audtior.mo.gov.

Sincerely,

/s/ Joel E. Anderson
Joel E. Anderson
Chief Litigation Counsel



OFFICE OF MISSOURI STATE AUDITOR

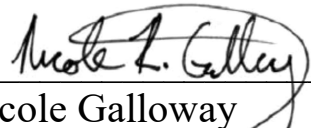
SUBPOENA

To: AMEREN
11760 US Highway
Palm Beach, FL 33408

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative, Joel Anderson, Chief Litigation Counsel, at the Fletcher Daniels State Office Building, Room 511, 615 East 13th Street, Kansas City, MO 64106, at 10:00 a.m. on August 22, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the following records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records listed in Exhibit A to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102 on or before August 22, 2019.

ISSUED this 25th day of July, 2019, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

Please produce all records (billing statement including account numbers, name on the account, and address of the account) relating to the following utility payment made from the City of Parma's debit card # [REDACTED] on August 24, 2016 in the amount of \$245.29.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the state auditor. Section 29.235.4(1), RSMo.

Address and bank account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

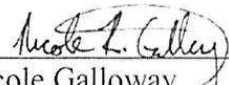
SUBPOENA

To: Tyus Byrd
[Redacted]
[Redacted]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Community Center, 209 S. Broad Street, Parma, MO 63870, at 1:00 p.m. on October 3, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 19th day of September, 2019, pursuant to Section 29.235.4(1), RSMo.


Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by hand delivery on this 23rd day of September, 2019.


Paula Allen



OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the City of Parma.

This request includes, but is not limited to, the following:

- Copies of all payments made to the City of Parma for the payment of water and sewer services during the time period April 2015 through April 2019. (including cancelled checks, city receipt slips, payment stubs, etc.)
- Any and all records discussed during the interview conducted on September 23, 2019.
- Records related to First State Community Bank accounts (including, but not limited to, account numbers [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED];
- Any and all payroll records, timesheets, invoices, financial statements, board minutes, or any other City of Parma board records.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.235.4(1), RSMo.

Address and bank account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

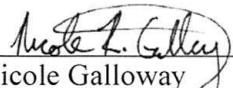
SUBPOENA

To: Helen Frye
[Redacted]
[Redacted]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Community Center, 209 S. Broad Street, Parma, MO 63870, at 11:30 a.m. on September 30, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102 to be delivered on or before Thursday, September 26, 2019.

ISSUED this 13th day of September, 2019, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by hand-delivery on this 16th day of September, 2019.





OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the City of Parma.

This request includes, but is not limited to, the following:

- Copies of invoices related to city check number 22946 issued on July 28, 2016 to Fry Maxx Janitorial Service for \$6,000 and check number 23374 on February 14, 2019 to Keith Frye, Jr. for \$2,100.
- Copies of invoices related to city check numbers 23013, 23030, 23075 issued to Keith Frye- Fry's Chillin and Grillin BBQ
- All records identified in your deposition on September 16, 2019, to be produced by you to the State Auditor.
- Records related to First State Community Bank accounts (including, but not limited to, account numbers [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED];
- Any and all payroll records, timesheets, invoices, financial statements, board minutes, or any other City of Parma board records.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.23 5.4(1), RSMo.

Address and bank account numbers have been redacted.



OFFICE OF MISSOURI STATE AUDITOR

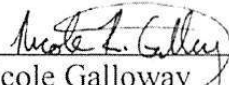
SUBPOENA

To: Simon Wofford
[REDACTED]
[REDACTED]

YOU ARE COMMANDED AND REQUIRED to appear personally before the State Auditor or her representative(s) at the Community Center, 209 S. Broad Street, Parma, MO 63870, at 1:00 p.m. on October 3, 2019, for purposes of providing testimony and producing for examination, copying, and interrogation the records and documents listed on Exhibit A attached to this Subpoena.

In lieu of appearance, you may ship the records responsive to this subpoena to the Missouri State Auditor to the attention of Pam Allison at 301 W. High St., Room 880, Jefferson City, MO 65102.

ISSUED this 19th day of September, 2019, pursuant to Section 29.235.4(1), RSMo.



Nicole Galloway
Missouri State Auditor

I served the foregoing subpoena by hand delivery on this 23rd day of September, 2019.





OFFICE OF MISSOURI STATE AUDITOR

EXHIBIT A

You are to preserve for production and inspection, and then appear as instructed on the attached subpoena and produce for inspection and examination, the following items in your possession or under your control:

All documents or other records, in whatever form, whether hard copy or electronic, pertaining or belonging to the City of Parma.

This request includes, but is not limited to, the following:

- Copies of all payments made to the City of Parma for the payment of water and sewer services during the time period April 2015 through April 2019. (including cancelled checks, city receipt slips, payment stubs, etc.)
- Copies of all invoices relating to city payments made to Wofford's Body Shop during the time period April 2015 through April 2019.
- Copy of invoice relating to city payment made to Ella Mae Wofford on June 9, 2017.
- Any and all records discussed during the interview conducted on September 23, 2019.
- Records related to First State Community Bank accounts (including, but not limited to, account numbers [REDACTED], [REDACTED], [REDACTED], [REDACTED], [REDACTED], and [REDACTED];
- Any and all payroll records, timesheets, invoices, financial statements, board minutes, or any other City of Parma board records.

This request for records includes all materials that exist in paper ("hard copy") or electronic form (including but not limited to records and data maintained on computers, tablets, smart phones, external electronic storage drives, thumbnail drives, remote servers or back up tapes). All information requested in the items above are subject to inspection, review and copying by the State Auditor. Section 29.235.4(1), RSMo.



Nicole Galloway, CPA

Missouri State Auditor

Stone County

Report No. 2020-037

July 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Stone County

Public Administrator's Controls and Procedures	The Public Administrator does not always file annual settlements and/or status reports timely. The Public Administrator does not assess and collect fees from the accounts of most wards and estates. The Public Administrator lacked adequate documentation for several gift cards purchased for a ward during the year ended December 31, 2019.
Sheriff's Controls and Procedures	Sheriff's office personnel do not deposit receipts timely and restrictively endorse checks upon receipt. The office also (1) does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners are adequately identified and pursued, (2) has not established procedures to routinely follow up on outstanding checks in the Inmate bank account, and (3) charges a \$15 flat fee for mileage when serving civil papers, which is not in accordance with state law.
County Collector's Controls and Procedures	The County Collector does not monitor and/or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund, and as a result during the year ended December 31, 2019, she withheld approximately \$77,700 more from tax collections for the Assessment Fund than allowed by state law. The County Collector does not adequately monitor taxpayer balances in the partial payment account. The County Collector's Deputy does not account for the numerical sequence of manual receipt slips issued for partial payments.
Payroll Controls and Procedures	Timesheets are not prepared for salaried employees and their vacation, sick leave, or compensatory time earned and taken is not tracked. Salaried employees are paid in advance of time worked, which may lead to errors and the potential for employees to be over/under paid.
Prosecuting Attorney's Depositing Procedures	The Prosecuting Attorney's office does not deposit receipts timely.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Stone County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Public Administrator's Controls and Procedures4 2. Sheriff's Controls and Procedures7 3. County Collector's Controls and Procedures.....9 4. Payroll Controls and Procedures11 5. Prosecuting Attorney's Depositing Procedures14
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Organization and Statistical Information	16
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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Stone County

We have audited certain operations of Stone County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

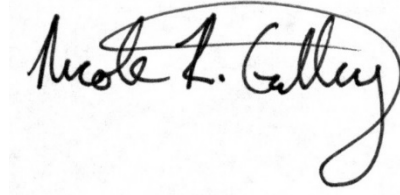
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Stone County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Marian Rader, M.Acct., CPA, CFE, CGFM
Audit Staff:	Misty Bowen, MSED
	Jacqueline E. Brown, MBA
	Kayla G. Gipson

Stone County Management Advisory Report State Auditor's Findings

1. Public Administrator's Controls and Procedures

Controls and procedures in the Public Administrator's office need significant improvement. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The Public Administrator's office was responsible for the financial activity of 52 wards and estates as of December 31, 2019.

1.1 Filing

The Public Administrator does not always file annual settlements and/or status reports timely. During our review of 42 cases, we found 37 cases did not have annual settlements or status reports filed timely. Settlements filed (or still due) for these cases ranged from 103 days to more than 7 years after the due date. For 8 cases, the settlement or report was overdue by more than 5 years.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement and/or status report with the court for each ward or estate. Timely filing of annual settlements and/or status reports is necessary for the court to properly oversee the administration of cases and reduce the possibility that errors, loss, theft, or misuse of funds will go undetected.

We noted a similar condition in our prior audit report. In addition, Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented.

1.2 Fees

The Public Administrator does not assess and collect fees from the accounts of most wards and estates. During the year ended December 31, 2019, fees totaling \$2,781 were assessed and paid to the county treasury for only 2 of the wards and/or estates. Section 473.742.4, RSMo, provides all fees collected by the Public Administrator who elects to be salaried are to be deposited into the county treasury.

To ensure fees are consistently assessed against the accounts of the wards and estates and remitted to the county treasury, the Public Administrator should work with the court to establish a policy for fees to be assessed.

1.3 Gift cards

The Public Administrator lacked adequate documentation for several gift cards purchased for a ward during the year ended December 31, 2019. One ward receives gift cards on a regular basis for shopping trips. The Public Administrator provided receipts totaling \$2,355 for the purchase of the gift cards and the ward submitted receipts totaling \$1,723 to the Public Administrator to support the purchases made with these cards.

Using the receipts from both the Public Administrator and the ward and the beginning balances of the gift cards (when available) as indicated on the receipts provided by the ward, we determined the ward did not submit receipts for purchases totaling at least \$632.



Stone County
Management Advisory Report - State Auditor's Findings

To ensure payments are valid and proper and to reduce the risk of loss, theft, or misuse of ward assets, adequate supporting documentation should be maintained for all disbursements, including monies or other items of value provided to a ward.

Recommendations

The Public Administrator:

- 1.1 File annual settlements and/or status reports timely.
- 1.2 Work with the court to establish a policy outlining the fees to assess wards and estates and ensure these fees are assessed and paid to the county for all applicable wards and estates.
- 1.3 Obtain and retain documentation for monies or other items of value provided to wards.

Auditee's Response

- 1.1 *Many of the same reasons the annual settlements and/or status reports that were noted in your last audit report (Report No. 2016-142) as not being filed in a timely manner remained the same through December 2019. My office operates with no staff other than myself, and trying to carry a heavy and complicated caseload does not always leave time for "timely filings" to the court. I predict that this will improve greatly as the county has now provided my office with a part-time employee. This employee was hired the middle of October 2019 and with only working 20 hours a week and moving to a new office, did not leave enough time to "catch-up" on filings to the court prior to your audit. I did not receive a list of the 37 cases that you refer to in your report, but I do know that of the files that you specifically requested that some of those estates have had filings in them since the first of the year (2020) and some of the files that have been opened for several years that you noted in your audit have since been resolved and closed since your team left the county and since the first of this year also. In summary, with the new employee and hopefully a new "estate management computer program" that was approved in my 2020 budget, the controls and procedures in my office will have significant improvement moving forward. I would like to note however, that the purchase of the computer program is now on hold due to the hit that Covid-19 has caused on tax revenues and the affect that the virus has had on available funds coming into the county. If these issues are resolved and allow for the program to be purchased, this computer program will be a "game-changer" for this office and the ability to get the settlements and reports filed in a timely manner.*
- 1.2 *I would concur that fees being assessed and collected from the accounts of wards and estates have a direct impact on our county's*



Stone County
Management Advisory Report - State Auditor's Findings

budget and I totally agree with the importance of collecting those fees for the county when the funds are available. During the year 2019 that you note in your audit, it is true that only \$2,781 was collected in fees. For the year 2019, I had budgeted for anticipated fees in the amount of \$15,000, which is far short of the \$2,781 collected. Two decedent estates that we had anticipated closing in 2019 did not close, due to issues beyond the control of my office. Therefore, the amount of fee revenues not collected in 2019 were budgeted for collection in 2020 and increased by the \$10,000 that was not received in 2019. We know these cases will be resolved and closed in 2020. The 2020 budget for anticipated fees is \$25,000, most of which I would anticipate collecting as many of my indigent wards have received stimulus checks due to Covid-19 relief. Therefore, after taking care of some of their personal pressing needs and burial plans, I hope to have some of those stimulus funds remaining to turn over to the county for fees. I would note that in some of those estates that have been closed since you left the county (as mentioned in 1.1 of my response above), \$10,089 has already been paid over to the county in 2020 from these closed estates since January 1. This amount reflects the fees from the estates that we weren't able to get closed in 2019 and therefore would have made the amount of \$2,781 look much different. It is very important to note that only one of my ward's during 2019 was not considered "indigent" and without funds to pay fees. The largest majority of my caseload is always overwhelmingly indigent and without funds to pay fees. The term, "you can't get blood from a turnip" truly applies here. The policy with the court will remain the same. As funds for fees are available to be petitioned for, an application will be submitted to the Probate Court for approval of fees, and after the court's approval will be deposited to the county treasury, as has always been policy.

- 1.3 *I concur that there needs to be improvement in collecting the supporting documents that need to be turned in to my office by the ward that you point out in your findings. We continue to work with and educate this ward and there has been some improvement since the first of the year. The other two wards that I routinely purchase monthly shopping cards for, always turn their receipts in to my office. However, I do agree that this ward in your findings does struggle to remember to keep receipts and tends to lose them often. Due to him being homeless most of the time and moving from place to place, it is difficult for him to keep up with all the receipts, but for these same reasons it would be very difficult for me to personally take him shopping.*

It is my understanding that there is a process whereby, I can obtain directly from Walmart the copies of any or all missing receipts that



Stone County
Management Advisory Report - State Auditor's Findings

my ward failed to turn in. For this purpose, and as I have explained in the past, shopping cards are so much better than giving wards cash. Shopping cards can be used to protect the funds and assure that there is no risk of loss or theft, as the cards can be canceled and reissued and duplicate receipts can be recovered from Walmart. Concerning our discussions about the purchase of shopping cards for my wards, I have also implemented your suggestion and procedure of having my wards sign the receipts that reflect the purchase of the shopping cards that are purchased for them, in order to verify their receipt of the cards.

2. Sheriff's Controls and Procedures

Controls and procedures in the Sheriff's office need improvement. The office collected approximately \$290,000 for civil paper service, bonds, concealed carry weapon permits, commissary commissions, and other miscellaneous receipts during the year ended December 31, 2019.

2.1 Receipts and deposits

Sheriff's office personnel do not (1) deposit receipts timely and (2) restrictively endorse checks upon receipt. Receipts are typically deposited once a week. During a cash count performed on December 17, 2019, we identified 11 checks, totaling \$668, that were not restrictively endorsed. Checks are endorsed when the deposit is prepared.

Failure to implement adequate receipting and depositing procedures increases the risk that loss, theft, or misuse of monies will occur and go undetected.

2.2 Board bills

The Sheriff's office does not have proper controls and procedures in place to ensure all unpaid costs for boarding prisoners are adequately identified and pursued. During 2019, the office personnel did not track all board bill payments on the log maintained. As a result, they could not monitor amounts billed to ensure payments were received and properly disbursed. County budgets indicate the county received board bill payments totaling approximately \$251,000 in 2019.

Procedures such as independent reconciliations of billing records to jail records and payments received should be established to ensure all prisoner housing is properly billed and payments are received, recorded, and appropriately transmitted. Proper records and follow-up procedures are also necessary to safeguard against possible loss, theft, or misuse of funds going undetected.

2.3 Outstanding checks

The Sheriff's office has not established procedures to routinely follow up on outstanding checks in the Inmate bank account. As of November 30, 2019, 79 checks totaling \$389 had been outstanding for more than a year, with some checks dating back to December 2016.



Stone County Management Advisory Report - State Auditor's Findings

Procedures to routinely follow up on outstanding checks are necessary to prevent the accumulation of monies in the account and ensure monies are appropriately disbursed to the payee or as otherwise provided by state law.

2.4 Paper service fees

The Sheriff's office charges a \$15 flat fee for mileage when serving civil papers, which is not in accordance with state law. The Sheriff collected approximately \$25,000 for civil paper service fees, including mileage, during the year ended December 31, 2019.

Section 57.280, RSMo, provides that the Sheriff be reimbursed for each mile actually traveled to serve any summons, writ, subpoena, or other order of the court. Charging a per-mile reimbursement for service will bring the Sheriff into compliance with state law.

Recommendations

The Sheriff:

- 2.1 Deposit monies timely and restrictively endorse checks at the time of receipt.
- 2.2 Develop procedures to ensure all prisoner housing is properly billed and payments are received, recorded, and appropriately transmitted.
- 2.3 Establish procedures to routinely investigate outstanding checks. Old outstanding checks should be voided and reissued to payees that can be readily located. If payees cannot be located, the monies should be disposed of in accordance with state law.
- 2.4 Ensure civil paper service fees are charged in accordance with state law.

Auditee's Response

- 2.1 *All checks are now double checked to make sure they were not missed being endorsed when receipted. Per the December 2016 audit, the Sheriff's office was told a weekly receipt deposit was considered timely. Effective immediately the Sheriff's office will deposit receipts timely.*
- 2.2 *The previous Jail Administrator stopped tracking the board bill payments in late 2019. That Jail Administrator has since been relieved of his duty. This problem has since been rectified. The Sheriff's office now has a full-time employee along with the new Jail Administrator to track all board bills and payments daily.*
- 2.3 *Checks are issued for inmates that are transferred to another facility, including the Missouri Department of Corrections. The checks are sent to the facility with the inmate's personal belongings and held in*



Stone County
Management Advisory Report - State Auditor's Findings

the inmate's property until the inmate is released. We are looking at other ways to rectify this.

- 2.4 *Effective, February 28, 2020, after the Auditor's recommendation the Sheriff's office changed the fees for civil paper services to \$30, plus a fee for actual mileage.*

Auditor's Comment

- 2.1 The timeliness of deposits is dependent on the amount of monies on hand. Based on our review of receipts in the Sheriff's office during the year ended December 31, 2019, depositing once a week is not sufficient and increases the risk that loss, theft, or misuse of monies will occur and go undetected.

3. County Collector's Controls and Procedures

Controls and procedures in the County Collector's office need improvement. The County Collector collected approximately \$32 million in property taxes and other monies during the year ended February 29, 2020.

3.1 Assessment withholdings

The County Collector does not monitor and/or subsequently reduce the percentage used to calculate amounts withheld from tax collections for the Assessment Fund, and as a result during the year ended December 31, 2019, she withheld approximately \$77,700 more from tax collections for the Assessment Fund than allowed by state law.

Section 137.720.1, RSMo, requires a one percent commission on ad valorem property tax collections allocable to each taxing authority be deducted from the collections of taxes each year and deposited into the assessment fund of the county. Section 137.720.3, RSMo, requires an additional one-half percent commission. However, Section 137.720.3, RSMo, limits the one-half percent deduction to \$75,000. After this limit is reached, the total percentage used should be reduced. Adequate monitoring and proper calculation of Assessment Fund withholdings is necessary to ensure compliance with statutory provisions.

3.2 Partial payments balances

The County Collector does not adequately monitor taxpayer balances in the partial payment account. As a result, the County Collector held monies that should have been refunded or applied to tax bills. As of January 2020, approximately 31 taxpayers had balances in the account.

Partial payment records included activity for 8 taxpayers with balances totaling \$2,317 that should be refunded. These taxpayers have not made a partial payment since at least January 2019 and do not owe any taxes to the county.

In addition, 2 taxpayers had balances sufficient to pay some or all of their taxes due, but since the taxes remained unpaid, these taxpayers continued to



Stone County Management Advisory Report - State Auditor's Findings

accrue interest and penalties on their delinquent tax bills. One of these taxpayers owed 2019 taxes totaling \$1,178 but had an account balance of \$1,200. However, since the balance had not been applied to taxes due, interest and penalties totaling \$157 have accrued as of February 2020. The County Collector indicated taxpayers are responsible for notifying the office if they want to use their partial payment balance to make a tax payment.

Without regular identification of taxpayer balances and comparison to taxes due, there is less likelihood payments will be promptly applied and refunds will be issued when necessary.

3.3 Manual receipts

The County Collector's Deputy does not account for the numerical sequence of manual receipt slips issued for partial payments. As a result, there is no assurance that all partial payments received have been properly recorded and deposited.

Failure to implement adequate receipting procedures increases the risk of loss, theft, or misuse of monies will occur and go undetected.

Recommendations

The County Collector:

- 3.1 Review Assessment Fund withholdings for past years, determine the excess amount distributed to the Assessment Fund, and disburse that amount to the taxing authorities. The County Collector should also ensure the percentage to be deducted from property taxes for the Assessment Fund is properly reduced in future years once the \$75,000 limit is reached.
- 3.2 Monitor partial payment account balances to determine if taxpayer balances are sufficient to apply to taxes due. Also, the County Collector should timely process refunds when necessary.
- 3.3 Account for the numerical sequence of manual receipt slips.

Auditee's Response

- 3.1 *This error was due to an interpretation of the law by both the County Collector and the previous County Assessor in the calculation of additional assessment deductions as per Section 137.720, RSMo, and the corresponding limits as to how the assessment limits were to be calculated. After recommendation by State Auditor's Office, this has been resolved and refunds issued for 2019. The County Collector's office is currently gathering data for prior years to be reviewed by the County Commission and the County Assessor, who will have to determine if, when and how any refunds are to be made (since previous years withholdings have already been disbursed to the Assessment Fund). As a direct result of this audit, the formula to calculate future assessment deductions and corresponding limits has*



Stone County
Management Advisory Report - State Auditor's Findings

been amended, and the County Commission and County Assessor have been advised to adjust future budgets due to Assessment Fund withholding refunds to be made to taxing entities by the County Collector in February of each year.

3.2 *Partial payments are a time consuming part of the job, and offered as a service primarily to the taxpayer who is delinquent and in jeopardy of forfeiting their property in the county's tax certificate sale. Taxpayers are told up front that interest and penalties will continue to accrue on their account until their account can be posted paid (enough monies received to do so). Taxpayers are also told to check with this office regularly as to their balance in their partial payment account and the balance due to be able to post payment. This office tells partial payment customers they need to tell us when to apply payment, either verbally or on their final check memo. Contrary to the audit findings, this office does check the balance in the partial payment account regularly (monthly), and applies them if we see funds are available, but we believe that ultimately the taxpayer should be telling us when to apply their funds. Refunds are made annually on stagnant partial payment accounts if no delinquent taxes can be identified for the taxpayer.*

3.3 *Multiple receipt slips books on different employee's desks make numerical sequencing of receipts difficult, so the County Collector will now make only one receipt slip book available for all staff to share and sign. This single receipt slip book will be used for manual receipts of all partial payments received by any employee within the County Collector's office.*

Auditor's Comment

3.2 The County Collector's response states that her office checks the balances in the partial payment accounts monthly. However, during the exit conference, the County Collector indicated during the busy season from October through January, partial payment balances are only reviewed if time allows. In addition, audit staff saw no documentation to indicate monthly reviews occurred. Also, as noted in the finding, partial payments made by a taxpayer exceeded the amount of taxes due, but the payments were not applied to the taxes and continued to accrue interest and penalties.

4. Payroll Controls and Procedures

Controls and procedures over payroll need improvement. Payroll expenses totaled approximately \$5,476,000 for the year ended December 31, 2019.

4.1 Timesheets and leave records

Timesheets are not prepared for salaried employees and their vacation, sick leave, or compensatory time earned and taken is not tracked. In addition, the county's personnel policies only requires salaried employees to report and use



Stone County Management Advisory Report - State Auditor's Findings

leave if a full day is taken. However, only estimated hours worked are entered into the payroll system for salaried employees.

Without accurate timesheets or a record of leave taken, the county cannot ensure hours worked and leave earned and taken by salaried employees are properly documented. Leave records also aid in determining final compensation for employees leaving county employment. In addition, the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

4.2 Advanced payments

Salaried employees are paid in advance of time worked, which may lead to errors and the potential for employees to be over/under paid. The County Clerk's office distributes payroll for all salaried employees on the 15th of each month for the period ending the last day of the month. In addition, as indicated in section 4.1, salaried employees do not prepare timesheets or report actual hours worked; therefore, actual hours worked cannot be compared to estimated hours for these employees.

To ensure payroll disbursements are appropriate and to reduce the risk of errors and the potential for employees to be over/under paid, the County Commission should require adequate documentation to support all payroll transactions.

Similar conditions previously reported

We noted similar conditions to section 4.1 in our prior 5 audit reports. In addition, Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented. We also noted a similar condition to section 4.2 in our 2 prior audit reports. Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented.

Recommendations

The County Commission:

- 4.1 Require salaried employees to prepare timesheets and ensure leave records are maintained for all employees.
- 4.2 Discontinue compensating salaried employees in advance of receiving services, or establish adequate procedures to compare actual time worked to time previously reported for all employees and ensure adjustments to the payroll records are made when necessary.

Auditee's Response

- 4.1 *The Auditor's recommendation is appropriate for counties that have salaried employees who are not exempt from FLSA overtime. However, all of Stone County's salaried employees earn more than \$679 per week (annualized \$35,308 per year), which is the standard salary level for FLSA overtime exemption, and are not ordinarily eligible to accrue overtime or compensatory time. If an employee*



Stone County
Management Advisory Report - State Auditor's Findings

earns less than that amount, the employee is reclassified as hourly, will keep time records, and is eligible to accrue overtime or compensatory time.

Only a few of the county's employees are salaried/exempt, and are considered supervisory or professional. The County Commission and the elected officeholder or department head review the status of each salaried employee at least annually at budget time. The department head or elected official continually monitors each salaried/exempt employee's attendance, hours worked, classification status, and performance to ensure that the employee is satisfactorily performing his or her tasks, that they are satisfactorily in attendance at work, are adequately performing their tasks, and that the county is receiving the best value for its salary expenditures.

The County Commission proposes to adopt a new policy:

ACCOUNTING FOR LEAVE BENEFITS FOR SALARIED EMPLOYEES.

The County does not require salaried employees to maintain time cards or time records. However, as a management tool to monitor salaried employee's attendance:

- 1. A non-law enforcement salaried employee shall notify his or her supervisor if he or she has worked more than 40 hours in a week.*
 - 2. A law enforcement salaried employee shall notify his supervisor if he or she has worked more than 85.5 hours in a 14-day period.*
 - 3. A salaried employee shall notify his or her supervisor of all leave time used, including sick leave, vacation leave, holiday leave, and bereavement leave.*
- 4.2 *The County Commission considered and addressed this recommendation in past audits. The recommendation of the State Auditor's Office to discontinue paying officeholders and salaried employees in advance is well founded. However, in the last 25 years, there has only been one instance where reimbursement of wages was required for a salaried employee, and the county successfully received reimbursement. The County Commission needs to be conscious of the financial obligations of our salaried officeholders and employees. Because officeholders and salaried employees have adjusted their monthly expenses to the county's longstanding pay schedule, the County Commission believes that changing*



Stone County
Management Advisory Report - State Auditor's Findings

officeholders' and salaried employees' pay dates will cause financial hardship to officeholders and salaried employees.

Auditor's Comment

- 4.1 The County Commission's response indicates the department head or elected official continually monitors each salaried/exempt employee's attendance, hours worked, classification status, and performance to ensure that the employee is satisfactorily performing his or her tasks. The most efficient method for the department head or elected official to perform these functions is by requiring each employee to prepare a timesheet that is then approved by the department head or elected official.
- 4.2 The County Commission's response does not address the second part of the recommendation that the County Commission establish adequate procedures to compare actual time worked to time previously reported for all employees and ensure adjustments to the payroll records are made when necessary. These procedures would be an adequate alternative to discontinuing compensating salaried employees in advance of receiving services.

5. Prosecuting Attorney's Depositing Procedures

The Prosecuting Attorney's office does not deposit receipts timely. The office collected approximately \$85,000 in bad check and court-ordered restitution, delinquent taxes, and related fees during the year ended December 31, 2019.

An office deposit on November 15, 2019, totaling \$930 included \$655 receipted the previous week from November 4 through November 6, 2019. Another deposit on November 27, 2019, totaling \$1,324 included \$788 receipted the previous week from November 19 through November 22, 2019.

Failure to implement adequate depositing procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected.

We noted a similar condition in our prior audit report. In addition, Report No. 2016-142, *Follow-Up Report on Audit Findings - Stone County*, issued in December 2016, reported the status, at that time, as partially implemented.

Recommendation

The Prosecuting Attorney ensure monies received are deposited timely.

Auditee's Response

The Prosecuting Attorney had a general policy that deposits should be made weekly at a minimum and that cash payments should be deposited more frequently. The Prosecuting Attorney had noticed in reviewing bank statements that in a few instances the office had not made deposits as frequently as they should. With that in mind, the Prosecuting Attorney made a specific policy for the office, beginning in February 2020, as follows:



Stone County
Management Advisory Report - State Auditor's Findings

Deposits shall be made weekly subject to the following: 1. In no case shall payments, whether money orders, cash or other, be held for more than two nights or kept in the office over the weekend. 2 At no time shall more than \$100 cash be kept in the office overnight.

The Prosecuting Attorney has monitored the bank statements more closely since February 2020 and has seen no violations of this policy. In addition, all payments made to the office have always been and still are kept locked in a safe in a secure location.

Stone County

Organization and Statistical Information

Stone County is a county-organized, third-class county. The county seat is Galena.

Stone County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 157 full-time employees and 12 part-time employees on December 31, 2019.

In addition, county operations include a Planning and Zoning Board, Senior Citizens' Services Board, Disability Board, a Law Enforcement Restitution Board, and neighborhood improvement districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Mark W. Maples, Presiding Commissioner	\$	41,210
Wayne Blades, Associate Commissioner		37,125
Harold Smythe, Associate Commissioner		37,125
Amy Jo Larson, Recorder of Deeds		58,500
Cindy Elmore, County Clerk		58,500
Matt Selby, Prosecuting Attorney		141,640
Doug Rader, Sheriff		62,500
Kristi Stephens, County Treasurer		58,500
John Cunnyham, County Coroner		20,000
Glenda Wendy Metcalf, Public Administrator		56,250
Vicki May, County Collector, year ended February 29,	58,500	
Matt Daugherty, County Assessor (1), year ended August 31,		37,500
Brad Hudson, County Assessor (1), year ended August 31,		18,750
Rick Kemp, County Surveyor (2)		

- (1) Brad Hudson served as County Assessor until he resigned effective December 31, 2018. Matt Daugherty was appointed and took office on January 2, 2019.
- (2) Compensation on a fee basis.



Stone County
Organization and Statistical Information

Justice Center Expansion

The county issued Refunding and Improvement Certificates of Participation (COPS) totaling \$5,760,000 in June 2018, for the purpose of refunding a 2009 Refunding COPS and paying the costs of construction and equipping new additions to the county's Stone County Justice Center. Construction remained in progress as of March 19, 2020. The payments are made from the General Revenue Fund and the Black Oak Neighborhood Improvement District Fund. The COPS are scheduled to be paid off in December 2038. The remaining principal and interest due at December 31, 2019, was \$5,195,000 and \$1,821,807, respectively.



Nicole Galloway, CPA

Missouri State Auditor

**Federal Funding
for COVID-19 Response
May 2020**

Report No. 2020-036

June 2020

auditor.mo.gov

Federal Funding for COVID-19 Response

May 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds May 1, 2020, through May 31, 2020	8
B	Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through May 31, 2020	9
C	Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through May 31, 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this report is to show Missouri's spending of federal assistance in the month of May 2020 for the Coronavirus Disease 2019 (COVID-19) emergency and the cumulative financial activity since the state began receiving funding in April 2020.

In March and April 2020, Congress passed several legislative measures signed into law to provide assistance to citizens, businesses, healthcare facilities, and government entities during the COVID-19 emergency. The funding received by or made available to Missouri state government agencies will help pay for the state's emergency response to COVID-19 and provides (1) additional federal matching funds for the state's Medicaid program, MO HealthNet, and (2) funding for various other assistance and benefit programs. The state is passing through some of the funding to local governments. Some funding authorized in the legislation also went directly to local government entities, healthcare facilities, and colleges and universities. The majority of the funding has specific restrictions on its use or state actions and must be spent in defined limited time periods.

In May, the state spent \$581 million from federal COVID-19 assistance (Appendix A). Through the end of May, the state has received \$2.43 billion and spent \$824 million from this assistance. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation in Appendix C. The majority of the state's disbursements have been for MO HealthNet services (\$216 million) and funding passed through to counties and the City of St. Louis (\$521 million). In addition, the state is currently using \$250 million of COVID-19 relief funding for cash management needs.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Alex R. Prenger, M.S.Acct., CPA, CISA, CFE, CGAP
Senior Auditor:	Jeffrey Roberts, CISA, CFE
Staff Auditor:	Kristin A. Clink, MBA, CFE

Federal Funding for COVID-19 Response

May 2020

Executive Summary

Executive Summary

Missouri has been awarded federal funding under the following federal laws enacted in March and April 2020:

- Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020 (Public Law 116-123; H.R. 6074)
- Families First Coronavirus Response Act (Public Law 116-127; H.R. 6201)
- Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-136; H.R. 748, as amended)
- Paycheck Protection Program and Health Care Enhancement Act (Public Law 116-139; H.R. 266)

The Coronavirus Preparedness and Response Supplemental Appropriations Act provides for grants to or cooperative agreements with states to carry out surveillance, epidemiology, laboratory capacity, infection control, mitigation, communications, and other preparedness and response activities. The state has been awarded as of May 31, 2020, approximately \$17.6 million under this act for additional or new funding under various federal grant programs. Part of this funding went directly to community health centers from the federal government. Each grant program has a separate time limit on use of the funding.

The Families First Coronavirus Response Act provides Missouri a 6.2 percent Federal Medical Assistance Percentage (FMAP) increase beginning January 1, 2020, for the state's Medicaid program, MO HealthNet. The state's FMAP percentage was approximately 66 percent prior to this act.¹ The increased FMAP is available for qualifying expenditures incurred on or after that date and through the end of the quarter in which the COVID-19 public health emergency, including any extensions, ends. To qualify for the temporary FMAP increase, Missouri must:

- Maintain eligibility standards, methodologies, or procedures that are no more restrictive than what the state had in place as of January 1, 2020, (maintenance of effort requirement).
- Not charge premiums that exceed those that were in place as of January 1, 2020.

¹ The FMAP is used as a base for the Enhanced FMAP (EFMAP) for the state's Children's Health Insurance Program (CHIP). Therefore, the increase in FMAP will also result in an increase in EFMAP, but not necessarily by 6.2 percent. The state's EFMAP rate was approximately 87 percent prior to this act.

Federal Funding for COVID-19 Response
May 2020
Executive Summary

- Cover, without impositions of any cost sharing, testing, services, and treatments including vaccines, specialized equipment, and therapies related to COVID-19.
- Not terminate individuals from Medicaid if such individuals were enrolled in the program as of the date of the beginning of the emergency period, or become enrolled during the emergency period, unless the individual voluntarily terminates eligibility or is no longer a resident of the state (continuous coverage requirement).

Under the Families First Coronavirus Response Act, the state has also been awarded as of May 31, 2020, approximately \$31.7 million of additional or new funding under various federal grant programs for meal assistance, food subsidies, and administrative costs. Each grant program has a separate time limit on use of the funding.

The CARES Act specifies that payments provided to the state from the Coronavirus Relief Fund² may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020, (the date of enactment of the CARES Act) for the state; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020. The state has received approximately \$2.38 billion in Coronavirus Relief Fund assistance including nearly \$173.5 million for St. Louis County and \$122.7 million for Jackson County.³ Twenty-five percent of the remaining state share (approximately \$521 million) was distributed to other counties in the state and the City of St. Louis based on population.

Eligible expenditures for Coronavirus Relief Fund assistance include, but are not limited to, payment for:⁴

1. Medical expenses such as:
 - COVID-19-related expenses of public hospitals, clinics, and similar facilities.

² From the U.S. Department of the Treasury, CFDA number 21.019.

³ The funding for Jackson County and St. Louis County went directly to those local governments from the federal government.

⁴ U.S. Department of the Treasury, *Coronavirus Relief Fund Guidance for State, Territorial, Local, and Tribal Governments*, April 22, 2020, <<https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf>>, accessed May 20, 2020.

Federal Funding for COVID-19 Response
May 2020
Executive Summary

- Expenses of establishing temporary public medical facilities and other measures to increase COVID-19 treatment capacity, including related construction costs.
- Costs of providing COVID-19 testing, including serological testing.
- Emergency medical response expenses, including emergency medical transportation, related to COVID-19.
- Expenses for establishing and operating public telemedicine capabilities for COVID-19-related treatment.

2. Public health expenses such as:

- Expenses for communication and enforcement by state, territorial, local, and tribal governments of public health orders related to COVID-19.
- Expenses for acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment, for medical personnel, police officers, social workers, child protection services, and child welfare officers, direct service providers for older adults and individuals with disabilities in community settings, and other public health or safety workers in connection with the COVID-19 public health emergency.
- Expenses for disinfection of public areas and other facilities, e.g., nursing homes, in response to the COVID-19 public health emergency.
- Expenses for technical assistance to local authorities or other entities on mitigation of COVID-19-related threats to public health and safety.
- Expenses for public safety measures undertaken in response to COVID-19.
- Expenses for quarantining individuals.

3. Payroll expenses for public safety, public health, health care, human services, and similar employees whose services are substantially dedicated to mitigating or responding to the COVID-19 public health emergency.

4. Expenses of actions to facilitate compliance with COVID-19-related public health measures, such as:

- Expenses for food delivery to residents, including, for example, senior citizens and other vulnerable populations, to enable compliance with COVID-19 public health precautions.
- Expenses to facilitate distance learning, including technological improvements, in connection with school closings to enable compliance with COVID-19 precautions.

Federal Funding for COVID-19 Response
May 2020
Executive Summary

- Expenses to improve telework capabilities for public employees to enable compliance with COVID-19 public health precautions.
 - Expenses of providing paid sick and paid family and medical leave to public employees to enable compliance with COVID-19 public health precautions.
 - COVID-19-related expenses of maintaining state prisons and county jails, including as relates to sanitation and improvement of social distancing measures, to enable compliance with COVID-19 public health precautions.
 - Expenses for care for homeless populations provided to mitigate COVID-19 effects and enable compliance with COVID-19 public health precautions.
5. Expenses associated with the provision of economic support in connection with the COVID-19 public health emergency, such as:
- Expenditures related to the provision of grants to small businesses to reimburse the costs of business interruption caused by required closures.
 - Expenditures related to a state, territorial, local, or tribal government payroll support program.
 - Unemployment insurance costs related to the COVID-19 public health emergency if such costs will not be reimbursed by the federal government pursuant to the CARES Act or otherwise.
6. Any other COVID-19-related expenses reasonably necessary to the function of government that satisfy CARES Act eligibility criteria.

The state may also use Coronavirus Relief Fund assistance to meet immediate cash management needs provided that the full amount of the payment is used to cover necessary expenditures.⁵ If the state has not used the Coronavirus Relief Fund assistance it has received to cover costs that were incurred by December 30, 2020, as required by federal law, those funds must be returned to the federal government.

The General Assembly has authorized the Office of Administration (OA) to transfer up to \$750 million in Coronavirus Relief Fund assistance from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. Any transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund prior to

⁵ U.S. Department of the Treasury, *Coronavirus Relief Fund Frequently Asked Questions*, p.8, May 28, 2020, < <https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Frequently-Asked-Questions.pdf>>, accessed May 29, 2020.

Federal Funding for COVID-19 Response
May 2020
Executive Summary

June 30, 2021. In May, the OA transferred \$250 million from the stimulus fund to the General Revenue Fund.

Under the CARES Act, the state has also been awarded as of May 31, 2020, approximately \$2.24 billion of additional or new funding under other various federal grant programs for assistance for public schools, institutions of higher education, and healthcare facilities; child care and family services; health care worker training programs; public health education; expanded telehealth services; and numerous other assistance services or benefits. A significant part of this funding went directly to local governments or the awarded entity. Each grant program has a separate time limit on use of the funding.

The Paycheck Protection Program and Health Care Enhancement Act provides funding to states for expanded COVID-19 testing. Under the act, the state has been awarded approximately \$165 million with some of this funding going directly to rural health departments from the federal government.

In May, the state spent \$581 million from federal COVID-19 assistance (Appendix A). Through the end of May, the state has received \$2.43 billion and spent \$824 million from this assistance. The majority of the state's disbursements have been for MO HealthNet services (\$216 million) and funding passed through to counties and the City of St. Louis (\$521 million). The state will be responsible for monitoring use of the funding it passes through to local governments. Details of the cumulative financial activity by fund are presented in Appendix B and the expenditures by appropriation are presented in Appendix C.

Appendix A

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds May 1, 2020, through May 31, 2020

	Unaudited					
	Beginning Fund Balance	Receipts	Disbursements	Transfers In	Transfers Out	Ending Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 5,254,990	0	1,436,507	0	0	3,818,483
Coronavirus Emergency Supplemental Fund	0	11,631,106	0	0	0	11,631,106
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	0	55,722,998	0	0	0	55,722,998
Department of Elementary and Secondary Education Federal Stimulus Fund	0	19,781,573	14,588,092	0	0	5,193,481
Department of Elementary and Secondary Education Federal Emergency Relief Fund	0	12,875,224	12,875,224	0	0	0
Office of Administration Federal Stimulus Fund	521,241,978	0	520,998,705	0	39,806	203,467
Department of Public Safety Federal Stimulus Fund	2,262,000	0	32,259	0	16,519	2,213,222
State Emergency Management Federal Stimulus Fund ²	1,514,905,130	0	10,888,591	0	250,062,772	1,253,953,767
Department of Corrections Federal Stimulus Fund	11,578,485	0	119,821	0	63,317	11,395,347
Department of Mental Health Federal Stimulus Fund	12,571,967	0	1,949,325	0	1,120,474	9,502,168
Department of Health and Senior Services Federal Stimulus Fund	125,020	18,904,554	17,826,490	0	0	1,203,084
Department of Social Services Federal Stimulus Fund	1,294,500	160,680	633,996	0	59,112	762,072
Department of Labor & Industrial Relations Federal Stimulus Fund	0	224,047	138,967	0	41,127	43,953
Total all Funds	\$ 2,069,234,070	119,300,182	581,487,977	0	251,403,127	1,355,643,148

¹ For the fiscal year ending June 30, 2020, the Secretary of State is using this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. In addition, this fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. However, beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund will be used to account for all COVID-19 receipts (including any remaining balance transferred from the Election Administration Improvements Fund) and related disbursements from July 2020 going forward.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of May, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix B

Federal Funding for COVID-19 Response Receipts, Disbursements, and Fund Balances - Federal COVID-19 Related Funds Cumulative Results through May 31, 2020

	Unaudited				
	Receipts	Disbursements	Transfers In	Transfers Out	Fund Balance
Secretary of State Election Administration Improvements Fund ¹	\$ 7,597,405	3,778,922	0	0	3,818,483
Coronavirus Emergency Supplemental Fund	11,631,106	0	0	0	11,631,106
FMAP (Federal Medical Assistance Percentage) Enhancement Fund	271,496,998	215,774,000	0	0	55,722,998
Department of Elementary and Secondary Education Federal Stimulus Fund	19,781,573	14,588,092	0	0	5,193,481
Department of Elementary and Secondary Education Federal Emergency Relief Fund	12,875,224	12,875,224	0	0	0
Office of Administration Federal Stimulus Fund	521,241,978	520,998,705	0	39,806	203,467
Department of Public Safety Federal Stimulus Fund	2,262,000	32,259	0	16,519	2,213,222
State Emergency Management Federal Stimulus Fund ²	1,539,149,950	35,133,411	0	250,062,772	1,253,953,767
Department of Corrections Federal Stimulus Fund	11,578,485	119,821	0	63,317	11,395,347
Department of Mental Health Federal Stimulus Fund	12,571,967	1,949,325	0	1,120,474	9,502,168
Department of Health and Senior Services Federal Stimulus Fund	19,135,929	17,932,845	0	0	1,203,084
Department of Social Services Federal Stimulus Fund	1,455,180	633,996	0	59,112	762,072
Department of Labor & Industrial Relations Federal Stimulus Fund	224,047	138,967	0	41,127	43,953
Total all Funds	\$ 2,431,001,842	823,955,567	0	251,403,127	1,355,643,148

¹ For the fiscal year ending June 30, 2020, the Secretary of State is using this fund to account for COVID-19 receipts and disbursements and other pre-existing but unrelated activity. The receipts, disbursements, and beginning and ending fund balances listed represent only the COVID-19 activity within this fund. In addition, the fund is excluded from Appendix C because its appropriation authority was established prior to the public health emergency, and thus does not reflect COVID-19 efforts. The Secretary of State receives many federal grants and uses the state accounting system, as it was intended, to account for all grant activity. However, beginning with the fiscal year ending June 30, 2021, the Secretary of State Federal Stimulus Fund will be used to account for all COVID-19 receipts (including any remaining balance transferred from the Election Administration Improvements Fund) and related disbursements from July 2020 going forward.

² The General Assembly has authorized the Office of Administration to transfer up to \$750 million in federal funds from the State Emergency Management Federal Stimulus Fund to the General Revenue Fund for cash management needs. These transferred funds must be repaid to the State Emergency Management Federal Stimulus Fund. As of the end of May, \$250 million has been transferred to the General Revenue Fund.

Source: Statewide Accounting System (SAM II). The appendix is prepared on the cash basis of accounting, which presents amounts when received or disbursed.

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through May 31, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
CORONAVIRUS EMERGENCY SUPPLEMENTAL FUND			
Department of Public Safety (DPS) - Office of the Director - Coronavirus Emergency Supplemental Fund grants - personal service	\$ 675,494	0	675,494
DPS - Office of the Director - Coronavirus Emergency Supplemental Fund grants - expense and equipment	10,758,773	0	10,758,773
Total Coronavirus Emergency Supplemental Fund	11,434,267	0	11,434,267
FMAP (FEDERAL MEDICAL ASSISTANCE PERCENTAGE) ENHANCEMENT FUND			
Department of Social Services (DSS) - MO HealthNet Division - Medicare Part D Clawback payments	100,000,000	0	100,000,000
DSS - MO HealthNet Division - payment to comprehensive prepaid health care plans as provided by federal or state law or for payments to programs authorized by the Frail Elderly Demonstration Project Waiver as provided by the Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508, Section 4744) and by Section 208.152 (16), RSMo, provided that the department shall implement programs or measures to achieve cost-savings through emergency room services reform, and further provided that MO HealthNet eligibles described in Section 501(a)(1)(D) of Title V of the Social Security Act may voluntarily enroll in the Managed Care Program.	250,000,000	215,774,000	34,226,000
Total FMAP Enhancement Fund	350,000,000	215,774,000	134,226,000
DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) FEDERAL STIMULUS FUND			
Free public schools - all expenditures	1,515,839,292	0	1,515,839,292
School Nutrition Services Program - reimbursements to schools for school food programs	117,552,821	14,588,092	102,964,729
Total DESE Federal Stimulus Fund	1,633,392,113	14,588,092	1,618,804,021
DESE FEDERAL EMERGENCY RELIEF FUND			
Distributions to free public schools under the Coronavirus Aid, Relief, and Economic Security (CARES) Act	300,000,000	12,875,224	287,124,776
Total DESE Federal Emergency Relief Fund	300,000,000	12,875,224	287,124,776

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 through May 31, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
DEPARTMENT OF HIGHER EDUCATION AND WORKFORCE DEVELOPMENT (DHEWD)			
FEDERAL STIMULUS FUND			
Crowder College	1,718,186	0	1,718,186
Crowder College - maintenance and repair	65,732	0	65,732
Crowder College - equity	133,645	0	133,645
East Central College	1,622,326	0	1,622,326
East Central College - maintenance and repair	47,965	0	47,965
East Central College - equity	126,188	0	126,188
Jefferson College	2,326,275	0	2,326,275
Jefferson College - maintenance and repair	114,448	0	114,448
Jefferson College - equity	180,943	0	180,943
Metropolitan Community College	9,402,075	0	9,402,075
Metropolitan Community College - maintenance and repair	395,635	0	395,635
Metropolitan Community College - equity	731,315	0	731,315
Mineral Area College	1,691,577	0	1,691,577
Mineral Area College - maintenance and repair	68,720	0	68,720
Mineral Area College - equity	131,575	0	131,575
Moberly Area Community College	1,904,480	0	1,904,480
Moberly Area Community College - maintenance and repair	45,518	0	45,518
Moberly Area Community College - equity	148,135	0	148,135
North Central Missouri College	811,508	0	811,508
North Central Missouri College - maintenance and repair	16,606	0	16,606
North Central Missouri College - equity	63,121	0	63,121
Ozarks Technical Community College	4,398,254	0	4,398,254
Ozarks Technical Community College - maintenance and repair	68,116	0	68,116
Ozarks Technical Community College - equity	342,106	0	342,106
St. Charles Community College	2,760,428	0	2,760,428

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 through May 31, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
St. Charles Community College - maintenance and repair	63,893	0	63,893
St. Charles Community College - equity	214,713	0	214,713
St. Louis Community College	12,960,637	0	12,960,637
St. Louis Community College - maintenance and repair	473,822	0	473,822
St. Louis Community College - equity	1,008,108	0	1,008,108
State Fair Community College	1,858,709	0	1,858,709
State Fair Community College - maintenance and repair	64,102	0	64,102
State Fair Community College - equity	144,575	0	144,575
Three Rivers College	1,588,805	0	1,588,805
Three Rivers College - maintenance and repair	41,015	0	41,015
Three Rivers College - equity	123,581	0	123,581
State Technical College of Missouri	2,010,124	0	2,010,124
University of Central Missouri	18,446,119	0	18,446,119
Southeast Missouri State University	15,293,156	0	15,293,156
Missouri State University	31,333,687	0	31,333,687
Lincoln University	5,859,958	0	5,859,958
Lincoln University - land grant match	1,296,773	0	1,296,773
Truman State University	13,886,774	0	13,886,774
Northwest Missouri State University	10,395,373	0	10,395,373
Missouri Southern State University	8,010,414	0	8,010,414
Missouri Western State University	7,415,585	0	7,415,585
Harris-Stowe State University	3,487,087	0	3,487,087
University of Missouri	138,745,625	0	138,745,625
Total DHEWD Federal Stimulus Fund	304,037,512	0	304,037,512
DHEWD FEDERAL EMERGENCY RELIEF FUND			
Distributions to institutions of higher education under the CARES Act	200,000,000	0	200,000,000
Total DHEWD Federal Emergency Relief Fund	200,000,000	0	200,000,000

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through May 31, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
MISSOURI DEPARTMENT OF TRANSPORTATION (MoDOT) FEDERAL STIMULUS FUND			
Transit Program - grants to non-urbanized areas under Sections 5311 and 5340, Title 49, United States Code	20,000,000	0	20,000,000
Aviation Program - construction, capital improvements, or planning of publicly owned airfields by cities or other political subdivisions, including land acquisition, pursuant to provisions of the state Block Grant Program administered through the Federal Airport Improvement Program	1,000,000	0	1,000,000
Total MoDOT Federal Stimulus Fund	21,000,000	0	21,000,000
OFFICE OF ADMINISTRATION (OA) FEDERAL STIMULUS FUND			
Distribution of federal funds to units of local government as provided in the CARES Act	1,071,000,000	520,925,478	550,074,522
Division of Facilities Management, Design and Construction - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	316,500	68,500	248,000
Information Technology Services Division - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	16,000	5,000	11,000
Total OA Federal Stimulus Fund	1,071,332,500	520,998,978	550,333,522
DEPARTMENT OF PUBLIC SAFETY (DPS) FEDERAL STIMULUS FUND			
Missouri Veterans Commission - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	2,262,000	32,500	2,229,500
Total DPS Federal Stimulus Fund	2,262,000	32,500	2,229,500
STATE EMERGENCY MANAGEMENT FEDERAL STIMULUS FUND			
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - state agency disasters	1,253,200,000	34,678,839	1,218,521,161
Expenses of any state agency responding during a declared emergency at the direction of the governor provided the services furnish immediate aid and relief - alternate treatment facility personal service	35,000,000	572,674	34,427,326

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through May 31, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
Funds to compensate all Nursing Homes for an additional amount of \$24.88 per Medicaid patient per day as long as Missouri or the United States remain in the current emergency declaration, and to compensate any Nursing Home that has an active COVID-19 case for an additional \$19.63 per Medicaid patient per day during the period in which a nursing home has at least one confirmed positive COVID-19 test on the premises. The total increase shall not exceed \$44.51 per Medicaid patient per day and shall be effective on March 1, 2020.	90,000,000	0	90,000,000
All allotments, grants, and contributions from federal and other sources that are deposited in the State Treasury for administrative and training expenses of the State Emergency Management Agency and for first responder training programs	1,800,000	0	1,800,000
Emergency assistance expenses as provided in Section 44.032, RSMo	10,000,000	0	10,000,000
Total State Emergency Management Federal Stimulus Fund	1,390,000,000	35,251,513	1,354,748,487
DEPARTMENT OF CORRECTIONS (DOC) FEDERAL STIMULUS FUND			
Division of Human Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	11,578,485	121,500	11,456,985
Total DOC Federal Stimulus Fund	11,578,485	121,500	11,456,985
DEPARTMENT OF MENTAL HEALTH (DMH) FEDERAL STIMULUS FUND			
Office of the Director - personal service	75,000	0	75,000
Office of the Director - expense and equipment	5,000,000	0	5,000,000
Division of Behavioral Health - suicide prevention initiatives - expense and equipment	900,000	0	900,000
Division of Developmental Disabilities - community program funding, provided that residential services for non-Medicaid eligibles shall not be reduced below the prior year expenditures as long as the person is evaluated to need services - expense and equipment	15,364,800	0	15,364,800
Office of the Director - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	8,175,000	1,957,750	6,217,250
Office of the Director - Emergency COVID-19 Directed Treatment Services Program - expense and equipment	2,000,000	0	2,000,000
Total DMH Federal Stimulus Fund	31,514,800	1,957,750	29,557,050

Appendix C

Federal Funding for COVID-19 Response
Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds
Fiscal Year 2020 through May 31, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
DEPARTMENT OF HEALTH AND SENIOR SERVICES (DHSS) FEDERAL STIMULUS FUND			
Division of Community and Public Health - community health programs funding and related expenses	671,000	0	671,000
Division of Community and Public Health - Office of Emergency Coordination - personal service, provided that ten percent (10%) flexibility is allowed from personal service to expense and equipment	445,516	0	445,516
Division of Community and Public Health - Office of Emergency Coordination - expense and equipment and program distribution, provided that ten percent (10%) flexibility is allowed from personal service to expense and equipment	32,556,018	164,869	32,391,149
Division of Community and Public Health - Office of Rural Health and Primary Care - expense and equipment	4,500,000	0	4,500,000
Division of Senior and Disability Services - funds for supportive services and meals to be distributed to each Area Agency on Aging - expense and equipment	25,000,000	2,179,384	22,820,616
Division of Community and Public Health - medications	1,620,000	0	1,620,000
Child nutrition and commodity assistance programs	30,062,065	16,178,336	13,883,729
Total DHSS Federal Stimulus Fund	94,854,599	18,522,589	76,332,010
DEPARTMENT OF SOCIAL SERVICES (DSS) FEDERAL STIMULUS FUND			
Family Support Division - Emergency Solutions Grant Program payments	30,000,000	0	30,000,000
Family Support Division - Food Distribution Program and the receipt and disbursement of donated food program payments	4,326,000	160,680	4,165,320
Family Support Division - grants to not-for-profit organizations for service and programs to assist victims of domestic violence	528,000	0	528,000

Appendix C

Federal Funding for COVID-19 Response Statement of Appropriations and Expenditures - Federal COVID-19 Related Funds Fiscal Year 2020 through May 31, 2020

	Unaudited		
	Appropriation Authority*	Expenditures	Remaining Balance
Children's Division - child care services to provide immediate financial assistance to child care providers to prevent them from going out of business and to support child care for families, including healthcare workers, first responders, and other professionals in critical roles during the COVID-19 pandemic, the general administration of the programs, including development and implementation of automated systems to enhance time, attendance reporting, contract compliance and payment accuracy, and to support the Educare Program	20,000,000	476,760	19,523,240
Division of Youth Services - pandemic stipend to state employees providing direct care and support to institutionalized individuals during the COVID-19 public health emergency	1,294,500	107,500	1,187,000
Total DSS Federal Stimulus Fund	56,148,500	744,940	55,403,560
DEPARTMENT OF ECONOMIC DEVELOPMENT (DED) FEDERAL STIMULUS FUND			
Business and Community Solutions Division - Community Development Block Grant Program - projects awarded on or after July 1, 2019, provided no funds shall be expended at higher education institutions not headquartered in Missouri for purposes of accreditation	20,000,000	0	20,000,000
Total DED Federal Stimulus Fund	20,000,000	0	20,000,000
DEPARTMENT OF LABOR & INDUSTRIAL RELATIONS (DOLIR) FEDERAL STIMULUS FUND			
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - personal service	1,000,000	79,644	920,356
Administration of unemployment benefits made available under the Families First Coronavirus Response Act and CARES Act - expense and equipment	700,000	59,325	640,675
OA - Information Technology Services Division - for DOLIR - expense and equipment	200,000	0	200,000
Total DOLIR Federal Stimulus Fund	1,900,000	138,969	1,761,031
Total All Funds	\$ 5,499,454,776	821,006,055	4,678,448,721

* The appropriation authority is the maximum amount that may be expended for the purpose as documented and approved through appropriations bills.

Source: Statewide Accounting System (SAM II). The appendix is presented on the state's legal budgetary basis of accounting that records expenditures when the liabilities are recorded, rather than when cash is disbursed.



Nicole Galloway, CPA

Missouri State Auditor

Review of Article X,
Sections 16 Through 24,
Constitution of Missouri
Year Ended June 30, 2019

Report No. 2020-035

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Conclusions in the review of Article X, Sections 16 through 24

Background

The Constitution of Missouri was amended in 1980 to add Article X, Sections 16 through 24, commonly referred to as the Hancock Amendment. This tax limitation amendment places restrictions on the amount of personal income used to fund state government, and the amount by which fees and taxes can be increased. Mathematical formulas are used by the Office of Administration, Division of Budget and Planning (OA-BP) to determine the relevant threshold amounts each year.

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people.

Section 18(e) requires voter approval before taxes or fees can be increased by the General Assembly beyond a certain annual limit. Based upon the calculation provided by the OA-BP, the relevant annual revenue limit for fiscal year 2019 was \$105 million.

Fiscal Year 2019 Conclusions

For the year ended June 30, 2019, total state revenue was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999.

In addition, the OA-BP determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. The projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Because of the nature of this review, no rating is provided.

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	4
-------------------	---

Background, Methodology, and Conclusions	6
---	---

Appendixes

Appendix

A	Schedule of Total State Revenue, 5 Years Ended June 30, 2019.....	13
B	Schedule of Expenditure Refunds, 5 Years Ended June 30, 2019.....	20
C	Total State Revenue Exclusions	21
D	Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types, 5 Years Ended June 30, 2019.....	29
E	Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996)	32



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Sarah H. Steelman, Commissioner
Office of Administration
Jefferson City, Missouri

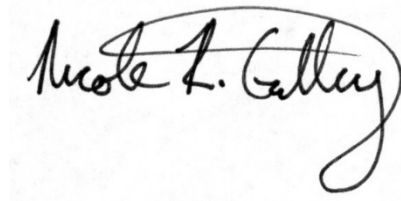
We have conducted a review of revenues of the state of Missouri for the year ended June 30, 2019, and the application to those revenues of Article X, Sections 16 through 24, Missouri Constitution, more commonly referred to as the Hancock Amendment (included as an Appendix). We previously reported on revenues of the state for the years ended June 30, 1982 through 2018. The amendment, which was adopted by the voters of Missouri on November 4, 1980, limits the growth of state revenues collected in any fiscal year. The objectives of this review were to:

1. Evaluate the formulas to calculate the state's revenue limits.
2. Determine the specific items included in total state revenue.
3. Verify the accuracy of the revenue limit computations and compare the limits to total state revenue and projected tax and fee increases from legislative actions.
4. Review the state's overall compliance with the provisions of the amendment.

Our review included only the application of the revenue limit to state revenues and, accordingly, did not include a review of the effects of the amendment on any local governmental unit.

Our methodology to accomplish these objectives included discussions with personnel of the Office of Administration, Division of Budget and Planning, inspecting relevant records and reports compiled by that office, and reviewing data and reports from the statewide accounting system.

The Executive Summary and the Background, Methodology, and Conclusions present our comments and conclusions concerning the state's overall compliance with the provisions of Article X, Sections 16 through 24, Missouri Constitution.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kim Spraggs, CPA, CGAP
Audit Manager:	Josh Allen, CPA, CFE, CGAP
Audit Staff:	Kristin A. Clink, MBA

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Executive Summary

Executive Summary

The amendment, commonly referred to as the Hancock Amendment, limits annual state revenues, and tax and fee increases.

Total State Revenue (TSR) Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires no greater portion of Missourians' personal income (MPI) be used in any future year to fund state government than was the case in fiscal year 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

For the year ended June 30, 2019, total state revenue (TSR) was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999. Over the last 5 years, the amount of TSR under the refund threshold has ranged from \$3.9 billion to \$4.5 billion.

Tax and fee increases Section 18(e)

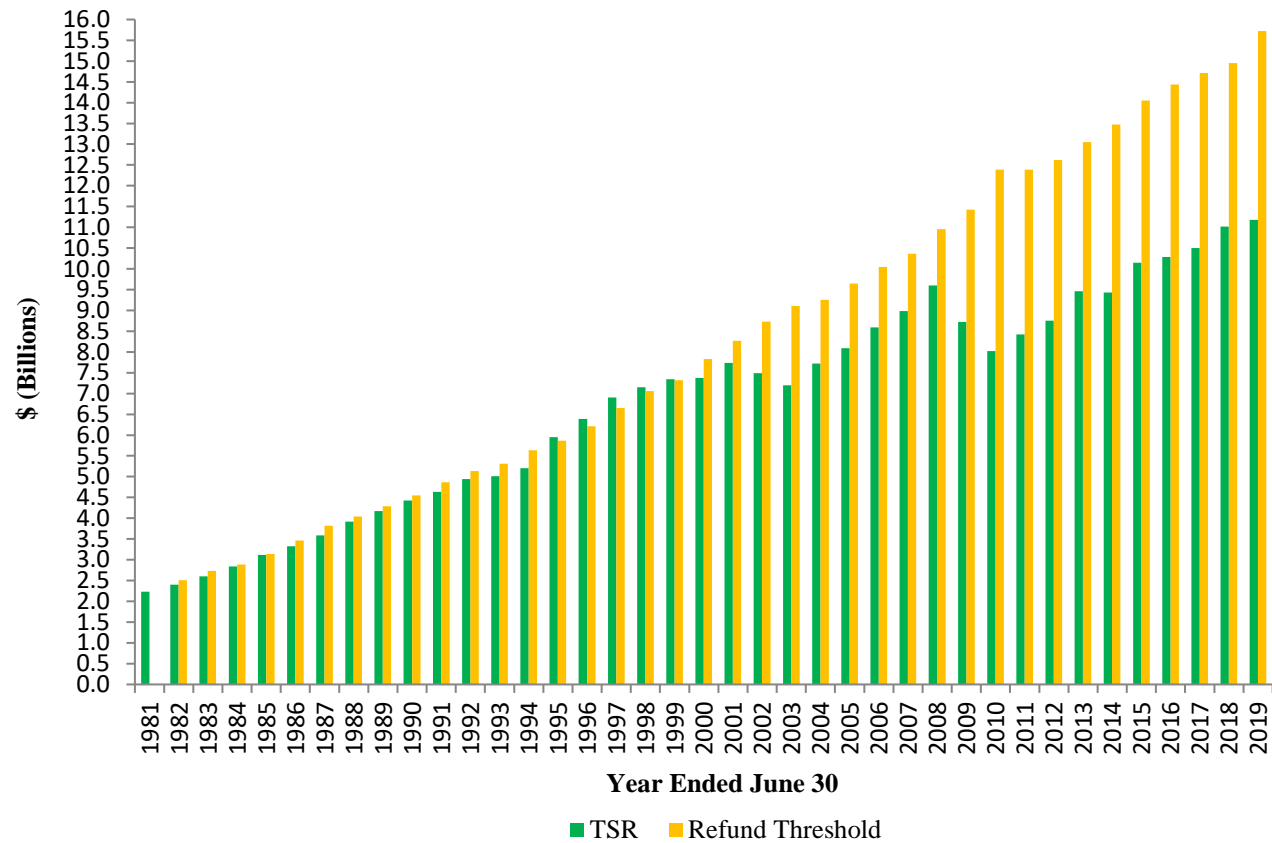
Section 18(e) of the Hancock Amendment states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less.

For the year ended June 30, 2019, the Office of Administration, Division of Budget and Planning (OA-BP) determined based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. The projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit is determined by measuring the aggregate actual new annual revenues produced in the first fiscal year each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

A bar graph of TSR compared to the refund threshold follows:

Review of Article X, Sections 16 through 24,
Constitution of Missouri
Graph of Total State Revenue Versus Refund Threshold



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

On November 4, 1980, the voters of Missouri passed Constitutional Amendment No. 5, which added Article X, Sections 16 through 24 to the Constitution of Missouri. The amendment is commonly referred to as the Hancock Amendment.

This review addresses the components of the amendment that relate to state revenues, primarily the requirements outlined in Section 18(a-d) which limit annual state revenues and Section 18(e) which limits tax and fee increases.

Total State Revenue Section 18(a-d)

Section 18(a-d) of the Hancock Amendment requires annual total state revenue limits. The amendment limits the amount of personal income that may be used to fund state government to no greater than the portion used to do so in 1981, except as authorized by a vote of the people. The amendment provides for taxpayer refunds of excess revenues.

The Office of Administration, Division of Budget and Planning (OA-BP) calculates annual total state revenue (TSR), revenue limits, refund thresholds, and refund amounts.

Calculation

The following table summarizes the calculated TSR, revenue limits, refund thresholds, and refund calculations for the 5 years ended June 30, 2019.

	Year Ended June 30,				
	2015	2016	2017	2018	2019
	(in millions)				
TOTAL STATE REVENUE (TSR)					
Total revenues	\$ 25,845.98	26,737.22	27,249.91	28,525.80	28,560.83
Less excluded revenue	(14,442.15)	(15,019.33)	(15,326.03)	(16,087.60)	(16,042.97)
Less expenditure refunds	(1,278.49)	(1,459.78)	(1,474.61)	(1,480.78)	(1,391.94)
Add refundable tax credits	24.22	29.83	53.62	56.15	56.11
TSR	\$ 10,149.56	10,287.94	10,502.89	11,013.57	11,182.03
 Missouri personal income (MPI)	 \$ 245,771.39	 252,482.44	 257,338.33	 261,547.77	 274,975.80
Base year ratio (BYR)	x 0.056395	0.056395	0.056395	0.056395	0.056395
Base limit	13,860.28	14,238.75	14,512.60	14,749.99	15,507.26
Judicial article amendment	52.42	52.70	53.75	55.90	56.46
Revenue limit	13,912.70	14,291.45	14,566.35	14,805.89	15,563.72
1 percent adjustment	139.13	142.91	145.66	148.05	155.64
Refund threshold	\$ 14,051.83	14,434.36	14,712.01	14,953.94	15,719.36
 TSR	 \$ 10,149.56	 10,287.94	 10,502.89	 11,013.57	 11,182.03
Less refund threshold	14,051.83	14,434.36	14,712.01	14,953.94	15,719.36
Over (under) threshold	(3,902.27)	(4,146.42)	(4,209.12)	(3,940.37)	(4,537.33)
1 percent adjustment	0.00	0.00	0.00	0.00	0.00
Refund	\$ 0.00	0.00	0.00	0.00	0.00



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The calculation shows for the year ended June 30, 2019, TSR was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999.

Revenue limit formula

The OA-BP calculated the 1981 base year ratio of personal income to TSR as 5.6 percent, and uses this ratio to calculate the annual revenue limit.

Section 18(a) establishes the revenue limit formula as follows:

$$\begin{array}{lcl} \text{Revenue limit} & \text{Total state revenue (TSR)} & \text{The greater of MPI in the} \\ \text{for fiscal year} & \text{in FY 1981} & \text{calendar year (CY) prior} \\ \text{(FY) 20XX} = & \frac{\text{CY 1979 Missouri}}{\text{personal income (MPI)}} & \text{to the CY in which} \\ & & \text{appropriations are made} \\ & & \text{for FY 20XX or Average} \\ & & \text{MPI for 3 CYs preceding} \\ & & \text{FY 20XX.} \end{array} \times$$

The formula is composed of two principal parts. The first part of the formula, the base year ratio (BYR), is as follows:

$$\frac{\text{TSR in FY 1981}}{\text{CY 1979 MPI}}$$

The application of this ratio to the second part of the formula (future years' MPI) sets the revenue limit to ensure no greater portion of a future year's personal income will be used to fund state government than was the case at the time of passage of the amendment.

The MPI amounts used in the formula for the base year and subsequent years are reported by the U.S. Department of Commerce (DOC). The OA-BP uses the MPI first officially published by the DOC after the close of the calendar year to calculate the revenue limit for the applicable fiscal year. The OA-BP does not adjust the MPI used in the BYR or the second part of the formula for subsequent adjustments to the MPI by the DOC. Section 17(2) refers to "... total income . . . as defined and officially reported by" the DOC. Even though the amendment does not specifically refer to such adjustments, this wording suggests the revenue limit should be recalculated each time the MPI is adjusted by the DOC. For example, the BYR would be adjusted whenever the CY 1979 MPI is adjusted by the DOC. The use of the initial reporting of MPI provides at least two benefits. First, by having a consistent and unchanging BYR, the state can more easily plan and make appropriate adjustments to stay under the revenue limit. Second, if the initial MPI is subsequently adjusted, retroactive refunds are a possibility. That is, an adjustment to MPI for any prior year (including the base year) could reduce the revenue limit for a prior year below that year's TSR, providing a refund where one previously was not due. Therefore, we find this approach reasonable if it is followed consistently.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The BYR was calculated by the OA-BP as follows (dollar amounts are in millions):

$$\frac{\$ 2,232.204096}{\$ 39,581.0} = .05639584891$$

In its calculations of the revenue limit, the OA-BP rounded the BYR to .056395. To determine the revenue limit for the fiscal year, this amount is multiplied by the MPI in the calendar year preceding the calendar year in which appropriations were made for the fiscal year or the average MPI for the 3 calendar years preceding the fiscal year. For the fiscal year 2019 revenue limit calculation, the OA-BP used the CY 2017 MPI which was greater than the average MPI for the preceding 3 calendar years.

Adjustments

Section 18(d) provides the revenue limit may be adjusted, "[i]f responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, . . . provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such a change."

The OA-BP has adjusted the revenue limit for the transfer of deputy circuit clerks from the county payroll to the state payroll under Section 483.245, RSMo, effective on July 1, 1981. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that this adjustment to the revenue limit is appropriate.

Refund threshold

Section 18(b) allows the state to exceed the revenue limit by less than 1 percent before a refund is due. Therefore, to determine the point at which the refund provision takes effect (the refund threshold) the revenue limit is adjusted upward by 1 percent. However, should TSR exceed the refund threshold, all revenues in excess of the revenue limit are subject to refund.

TSR

An integral part in applying the provisions of the amendment to state revenues is to determine what constitutes TSR. The amendment does not specify the methodology to be used to determine TSR. Consequently, procedures to calculate TSR have been established and certain decisions as to items that would be either included or excluded have been made, except for items ruled on by the Attorney General or the Missouri courts.

TSR includes all revenues recorded in the Statewide Accounting System for Missouri (SAM II) and receipted by the state treasurer, which may only be withdrawn pursuant to an appropriation or which stand appropriated by the Constitution of Missouri. Various funds not in the state treasury are not included in TSR. These funds include university local funds; Department of



Review of Article X, Sections 16 Through 24, Constitution of Missouri Background, Methodology, and Conclusions

Revenue local sales and use tax fund collections; various funds held in trust for inmates, patients, etc.; and funds of various quasi-governmental agencies such as the Board of Public Buildings, the Housing Development Commission, the Higher Education Loan Authority, the Health and Educational Facilities Authority, and the state's retirement systems. The Hancock Amendment states the composition of TSR is, "defined in the budget message of the governor for fiscal year 1980-81." The funds described above were not addressed in the governor's budget message for that year since the funds were not in the state treasury and not appropriated. Thus, it is reasonable to conclude these funds should not be included in TSR.

From the revenue amounts obtained from SAM II, 8 funds are entirely excluded and 26 types of revenues are excluded to arrive at TSR, as defined in Section 17(1). These excluded funds and revenue types, and other exclusions and limits considered to arrive at TSR are described at Appendix C. A detailed schedule of SAM II revenue, adjustments for excluded funds and revenue types and other exclusions and limits, and resulting TSR for the 5 years ended June 30, 2019, is shown at Appendix A.

Tax and Fee Increases Section 18(e)

A 1996 amendment added Section 18(e) to the Hancock Amendment, which imposes an additional revenue limit on tax and fee increases.

Section 18(e) states the general assembly shall not increase taxes or fees in any fiscal year, without voter approval, that in total produce new annual revenues greater than \$50 million adjusted annually by the percentage change in the personal income of Missouri for the second previous year, or 1 percent of TSR for the second fiscal year prior to the general assembly's action, whichever is less. Sections 18(e) and 23 provide any taxpayer can bring suit in a court of law to enforce the provisions of the Hancock Amendment.

The OA-BP calculates the limits and monitors new legislation for tax and fee increases and decreases for each legislative session.

Calculation

The following table summarizes the OA-BP's annual projected net increases/decreases from legislative actions based on fiscal notes prepared for each bill by the Committee on Legislative Research - Oversight Division, calculated revenue limits, and projected amounts over/under revenue limits for the 5 years ended June 30, 2019.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

		Year Ended June 30,				
		2015	2016	2017	2018	2019
LEGISLATIVE ACTIONS*						
Net tax and fee increases/decreases	\$	(20,823,150)	Up to 127,712,253	2,272,090	At least (41,321,078)	(61,210,754)
REVENUE LIMIT						
By MPI growth	\$	115,701,458	117,529,541	120,291,485	123,479,209	128,134,375
By 1 percent of TSR	\$	94,623,204	94,283,895	101,495,508	102,879,357	105,028,851
Revenue limit (lesser amount)	\$	94,623,204	94,283,895	101,495,508	102,879,357	105,028,851
DIFFERENCE						
Over (under) limit	\$	N/A	Up to 33,428,358	(99,223,418)	N/A	N/A

* Legislative action amounts do not include bills for which Section 18(e) fiscal impact could not be projected.

N/A For fiscal years 2015, 2018, and 2019, the projections showed a net decrease in taxes and fees.

For the year ended June 30, 2019, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. As noted in the Legislative actions section, the projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected. As noted in the Compliance section, actual compliance can be determined after each bill is fully effective. The 2016 legislative session was the only year the limit has been projected to be exceeded.

Revenue limit formula

Section 18(e) establishes the revenue limit as the lesser of (1) \$50 million adjusted annually by the percentage change in MPI for the second previous year, or (2) 1 percent of TSR for the second fiscal year prior to the legislative session.

For fiscal year 2019, the OA-BP calculated the MPI growth limit at \$128.1 million by multiplying the fiscal year 2018 MPI growth limit (\$123.5 million) by the percentage change in the MPI for fiscal year 2017 (3.77 percent). The OA-BP calculated the TSR limit at \$105 million by multiplying the fiscal year 2017 TSR (\$10.5 billion) by 1 percent. The revenue limit was established at the lessor of these amounts, or the TSR limit of \$105 million.

Legislative actions

After each legislative session, OA-BP personnel prepare a spreadsheet to quantify the potential fiscal impact of tax and fee increases and decreases from legislation enacted during the session. In accordance with Section 18(e), the OA-BP includes each House Bill and Senate Bill truly agreed and finally passed during the session, except bills vetoed by the governor and not overridden by the general assembly, and the estimated fiscal impact amount.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

The OA-BP determines estimated Section 18(e) fiscal impact amounts by compiling information and amounts in fiscal notes for each bill. The fiscal notes are prepared by the Oversight Division with input from state agencies and local political subdivisions. In accordance with Section 18(e), the OA-BP compiles an amount for the first fiscal year the bill is fully effective. For most bills with Section 18(e) fiscal impact, the OA-BP determines an increase or decrease amount based on information in the fiscal note. For some bills, the fiscal note indicates the fiscal impact is "unknown." Accordingly, the OA-BP lists "unknown," rather than a dollar amount, in the legislative actions spreadsheet for these bills. OA-BP personnel indicated they did not attempt to develop a more precise estimate for this calculation because in some cases, it is not possible to quantify the potential impact of the legislation. The legislative actions spreadsheet contains a net total tax and fee increase/decrease for all bills combined. That information is compared to the calculated revenue limit to determine potential Section 18(e) compliance. The netting of the tax and fee increases and decreases is reasonable and in compliance with the amendment language.

The OA-BP legislative actions spreadsheet for the fiscal year 2019 legislative session included 71 bills, 22 of which the OA-BP determined had potential Section 18(e) fiscal impact. For 4 of these bills the Section 18(e) fiscal impact could not be projected.

Compliance

Section 18(e)(4) provides compliance with Section 18(e) shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year each individual tax or fee change is fully effective. For the fiscal year 2019 legislative session, actual compliance can be measured after each 2019 legislative session bill is fully effective.

Section 18(e)(5) provides any taxpayer or statewide elected official may bring action under Section 23 of the Hancock Amendment to enforce compliance with the provisions of Section 18(e). For actions brought by any statewide elected official, the Missouri Supreme Court has original jurisdiction. In such enforcement actions, the court will invalidate the taxes and fees that should have received a public vote. The court will order remedies in the amount of excess revenues collected, such as refunds or reductions in future taxes and/or fees.

Conclusions

TSR

For the year ended June 30, 2019, TSR was approximately \$4.5 billion under the refund threshold. As a result, no refund is due for the year ended June 30, 2019. This revenue limit has not been exceeded since the year ended June 30, 1999.

Tax and Fee Increases

For the year ended June 30, 2019, the OA-BP determined based on fiscal notes prepared for each bill by the Oversight Division, as a result of general



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Background, Methodology, and Conclusions

assembly legislative actions, net taxes and fees could decrease by a total of \$61.2 million. The projected net decrease does not include 4 bills for which the Section 18(e) fiscal impact could not be projected.

Actual compliance with the Section 18(e) revenue limit can be determined after each tax and fee increase and decrease is fully effective. Since Section 18(e) was added to the Hancock Amendment in 1996, the 2016 legislative session was the only year the limit has been projected to be exceeded.

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1001	Sales and use tax	\$ 2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091
1003	(8) Parks sales and use tax	44,211,573	46,171,505	46,830,973	47,830,741	48,374,039
1005	(7) Soil and water sales and use tax	44,211,575	46,171,508	46,830,977	47,830,649	48,373,824
1007	General revenue reimbursements - local sales and use tax	2,749,261	2,228,574	2,664,200	2,730,254	3,019,051
1009	(24) Motor vehicle sales tax - Amendment 3	287,525,910	300,926,757	317,332,358	322,920,915	314,346,167
1009	Motor vehicle sales tax	5,060,318	4,722,745	5,401,164	5,203,111	6,050,460
1011	(16) Conservation sales and use tax	110,528,741	115,429,774	117,077,413	119,568,141	120,934,964
1013	(2) Proposition C sales and use tax	868,206,165	906,517,715	918,927,877	938,175,451	949,839,137
1015	Sales and use taxes paid under protest	252,144	248,449	1,079,334	36,894	7,580
1016	(26) Suspense holding	-	-	-	58,298	40,014
1022	Individual income tax	6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497	7,654,451,494
1024	Individual income taxes paid under protest	6,927	-	-	-	-
1026	Corporate income tax	525,403,403	466,496,555	432,357,927	459,482,248	524,941,269
1028	Corporate income taxes paid under protest	1,155,831	-	-	-	-
1033	County foreign insurance tax	239,393,674	247,446,081	280,592,925	310,095,430	293,426,981
1037	Worker's compensation insurance tax	17,199,724	17,156,163	16,720,052	17,416,920	16,976,319
1039	Worker's compensation insurance tax - second injury	90,502,981	106,107,160	101,791,431	102,703,123	99,505,372
1041	Excess lines of insurance tax	29,713,178	30,024,860	33,455,598	34,308,445	35,890,349
1049	Heavy beer tax	7,708,889	7,798,378	7,666,892	7,437,210	7,517,441
1053	Liquor tax	22,476,067	22,844,443	24,012,395	25,088,295	25,892,501
1055	Wine tax	6,023,763	6,205,469	6,184,019	6,405,925	6,317,328
1057	Cigarette tax	81,745,445	83,685,975	79,873,777	75,939,169	72,927,231
1059	Tobacco product tax	17,691,619	19,434,019	20,516,652	21,468,711	21,938,400
1060	(24) Motor vehicle fuel tax - Amendment 3	146,461,013	153,104,463	152,531,806	154,945,469	152,388,593
1060	(3) Motor vehicle fuel tax	165,022,444	172,484,819	171,758,978	174,486,338	171,609,379
1060	Motor vehicle fuel tax	393,296,159	400,332,970	410,393,007	399,068,251	412,515,607
1062	(24) Special fuel non-gas tax - Amendment 3	128,680	108,038	109,013	124,213	111,570
1062	Special fuel non-gas tax	566,554	944,100	502,526	295,570	376,208
1064	Aviation fuel tax	252,969	257,088	257,653	258,963	259,216
1070	Corporation franchise tax	32,211,295	19,512,409	2,743,150	2,240,048	1,614,811
1073	Estate tax	92,215	56,183	55,785	54,413	7,631
1074	(12) Bingo tax	1,770,286	1,705,122	1,751,736	1,452,759	1,533,143
1076	(13) Gaming commission gross receipts tax	320,386,965	323,585,514	324,262,046	328,396,438	327,393,773
1080	Real and personal property tax	27,568,831	28,189,016	28,830,339	29,703,452	31,102,787
1082	Delinquent real and personal property tax	2,696,733	2,702,974	2,811,753	3,562,473	2,918,029
1084	Hazardous waste fees	2,321,743	2,331,512	2,721,071	2,875,184	2,834,576
1086	Miscellaneous taxes protested	536	-	-	-	-
1088	Nursing facility reimbursement allowance	18,022,997	20,891,666	19,522,237	18,238,114	17,955,464
1089	Pharmacy reimbursement allowance	87,807,243	95,736,817	87,380,822	108,168,401	93,338,044
1090	Federal reimbursement allowance	15,380,839	15,806,286	15,567,989	26,077,730	21,750,434
1093	Athletic events tax	129,711	154,464	232,140	111,792	109,556
1094	Ambulance service reimbursement allowance	7,894,871	7,863,496	9,781,742	11,366,127	10,637,791
1095	Surcharges	140,769	132,698	105,605	14,729	-
1097	Agency collected sales taxes	214,314	216,632	204,114	218,335	217,485
1098	Telecommunications tax	28	-	7,512,046	-	-
1099	Other taxes	44,349	91,624	77,086	75,374	55,328
1100	Professional licenses or permits	29,225,729	26,707,324	28,140,106	24,242,068	30,634,356
1102	Recreational licenses or permits	5,927,972	6,324,511	6,977,269	7,109,470	7,047,875
1106	(24) Motor vehicle licenses or permits - Amendment 3	54,865,114	55,461,349	56,738,706	57,150,515	55,843,654
1106	Motor vehicle licenses or permits	125,787,801	131,250,543	134,957,753	136,690,431	143,127,287
1108	(24) Interstate transportation licenses or permits - Amendment 3	24,046,211	25,644,751	23,865,121	25,801,301	26,631,965
1108	Interstate transportation licenses or permits	53,343,143	56,630,383	52,754,737	57,069,595	60,057,681
1110	(24) Driver's licenses or permits - Amendment 3	8,692,977	8,195,615	7,363,142	8,105,039	7,685,988
1110	Driver's licenses or permits	7,461,353	7,165,485	6,391,039	7,439,702	6,926,116
1112	Land reclamation commission permits	549,999	586,109	673,840	757,262	771,316
1114	Salesman licenses or permits	841,500	1,024,810	1,343,560	1,486,950	1,378,800
1116	Vehicle and boat manufacturer and dealer licenses	875,649	906,202	944,410	938,393	879,887
1118	Liquor licenses or permits	5,122,020	5,358,359	5,303,962	5,476,918	5,616,612
1120	Gaming commission licenses	1,633,790	1,992,445	2,024,787	1,882,525	1,582,397
1121	Fantasy sports licenses	-	-	23,446	43	28,999
1124	Motor carrier licenses	2,961,695	2,492,555	2,294,927	2,384,911	2,368,584
1126	Hunting and fishing licenses and commission permits	31,788,573	33,011,845	31,988,432	32,628,927	31,809,260
1127	Hunting and fishing special tags	1,038,386	1,356,543	1,094,487	1,063,441	1,125,089
1128	Hazardous waste transporter licenses	335,378	343,769	327,114	318,958	324,105
1130	Water pollution control permits	4,715,396	5,494,736	5,859,232	5,501,402	5,436,904
1132	(24) Overdimension/overweight permits - Amendment 3	9,277,614	9,563,794	9,377,774	9,565,985	9,774,441
1134	Merchant licenses	1,578,713	1,558,949	1,624,958	1,619,808	1,784,454
1136	Tobacco licenses	27,300	27,800	27,200	26,700	25,000
1138	Temporary licenses	275	525	1,000	2,075	1,725
1140	Duplicate plates	1,442,386	1,481,181	1,549,922	1,558,861	1,484,598
1142	Duplicate driver license	1,862,866	1,994,714	2,133,152	2,051,614	1,974,253
1149	(24) Other licenses and permits - Amendment 3	1,743,776	1,277,111	2,221,319	1,297,211	1,330,693

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1149	Other licenses and permits	3,605,389	3,730,385	3,797,009	3,827,119	3,885,915
1150	Lobbyist registration fees	11,000	11,230	11,370	11,420	10,780
1152	Motorboat fees	12,549,673	12,358,613	12,687,392	12,562,562	12,224,132
1154	Narcotics and dangerous drugs fees	876,520	880,086	904,213	926,437	941,585
1156	Occupational boards exam fees - individual exam fees	801,324	843,897	474,928	379,823	379,336
1160	(24) Non-motor fuel decal fees - Amendment 3	285,643	247,609	316,589	326,378	413,348
1162	Filing fees	19,047,755	19,812,035	19,096,824	19,153,508	19,777,511
1163	Certifying/authenticating fees	11,809	55,699	135,395	39,735	45,311
1164	Transfer fees	34,040	33,548	33,376	34,188	32,292
1165	Service contract registration fee	116,100	131,500	129,950	132,450	136,000
1169	Other registration fees	11,501,235	11,916,069	11,926,930	12,158,837	12,429,855
1172	(13) Fantasy sports operation fees	-	-	228,935	439,214	616,656
1174	Asbestos fees	235,535	245,555	454,125	641,260	594,897
1176	Egg license fees	15,885	58,646	31,481	33,688	36,863
1178	Milk control fees	30,309	96,454	100,914	108,294	106,344
1180	Home health care license fees	120,200	111,750	121,210	103,132	100,650
1182	Nursing home license fees	142,069	137,660	146,633	138,853	142,386
1184	Title V emissions fees	7,081,848	7,865,484	6,284,503	6,323,571	6,011,856
1185	Emission fees/non Title V facilities	349,628	448,478	416,085	438,997	683,547
1186	Boarding home license fees	737,607	719,001	744,606	715,228	753,068
1188	Public utilities fees	19,695,636	19,842,506	19,936,400	19,627,829	19,494,691
1190	Hospital license fees	89,082	81,871	87,149	83,634	85,610
1192	Grain warehouse license fees	36,367	42,072	64,423	68,966	65,504
1194	Missouri primacy fees	4,748,831	4,835,262	4,065,366	4,925,394	4,803,338
1198	Transport load fees	11,195,303	11,567,440	11,633,855	11,529,928	13,238,787
1200	Storage tank registration fees	193,725	205,110	57,645	48,405	169,650
1202	Tourist cabin permit fees	181,401	179,526	180,454	184,148	183,466
1206	Solid waste disposal fees	10,946,036	11,764,753	12,282,791	12,831,002	12,953,236
1208	New tire fees	2,166,653	2,217,207	2,276,854	2,125,370	2,435,613
1209	Battery fee	683,452	680,264	740,814	746,809	767,512
1210	Ground water protection fees	616,030	693,711	698,748	646,442	633,298
1211	Radioactive waste transport fee	289,850	256,975	210,775	139,850	144,575
1214	Insurance regulatory fees, renewals and purchasing groups	2,435,554	2,269,071	2,544,199	2,327,841	3,414,085
1216	Air conservation commission permit fees	246,325	333,850	423,138	578,176	420,838
1218	Bingo license fees	35,085	31,930	31,030	28,455	28,165
1220	Lab fees	6,079,666	6,305,303	7,957,512	8,623,532	8,409,131
1221	(F) Medical marijuana fee	-	-	-	-	3,958,000
1222	Program administration fees	1,069,294	1,413,854	1,408,679	1,375,091	3,213,994
1223	Confined animal feed operation indemnity fees	-	2,196	-	-	-
1224	Railroad assessments	1,027,245	422,007	810,359	968,288	1,215,223
1227	Enhanced vehicle emission inspection fees	2,096,697	2,130,025	2,177,427	2,157,771	2,195,749
1233	Grain warehouse inspection fees	3,583,890	3,371,837	3,870,846	4,025,240	3,190,579
1235	Milk inspection fees	1,011,168	1,030,191	1,085,848	1,101,997	1,076,971
1237	Ice cream products inspection fees	33,150	31,731	30,600	37,300	33,895
1239	Mine inspection fees	61,016	67,080	63,688	62,468	59,381
1241	Mobile home and recreational vehicle inspection fees	383,477	426,507	434,304	462,097	432,833
1243	Oil inspection fees	2,344,403	2,417,687	2,598,663	3,384,043	3,437,324
1244	Oil and gas resources fees	-	-	32,403	75,122	71,960
1249	Other inspection fees	2,523,411	2,621,839	2,520,987	2,555,711	2,632,367
1250	Collection fees	30,805,269	32,230,771	32,330,843	34,973,528	37,017,947
1252	(13) Admission fees - riverboat gambling	44,222,953	42,523,664	40,826,259	39,559,834	37,437,813
1252	Admission fees	1,366,316	1,643,202	1,594,891	1,645,002	1,501,543
1254	State auditor fees	171,573	166,770	164,549	155,378	108,510
1260	Grade crossing safety fees	1,325,763	1,336,137	1,360,093	1,359,194	1,387,418
1262	Loan administration fees	7,127,199	8,311,128	9,385,819	8,484,187	7,418,830
1263	(A) Contract fees - Fund 657	384	-	-	-	-
1263	Contract fees	117,855	1,048,116	1,394,510	2,119,654	3,166,839
1264	Court fees	39,184,711	35,253,537	33,635,353	32,990,320	31,876,520
1266	Financial institutions examination fees	10,676,424	10,386,467	11,444,946	11,138,716	11,659,106
1268	Consumer finance license fees	963,425	1,351,002	1,312,454	1,243,357	1,245,328
1270	Transcript fees	128,674	98,305	105,059	118,465	121,049
1274	Marketing development fees	29,947	31,393	29,835	42,912	27,910
1276	Miscellaneous insurance fees	91,690	91,400	88,150	85,650	98,170
1278	Gaming commission administrative income	-	28	36	-	-
1279	(A) Lottery commission fees	301,291	262,260	170,512	264,255	254,845
1280	Motor vehicle inspection sticker fees	3,850,742	3,844,936	3,815,022	3,788,372	3,747,763
1282	Logo sign advertising fees	4,561,512	6,440,866	4,971,340	3,758,337	5,196,400
1284	Public defender fees	1,339,899	1,356,885	1,415,002	505,578	257,076
1286	Witness fees	9,212	4,808	3,913	5,906	4,548
1288	County recorders fees	6,247,774	6,472,305	6,697,602	6,346,948	6,204,456
1290	Training or conference fees	205,630	205,462	161,925	134,102	202,626
1294	Electronic monitoring fee	63,381	52,187	38,739	44,976	33,897

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1295	Intervention fees	8,503,124	8,429,899	7,414,914	8,028,733	8,573,586
1298	Substance abuse offender program fees	5,402,865	4,834,915	4,621,600	4,500,717	4,423,008
1302	Criminal records check fees	11,037,517	12,170,148	11,578,987	11,134,370	12,918,735
1303	Other fees	10,976,155	11,062,952	12,192,455	10,500,051	13,908,822
1305	(4) Bond sales proceeds	167,828,087	210,116,282	102,130,224	133,670,887	35,003,859
1306	Proceeds from capital leases	5	-	-	-	-
1310	Land sales	3,444,324	8,871,857	3,221,947	6,192,002	2,661,304
1312	Sales of natural resources products	2,702,674	2,764,888	3,026,638	3,629,948	3,063,180
1314	Sales of agriculture products	2,890,674	2,355,652	2,254,153	1,963,186	1,950,279
1316	Manufactured product sales	8,418,694	7,456,017	7,814,296	8,355,266	7,321,967
1318	Information sales	2,579,080	2,197,919	2,128,295	1,933,697	1,826,523
1320	Souvenir sales	936,945	1,188,846	1,331,883	1,262,051	989,771
1322	(22) Surplus property sales - state - Fund 710	2,003,696	1,996,692	2,889,940	3,498,193	2,160,442
1322	Surplus property sales - state	2,921,816	2,443,802	1,963,089	1,397,226	1,568,514
1324	Surplus property sales - federal	2,059,579	2,401,222	1,849,831	1,731,547	1,526,781
1326	Unclaimed property sales	2,971	7,228	-	-	-
1328	Sales of fixed assets - control	6,972,758	8,237,789	16,771,373	10,326,660	11,440,310
1330	Vital records sales	1,010,445	1,033,867	1,083,091	1,146,445	1,069,043
1332	(A) Lottery ticket sales - Fund 657	463,931,842	544,750,138	-	-	-
1332	(A) Lottery ticket sales - Fund 682	-	-	506,939,548	550,136,435	574,457,578
1334	Cafeteria sales	895,283	848,497	815,052	743,907	760,721
1335	Canteen sales	-	-	-	-	37,504,377
1338	Other sales	1,401,509	150,851	164,257	160,364	153,628
1340	Gain sale fixed assets - control	-	-	10,000	-	-
1342	Supply sales	249	206	186	195	124
1401	Land rentals/leases	38,650	101,391	222,151	216,239	174,597
1403	State facilities rentals/leases	1,504,187	1,320,462	1,179,200	1,210,786	1,009,946
1404	Parking rentals/leases	69,989	69,424	66,696	58,886	24,636
1405	Concessions and recreational rentals/leases	2,951,494	3,034,114	3,105,762	3,180,389	3,393,263
1407	Housing/building rentals/leases	260,615	235,093	221,368	225,190	243,439
1409	Other leases and rentals	1,458,148	1,503,996	2,559,687	1,135,969	1,166,182
1414	(1) Medicare	5,691,724	6,509,624	9,098,685	7,123,712	4,799,624
1418	(1) Medicaid	73,123,636	72,032,939	80,000,126	79,351,290	76,018,593
1419	(1) Medicaid - case managers	-	113,400	-	-	-
1420	(1) Medicaid - community based	240,617,515	259,045,530	275,410,223	389,406,224	386,380,675
1422	Private payments	4,055,811	4,725,731	4,310,559	4,172,575	3,699,234
1424	Insurance payments	510,326	443,538	326,524	561,970	250,135
1426	Other payments	12,863	7,547	538,898	790,371	789,245
1434	Institutional support fees	-	1,284	-	-	-
1436	Room and care	28,109,625	27,664,512	26,946,999	25,026,869	22,258,611
1442	Mail/freight services	-	-	1,321	-	-
1446	Printing service	158,884	150,009	214,420	112,625	163,355
1448	Computer services	288,876	524,018	418,050	471,206	715,912
1450	Administration services	38,548	19,962	6,076	6,398	5,813
1501	Private donations	7,797,052	4,554,090	7,531,073	4,634,610	3,981,709
1502	Other governmental entity donations	1,050,032	-	1,607,500	1,757,500	2,835,000
1507	(1) NASAO (airport inspections)	27,950	20,150	23,400	27,950	20,150
1510	(1) US Department of Agriculture	500,917,291	514,422,704	514,408,963	508,032,007	511,845,041
1512	(1) US Department of Defense	32,534,000	38,537,907	33,598,338	39,111,801	37,466,470
1513	(1) US Department of Homeland Security	3,808,312	2,854,523	2,430,710	2,051,905	2,285,287
1514	(1) US Department of Housing and Urban Development	40,676,241	46,977,140	47,220,963	55,239,661	40,029,975
1516	(1) US Department of Interior	27,826,979	29,441,709	32,053,401	32,848,237	33,968,755
1518	(1) US Department of Justice	2,856,329	5,251,610	4,430,759	4,112,224	40,216,518
1520	(1) US Department of Labor	126,368,853	120,842,194	123,241,053	109,450,198	122,957,840
1522	(1) US Department of Education	653,328,831	657,882,449	679,698,618	667,389,831	651,370,071
1522	(C) US Department of Education - Fund 880	4,125,941	3,075,670	2,513,914	2,322,003	1,883,170
1522	(C) US Department of Education - Fund 881	72,379,643	47,726,056	36,334,748	59,125,831	51,493,713
1524	(1) US Department of Transportation	856,690,126	908,711,359	921,311,289	1,014,416,571	964,603,792
1526	(1) National Foundation for the Arts and Humanities	3,667,829	3,861,753	3,667,633	3,711,534	3,915,414
1528	(1) US Veterans Administration	69,070,475	71,189,569	74,619,431	82,501,384	76,818,403
1529	(1) US General Services Administration	36,789	27,192	24,477	22,571	14,574
1530	(1) US Environmental Protection Agency	92,295,480	84,163,611	92,033,621	85,456,503	58,136,507
1532	(1) US Department of Energy	6,869,770	6,841,344	7,065,176	6,234,693	6,694,045
1534	(1) Federal Emergency Management Agency	136,785,815	90,290,749	80,291,635	77,200,265	54,783,155
1536	(1) US Department of Health and Human Services	7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770	8,183,022,147
1538	(1) National/community services	3,659,053	4,157,499	3,837,179	4,407,701	5,902,182
1540	(1) US Social Security Administration	45,917,912	53,118,438	49,257,386	47,106,666	46,827,978
1540	(E) US Social Security Administration - Fund 727	-	23,237	15,657	7,629	13,488
1542	(1) National Archives and Records	15,025	43,615	10,460	17,121	1,258
1544	(1) Elections Assistance Commission	-	-	-	7,230,625	-
1546	(1) US Department of Treasury	-	10,476	121,807	-	-
1549	(1) Miscellaneous federal revenues	48,644,049	39,911,964	39,415,516	43,310,397	44,728,057

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1551	County mental health programs	11,311,919	12,946,158	12,412,049	8,557,588	7,206,115
1557	(1) American Recovery and Reinvestment Act	40,937,451	27,772,004	37,522,104	29,773,379	11,630,405
1560	(1) Federal pass-through grants	37,998,600	19,553,864	31,442,468	14,579,015	18,223,873
1560	(E) Federal pass-through grants - Fund 727	-	-	140	-	-
1601	(16) Time deposits interest - Fund 609	28,629	25,434	46,378	26,042	38,007
1601	(13) Time deposits interest - Fund 285	8,292	7,262	9,526	8,950	10,300
1601	(12) Time deposits interest - Fund 289	150	88	62	57	375
1601	(8) Time deposits interest - Fund 613	11,456	10,151	7,517	6,381	9,331
1601	(7) Time deposits interest - Fund 614	22,182	21,547	23,033	17,824	16,132
1601	(2) Time deposits interest - Fund 688	40,894	36,417	40,463	38,001	47,868
1601	(A) Time deposits interest - Fund 657	9,615	11,594	7,860	2,452	2,777
1601	(A) Time deposits interest - Fund 682	-	-	6,900	17,588	28,371
1601	(B) Time deposits interest - Fund 905	5,275	4,474	3,797	2,605	2,829
1601	(C) Time deposits interest - Fund 880	27,827	25,249	27,386	24,041	20,470
1601	(C) Time deposits interest - Fund 881	9,036	6,758	10,378	8,988	12,707
1601	(D) Time deposits interest - Fund 963	513	442	495	472	602
1601	(E) Time deposits interest - Fund 727	-	3	12	4	4
1601	(F) Time deposits interest - Fund 606	-	-	-	-	789
1601	Time deposits interest	1,611,893	1,558,436	1,776,400	2,247,521	2,139,605
1603	(F) U.S./agency securities interest - Fund 606	-	-	-	-	19,707
1603	(16) U.S./agency securities interest - Fund 609	192,528	202,650	451,363	516,235	955,578
1603	(13) U.S./agency securities interest - Fund 285	55,813	58,132	92,251.87	171,468	256,369
1603	(12) U.S./agency securities interest - Fund 289	996	785	601	1,145	10,860
1603	(8) U.S./agency securities interest - Fund 613	77,050	81,195	68,983	126,197	230,422
1603	(7) U.S./agency securities interest - Fund 614	149,111	172,161	223,251	347,220	397,899
1603	(2) U.S./agency securities interest - Fund 688	276,482	291,279	393,868	781,242	1,192,306
1603	(A) U.S./agency securities interest - Fund 657	64,305	90,912	67,231	47,268	70,431
1603	(A) U.S./agency securities interest - Fund 682	-	-	77,129	347,260	705,698
1603	(B) U.S./agency securities interest - Fund 905	35,597	35,689	35,704	51,666	69,162
1603	(C) U.S./agency securities interest - Fund 880	187,577	201,919	266,191	467,557	495,254
1603	(C) U.S./agency securities interest - Fund 881	60,978	53,579	101,089	181,320	319,652
1603	(D) U.S./agency securities interest - Fund 963	5,880	6,021	7,331	11,847	17,625
1603	(E) U.S./agency securities interest - Fund 727	-	26	114	70	126
1603	U.S./agency securities interest	19,236,045	21,062,373	25,189,472	43,348,110	70,091,462
1605	Other investment interest	238,000	945,400	227,032	1,069,890	925
1608	Realized gains and losses	13,079	-	-	-	-
1610	Interest on loans	12,020,643	2,306,462	3,991,978	5,137,467	5,475,074
1612	(25) Interest - federal	4,271,580	6,414	370	-	200
1614	Interest on receivables	2,083	2,189	1,399	3,732	7,147
1616	Interest on settlements	24,438	30,187	89,584	216,142	21,481
1618	Other interest	10,695	25,214	16,281	23,918	15,807
1620	Safety responsibility	50	-	-	-	-
1621	(C) Penalties - Fund 881	38	1,232	41	86	161
1621	Penalties	17,377,448	13,441,422	10,476,994	13,339,149	11,519,171
1624	(A) Settlements - Fund 657	-	1,578	-	36,826	-
1624	(C) Settlements - Fund 880	582	-	-	-	-
1624	Settlements	39,019,494	5,602,284	11,865,632	4,954,292	13,216,473
1626	Court awards	11,122,925	12,786,154	23,175,458	19,228,331	15,085,967
1628	Insufficient funds charges	2,585	3,088	2,443	2,920	2,495
1634	Estates	3,950	792	461	208	550
1636	Unclaimed properties	100,888,189	94,224,664	96,044,838	98,968,823	97,610,441
1700	(5) Salary refunds - federal	316,764	186,340	172,157	155,384	247,439
1701	(5) Salary refunds - state	8,307	3,259	3,994	18,039	12,215
1702	(5) Salary refunds - local/other	29	50	68	1,218	442
1703	(5) General relief pension refunds	1,711	2,123	3,110	568	15
1704	(5) Blind pension refunds	11,787	9,123	15,155	13,313	13,541
1706	(5) Dependent children pension refunds	166,610	154,613	181,017	197,576	219,800
1715	(5) Day care refunds	174,958	248,033	123,001	160,334	190,391
1717	(5) Medicare - Medicaid refunds	555,309,589	764,065,387	745,882,820	769,637,896	782,649,205
1719	(5) Cost in criminal cases refunds	1,145,795	1,107,583	989,773	1,131,067	828,984
1720	(5) American Recovery and Reinvestment Act refunds	3,406,265	234,023	104,795	10,441	-
1721	(5) Vendor refunds - federal	1,057,850	4,620,866	1,375,208	977,390	2,494,719
1722	(5) Vendor refunds - state	606,888	655,137	1,671,200	1,132,213	1,001,934
1722	(A) Vendor refunds - state - Fund 657	393	1,695	-	-	-
1722	(A) Vendor refunds - state - Fund 682	-	-	2,422	3,206	2,905
1723	(5) Vendor refunds - local/other	1,035,475	716,747	842,054	811,425	511,124
1723	(C) Vendor refunds - local/other - Fund 880	339	209	967	609	-
1724	(5) Political subdivision refunds	204	-	-	-	-
1725	(5) Excess court payment refunds	152,449	27,813	270,262	1,185,773	5,238
1727	(5) School refunds	3,773,819	6,417,301	3,867,964	3,971,653	3,560,474
1728	(5) Scholarship refunds	1,737,431	1,079,095	1,184,340	1,163,954	1,113,541
1728	(C) Scholarship refunds - Fund 880	-	270	-	-	-

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
1729	(5) Audit findings - federal	7,894	3,541	-	-	-
1730	(5) Audit findings - state	118	25	-	-	-
1731	(5) Audit findings - local/other	26,509	76,760	34,242	118,960	120,662
1732	(5) Utility refunds	112,228	136,184	184,036	223,191	203,928
1733	(5) Fuel tax refunds	184,901	168,077	9,443	101,946	22,557
1737	(5) Other refunds	3,267,783	2,445,440	2,535,828	2,575,366	2,486,360
1737	(B) Other refunds - Fund 905	176,756	-	-	-	-
1737	(C) Other refunds - Fund 880	-	-	-	263	-
1737	(D) Other refunds - Fund 963	-	-	136	-	-
1806	(18) Recovery costs	146,337,214	141,153,215	208,492,070	155,657,507	151,805,702
1806	(A) Recovery costs - Fund 657	6,565	-	-	-	-
1806	(A) Recovery costs - Fund 682	-	-	61,714	-	-
1808	Deposit of surplus property funds	341	-	-	-	-
1811	(21) Local match	34,985,281	20,599,206	14,410,471	15,507,413	31,544,265
1812	(19) Cost reimbursements - federal	4,631,476	6,867,653	9,841,676	2,577,917	2,162,777
1813	(19) Cost reimbursements - state	16,172,695	16,176,101	14,167,649	18,239,650	12,710,970
1813	Cost reimbursements - state (included)	17,577,192	18,273,342	17,608,815	17,573,302	16,987,024
1814	(19) Cost reimbursements - local/other	170,106,348	179,458,857	137,157,431	154,003,419	140,539,292
1814	(B) Cost reimbursements - local/other - Fund 905	-	-	2,849,735	6,872,485	6,644,373
1814	(C) Cost reimbursements - local/other - Fund 880	4,461	2,175	-	-	-
1816	Bond account	8,693,952	8,020,533	6,843,143	4,976,308	694,404
1818	(17) Employee expense reimbursement - federal	6,207	6,623	2,861	8,846	3,136
1819	(17) Employee expense reimbursement - state	37,620	2,055	798	208	13,711
1820	(17) Employee expense reimbursement - local/other	4,033	2,115	1,903	1,418,604	-
1821	(17) Employee personal expense reimbursement	38,730	89,417	83,806	42,534	44,356
1822	(10) Outlawed checks	5,544,179	7,906,652	9,341,755	8,039,816	9,398,263
1822	(B) Outlawed checks - Fund 905	7,616	7,438	25,359	8,076	19,708
1824	(20) Canceled checks	4,730,204	4,523,255	5,055,748	3,541,743	3,028,906
1824	(A) Canceled checks - Fund 657	-	-	75	-	-
1824	(B) Canceled checks - Fund 905	178	129	2,857	216	2,362
1826	(9) Redeposit of investments principal	112,942	109,022	1,123,588	1,608,437	-
1828	(11) Redeposit of loan principal	74,454,908	83,588,497	97,881,344	105,777,957	105,666,580
1830	Telephone commissions	1,535,516	1,581,576	1,629,024	1,677,892	1,677,196
1832	Commission on sales	5,731	5,728	4,655	5,411	4,362
1834	(23) Rebates - WIC	81,979,391	48,507,981	65,071,479	76,650,915	66,017,708
1834	Rebates	1,438,212	1,176,702	1,350,966	1,492,665	1,875,110
1834	(A) Rebates - Fund 657	3,981	5,095	-	9	-
1834	(A) Rebates - Fund 682	-	-	4,814	5,984	6,395
1834	(C) Rebates - Fund 880	383	303	452	337	87
1836	Housing and maintenance receipts	19,848	15,811	976	-	-
1838	Loan defaults	571,590	495,335	505,882	844,904	322,182
1840	(15) Loan proceeds	8,269,645	-	-	-	-
1842	(11) Loan repayment	248,334	328,190	310,072	342,417	331,880
1842	(C) Loan repayment - Fund 881	57,594,427	53,537,794	59,229,827	45,668,963	53,860,767
1843	(11) Loans receivable contra account	5,354,505	5,680,374	8,537,324	6,598,537	5,976,882
1844	Insurance proceeds	-	7,988	41,049	17,119	-
1846	Capital credits/dividends	104,066	96,044	93,480	107,384	134,572
1848	Recycling receipts	232,498	207,286	212,898	192,205	135,655
1850	Forfeitures	1,882,450	1,503,970	1,202,243	1,782,672	1,355,045
1852	Overpayments	360,921	508,376	596,653	546,208	772,732
1856	(1) Other miscellaneous receipts - federal	5,950,285	4,961,120	10,124,635	7,181,871	5,763,802
1858	(A) Other miscellaneous receipts - state - Fund 657	2,291	1,773	-	-	-
1858	(A) Other miscellaneous receipts - state - Fund 682	-	-	4,655	3,238	3,638
1858	(B) Other miscellaneous receipts - state - Fund 905	14,770,311	11,499,237	5,669,644	5,665,570	6,475,011
1858	Other miscellaneous receipts - state	3,977,952	3,869,407	13,832,071	10,610,567	9,679,740
1860	(A) Other miscellaneous receipts - local/other - Fund 657	3,755,680	2,986,561	-	-	-
1860	(A) Other miscellaneous receipts - local/other - Fund 682	-	-	2,122,102	3,883,124	1,985,789
1860	Other miscellaneous receipts - local/other	3,820,925	2,664,027	2,140,078	1,790,819	8,150,544
1862	(A) Fees for copying public records - Fund 657	-	151	-	-	-
1862	(A) Fees for copying public records - Fund 682	-	-	75	36	-
1862	Fees for copying public records	272,648	273,622	265,841	267,948	311,020
1866	Federal share of grantee sales	450,287	330,838	299,208	233,188	123,333
1868	Receivable overpayment - federal	58	178	-	-	-
1870	Receivable overpayment - state	67	40	3	716	-
1872	Receivable overpayment - local	96	250	-	-	-
6001	(6) Supply sales	390,128	479,411	374,932	406,292	385,028
6002	(6) Open records fees	15,081	8,987	10,574	7,424	9,833
6003	(6) Fleet services operations/maintenance	2,045,630	1,786,879	1,645,479	1,767,638	1,845,034
6005	(6) Fleet services replacement	1,678,517	1,630,894	240,065	1,288,996	1,584,587
6006	(6) Criminal records check fees	456,286	329,043	405,830	314,477	247,727
6007	(6) Mail/freight services	9,761,536	9,619,041	9,605,392	9,291,754	9,789,843
6009	(6) Telephone billing	36,836,383	37,945,584	38,207,119	33,736,326	38,077,517

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
6011	(6) Printing service	5,275,658	5,126,201	4,953,996	4,323,276	5,156,289
6013	(6) Reimbursement/recovery cost	31,672,678	27,485,232	27,633,771	27,843,968	26,651,528
6013	(C) Reimbursement/recovery cost - Fund 881	2,242	-	-	-	-
6015	(6) Leased facility	61,542,743	61,346,648	62,104,759	63,126,489	64,424,904
6017	(6) Sale of material, supplies, and services	810,590	1,151,871	792,091	655,026	588,218
6019	(6) Training	624,636	631,324	459,259	431,464	668,357
6021	(6) Computer services	24,413,038	29,571,066	30,753,047	32,349,562	37,043,025
6023	(6) Administration services	522,914	612,172	647,587	732,883	537,658
6025	(6) Flight operations services	770,175	492,045	542,252	86,447	282,306
6027	(6) Sale of manufactured products	19,461,962	20,665,985	20,192,629	18,619,178	22,131,780
6029	(6) Interagency receipts	41,407,133	34,873,321	34,431,497	33,691,602	34,030,155
6029	(C) Interagency receipts - Fund 881	591,646	562,670	634,586	-	-
6030	(6) Sampling &/or analysis	926,768	909,218	896,298	831,956	875,291
6031	(14) Redeposit of state funds	112,655	153,566	203,360	232,824	142,657
6033	(6) Permits	41,669	54,736	58,800	48,344	37,238
6034	(6) Registration fees	133,015	107,443	124,446	102,586	139,050
6035	(6) Taxes	9,609,364	8,613,452	7,653,994	8,380,299	8,188,913
6036	(6) Transcript fees	26,002	10,195	16,039	10,545	12,884
	Total Revenues	25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531	28,560,833,266
Fund Exclusions:						
(A)	Lottery Funds - Fund 657 and 682	468,076,347	548,111,757	509,465,037	554,747,680	577,518,427
(B)	Alternative Care Trust Fund - Fund 905	14,995,733	11,546,967	8,587,096	12,600,617	13,213,445
(C)	Student Loan Funds - Funds 880 and 881	134,985,120	105,193,884	99,119,579	107,800,000	108,085,981
(D)	Pansy Johnson-Travis Memorial State Gardens Trust Fund - Fund 963	6,393	6,463	7,962	12,319	18,227
(E)	Division of Youth Services Child Benefits Fund - Fund 727	-	23,266	15,923	7,703	13,618
(F)	Veterans' Health and Care Fund - Fund 606	-	-	-	-	3,978,496
Revenue Source Exclusions:						
(1)	Federal funds	10,103,924,854	10,352,212,487	10,747,909,704	11,362,716,108	11,388,424,592
(2)	Proposition C sales and use tax/interest	868,523,541	906,845,411	919,362,208	938,994,695	951,079,311
(3)	Proposition A gas tax and license fee increases	165,022,444	172,484,819	171,758,978	174,486,338	171,609,379
(4)	Bond sales	167,828,087	210,116,282	102,130,224	133,670,888	35,003,859
(5)	Refunds	572,505,364	782,357,520	759,450,467	783,587,704	795,682,569
(6)	Interagency sales and receipts	248,421,906	243,450,748	241,749,856	238,046,532	252,707,165
(7)	Soil and water sales and use tax/interest	44,382,868	46,365,216	47,077,261	48,195,693	48,787,855
(8)	Parks sales and use tax/interest	44,300,079	46,262,851	46,907,473	47,963,318	48,613,792
(9)	Redeposit of investment principal	112,942	109,022	1,123,588	1,608,437	-
(10)	Outlawed checks	5,544,179	7,906,652	9,341,755	8,039,816	9,398,263
(11)	Redeposit of loan principal	80,057,747	89,597,061	106,728,740	112,718,913	111,975,342
(12)	Bingo	1,771,432	1,705,995	1,752,399	1,453,961	1,544,378
(13)	Riverboat gambling	364,674,023	366,174,572	365,419,018	368,575,905	365,714,911
(14)	Redeposit of state funds	112,655	153,566	203,360	232,824	142,657
(15)	Loan proceeds	8,269,645	-	-	-	-
(16)	Conservation sales and use tax/interest	110,749,898	115,657,858	117,575,154	120,110,418	121,928,549
(17)	State employee expense reimbursement	86,590	100,210	89,368	1,470,191	61,203
(18)	Recovery costs	146,337,214	141,153,215	208,492,070	155,657,507	151,805,702
(19)	Cost reimbursements	190,910,519	202,502,611	161,166,756	174,820,986	155,413,039
(20)	Canceled checks	4,730,204	4,523,255	5,055,748	3,541,743	3,028,906
(21)	Local match	34,985,281	20,599,206	14,410,471	15,507,413	31,544,265
(22)	Proceeds of surplus property sales - Fund 710	2,003,696	1,996,692	2,889,940	3,498,193	2,160,442
(23)	DHSS program rebates	81,979,391	48,507,981	65,071,479	76,650,915	66,017,708
(24)	Amendment 3 revenue derived from highway users	533,026,938	554,529,487	569,855,828	580,237,026	568,526,419
(25)	Interest - federal	4,271,580	6,414	370	-	200
(26)	Suspense holding	-	-	-	58,298	40,014
Other Exclusions and Limits:						
	CMIA interest payment to the federal government	19,999	7,016	12,274	220,155	494,665
	Agency remitted sales tax	224,953	236,007	213,462	253,441	236,987
	Abandoned funds claim payments	39,309,427	38,888,067	43,082,600	43,734,033	43,372,088
	Coding errors (95)	-	-	-	-	-
	Circuit courts escrow	-	-	-	2,506,078	2,241,863
	Debt offset escrow	-	-	-	13,876,494	12,588,483
	Total exclusions	14,442,150,954	15,019,332,558	15,326,026,148	16,087,602,342	16,042,972,800
	Total revenues after exclusions	11,403,826,885	11,717,884,919	11,923,886,143	12,438,197,189	12,517,860,466
	Less SAM II expenditure refunds (Appendix B)	(1,278,493,892)	(1,459,778,233)	(1,474,612,512)	(1,480,782,389)	(1,391,943,779)
	Add refundable tax credits:					
	Missouri Works	-	-	11,969,574	16,996,555	-
	Enterprise Zone	141,943	-	-	-	-
	BUILD	3,311,820	3,858,758	4,832,573	7,080,218	7,893,969
	Missouri Quality Jobs	17,445,172	20,281,001	30,145,802	25,388,581	23,535,191

Appendix A

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Total State Revenue

Revenue Source Code	SAM II Revenues	Year Ended June 30,				
		2015	2016	2017	2018	2019
	New Enhanced Enterprise Zone	2,395,322	3,470,176	3,350,388	3,228,601	2,599,274
	Self-employed Health Insurance	829,513	1,523,728	1,946,042	2,123,978	1,748,506
	Public Safety Officer Surviving Spouse, Residential Dwelling Accessibility, Sporting Event Credit, and Business Facility Credit	94,043	695,312	1,367,055	1,341,800	20,331,791
	Total State Revenue	\$ 10,149,550,806	10,287,935,661	10,502,885,065	11,013,574,533	11,182,025,418

Revenue amounts excluded from SAM II revenue amounts to arrive at Total State Revenue are discussed at Appendix C.

Appendix B

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of Expenditure Refunds

Object Code	SAM II Expenditure Refunds	Year Ended June 30,				
		2015	2016	2017	2018	2019
3200	Bond refunds	\$ 4,612,996	20,246,084	23,327,341	3,961,622	16,837,636
3206	Deposit and escrow refunds	80,882	568,458	48,096	83,042	29,773
3212	Federal share grantee sales refunds	46	-	-	-	-
3213	Tax credit debt offset	65,941	68,893	146,178	82,314	69,122
3215	Debt offset refunds	10,102,444	12,275,735	12,931,564	7,900,327	4,503,978
3218	Motor vehicle license fee refunds	312,432	430,535	1,318,516	394,301	422,322
3221	Driver's license fee refunds	54,387	50,160	38,925	37,582	48,911
3227	License and permit fee refunds	537,491	830,932	969,379	1,036,462	1,011,037
3230	Registration fee refunds	26,142	29,604	41,130	37,878	4,876
3233	Regulatory fee refunds	22,222	11,202	14,328	23,793	42,896
3236	Inspection fee refunds	68,105	53,611	54,007	45,159	57,762
3239	Miscellaneous fee refunds	379,316	444,125	463,144	407,726	369,017
3242	Sales refunds	4,539	6,030	5,824	3,443	6,109
3245	Lease and rentals refunds	2,085	3,535	4,673	3,738	2,358
3248	Medical services refunds	10,030,985	7,794,112	8,874,556	9,629,754	10,248,013
3251	Contributions refunds	56,807	500	597	-	-
3254	Federal refunds	700,700	3,994,617	481,514	230,293	523,553
3255	Financial institutions tax refunds	-	-	-	199	-
3257	Penalty and court award refunds	285	1,640	326	69	201
3260	Interagency billing refunds	-	300	-	-	-
3261	Receivable overpayment refunds	375,941	338,729	331,152	325,019	290,277
3267	Deferred revenue refunds	1,773,082	3,398,108	2,139,922	2,013,248	1,917,960
3268	Liability account refunds	-	-	-	-	1,735
3269	Other refunds	2,349,459	643,356	1,134,036	2,090,584	1,542,918
3272	Sales and use tax protested refunds	574,348	1,314	3,217	-	-
3281	County foreign insurance tax refunds	9,270,877	6,166,772	4,131,633	5,112,963	33,713,018
3284	County domestic insurance tax refunds	91,816	-	-	-	-
3287	Worker's compensation insurance tax refunds	169,765	308,555	267,358	51,801	250,912
3290	Worker's compensation 2nd injury insurance tax refunds	-	4,618	2,385	7,122	10,005
3291	Surplus lines insurance tax refund	31,040	54,296	32,302	119,999	54,246
3293	Cigarette tax refunds	20,732	19,696	38,557	385	15,941
3299	Aviation fuel tax refunds	5,607	5,772	2,239	3,360	3,735
3302	Local Use Tax Refunds	-	-	-	-	145,000
3305	Special fuel (non-gas) tax refunds	19,891,763	16,618,103	17,609,769	17,597,075	16,476,400
3308	Fuel tax refunds	10,582,920	10,050,762	14,701,157	11,281,600	11,823,784
3311	Sales tax refunds	-	-	261	-	-
3317	General sales and use tax refunds	26,712,898	40,504,538	35,688,543	23,275,186	39,412,110
3326	Motor vehicle sales tax refunds	6,193,025	5,319,325	6,112,493	6,218,889	7,102,520
3329	Motor vehicle use tax refunds	64,376	3,210	2,791	697	2,151
3335	Boat tax refunds	3,680	3,688	4,070	3,005	3,220
3338	Individual tax refunds	943,383,972	1,032,515,749	1,080,740,622	1,128,602,275	983,316,541
3341	Senior citizens tax refunds	104,810,266	106,927,409	100,851,062	98,808,490	83,217,656
3344	Corporation tax refunds	120,498,356	181,455,603	159,007,587	161,392,989	178,463,586
3347	Franchise tax refunds	2,151,688	6,023,791	10,681	-	-
3350	Inheritance tax refunds	-	-	101,364	-	-
3356	Other tax refunds	2,480,476	2,604,766	2,979,213	-	2,500
	Total SAM II Expenditure Refunds	\$ 1,278,493,892	1,459,778,233	1,474,612,512	1,480,782,389	1,391,943,779

Review of Article X, Sections 16 Through 24, Constitution of Missouri

Appendix C

TSR Exclusions

Various revenue amounts are excluded from Statewide Accounting System for Missouri (SAM II) revenue amounts to arrive at Total State Revenue (TSR), as shown on Appendix A. These exclusions, which include certain funds, certain revenue types, and other exclusions and limits, are discussed below.

Excluded Funds

From the revenue amounts obtained from SAM II, certain funds are entirely excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

(A) Lottery Funds

In November 1984, the voters approved Article III, Section 39(b), Missouri Constitution, which authorized the creation of the Missouri State Lottery. This provision states that revenues produced from the conduct of a state lottery shall not be a part of TSR. Since the voters approved the state lottery, all revenue and expenditure refunds related to the state lottery are excluded. Beginning in fiscal year 2017, lottery proceeds are deposited in the State Lottery Fund. In prior fiscal years, they were deposited in the Lottery Enterprise Fund.

(B) Alternative Care Trust Fund

The Alternative Care Trust Fund was established in 1989 under Section 210.560, RSMo. The Department of Social Services uses this fund to account for funds held in trust for the benefit of children who have been placed in the legal custody of the state. The Department of Corrections, Department of Mental Health, and the Missouri Veterans Commission hold funds in trust for inmates and patients. Funds held in trust are not state funds since the funds remain the property of the individual. Since the Alternative Care Trust Fund does not account for state funds, it is excluded.

(C) Student Loan Funds

Federal legislation passed in 1997 made changes in the accounting required for federal education loans. Starting in federal fiscal year 1998, the federal government considers all monies in these funds as property of the federal government or guaranty agency. As a result, the state excludes the two student loan funds held in trust.

(D) Pansy Johnson-Travis Memorial State Gardens Trust Fund

The state received an endowment in 1987 for the purpose of establishing a memorial state garden. The state is to invest the endowment for 100 years before using the funds to establish the memorial garden. Since the funds cannot be appropriated until 2087, the revenue is excluded from TSR.

(E) Division of Youth Services Child Benefits Fund

The Division of Youth Services (DYS) Child Benefits Fund was administratively created to account for payments from the Social Security Administration held in trust for the benefit of youth in the DYS custody. Funds held in trust are not deemed to be state funds, and are therefore excluded. This fund was added as an excluded fund in fiscal year 2016. In prior years, most of the fund revenues were excluded as federal funds.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix C

(F) Veterans' Health and Care
Fund

In November 2018, the voters approved Article XIV, Section 1.4, Missouri Constitution, which authorized the creation of the Missouri Veterans' Health and Care Fund. The fund is used to account for various taxes and fees also authorized by that section for the regulation of medical marijuana licensing and distribution. Since voters directly approved these taxes and fees, the fund is excluded from TSR.

Excluded Revenues

From the revenue amounts obtained from SAM II, certain types of revenues are excluded to arrive at TSR, as defined in Article X, Section 17(1), Missouri Constitution, as follows:

(1) Federal Funds

Article X, Section 17, Missouri Constitution, specifically excludes federal funds.

(2) Proposition C Sales and Use
Tax/Interest

In November 1982, the voters approved Proposition C, which increased the state sales and use tax by 1 percent. Since Proposition C received direct voter approval as provided in Article X, Section 16, Missouri Constitution, the proceeds from the additional 1 percent sales and use tax, including any interest earned on the investment of such taxes, are excluded.

(3) Proposition A Gas Tax and
License Fee Increases

In April 1987, the voters approved Proposition A, which increased the motor fuel tax by 4 cents per gallon and increased the annual registration fee for certain motor vehicles, effective July 1, 1987. Since the increase in tax and fees received direct voter approval, these revenues are excluded. Also, see item (24).

(4) Bond Sales

Attorney General Opinion 22-1982 concluded that proceeds of the state's general obligation bonds were not to be included in TSR.

(5) Refunds

Refunds received due to the overpayment of obligations by the state, as identified by certain revenue source codes, are excluded. Refunds also include cost recoveries and prescription drug rebates received through the Medicaid and Children's Health Insurance programs.

(6) Interagency Sales and
Receipts

Since interagency transactions do not generate additional revenue for the state as a whole, interagency sales and receipts, as identified by certain revenue source codes, are excluded.

(7) Soil and Water Sales and Use
Tax/Interest
and

(8) Parks Sales and Use
Tax/Interest

In August 1984, the voters approved a one-tenth of 1 percent sales tax for soil and water conservation and state parks. Article IV, Section 47(c), Missouri Constitution, states that the additional revenue provided by the tax shall not be part of TSR. Since the voters approved the sales tax, the sales tax and any interest earned on the investment of the balance in these funds are excluded.

(9) Redeposit of Investment
Principal

The redeposit of investment principal is excluded.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix C

(10) Outlawed Checks	Outlawed checks (issued checks not cashed by the payee within the time allowed) are redeposited in the state treasury and are excluded.
(11) Redeposit of Loan Principal	Redeposits of loan principal are excluded.
(12) Bingo Tax	<p>The August 1992 amendment to Article III, Section 39(d), Missouri Constitution, related to gaming activities also applies to bingo games, in that all state revenues derived from the conduct of gaming activities shall be appropriated beginning July 1, 1993, solely for public education and shall not be included in TSR. Section 313.007, RSMo, requires the bingo tax to be deposited in the Bingo Proceeds for Education Fund. The bingo tax, certain fees, and the interest earned on the investment of the fund are excluded from TSR.</p>
(13) Riverboat Gambling and Other Gaming Proceeds	<p>In August 1992, voters approved an amendment to Article III, Section 39(d), Missouri Constitution, that requires all state gaming revenues be appropriated for public education and excludes these revenues from TSR.</p> <p>In 1993, the Missouri General Assembly enacted Senate Bills 10 and 11. This comprehensive gaming legislation established riverboat gaming in the state. This law repealed House Bill 149 related to riverboat gaming, which had been enacted by voters as Proposition A in November 1992.</p> <p>Under Senate Bills 10 and 11, the legislature imposed a 20 percent tax on adjusted gross receipts from gambling games. In November 2008, the voters approved increasing the tax to 21 percent. The state treats 90 percent of this revenue as state gaming revenues under Article III, Section 39(d), Missouri Constitution, and earmarks the revenues to the Gaming Proceeds for Education Fund. The remaining 10 percent of this revenue is allocated to the home dock city or county. Under Article III, Section 39(d), Missouri Constitution, the 90 percent portion of the adjusted gross receipts tax is exempted from TSR. The remaining 10 percent portion of the adjusted gross receipts tax is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.</p> <p>Under Senate Bills 10 and 11, the legislature also established a Gaming Commission Fund in the state treasury and authorized gaming commission license fees, penalties, administrative fees, reimbursements, and admission fees to be deposited in this fund and expended pursuant to state appropriation for various purposes.</p> <p>On November 24, 1998, the Missouri Court of Appeals, Western District, entered its final decision in <i>Kelly v. Hanson</i>, 984 S.W. 2d 540 (Mo. App. W.D. 1998). The Missouri Court of Appeals, Western District, held that revenue from the \$1 portion of the state-imposed \$2 admission fee payable to</p>



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix C

the state is excluded from TSR, while the revenue from the payments to the state to recoup public safety and regulatory enforcement costs is included in TSR. The remaining \$1 portion of the \$2 admission fee is also excluded from TSR because these funds are distributed by the Department of Revenue without deposit in the state treasury and without appropriation.

In 2016, the general assembly passed HB 1941 that requires licensed fantasy sports contest operators to pay an annual operation fee equal to 11.5 percent of the operator's net revenue from the previous calendar year. These revenues are deposited in the Gaming Proceeds for Education Fund. Section 313.822, RSMo, provides all monies deposited in the Gaming Proceeds for Education Fund are to be treated as proceeds of river boat gambling. Under Article III, Section 39(d), Missouri Constitution, these annual operation fees are excluded from TSR.

(14) Redeposit of State Funds

The redeposit of state funds for which a state expenditure was originally incurred, such as from closing a petty cash fund and returning the funds to the state treasury, is excluded.

(15) Loan Proceeds

The state receives loans or advancements from the federal government, local governments, or private sources, to finance the acceleration of state projects. Since the loans must be repaid in the future, they are excluded.

(16) Conservation Sales and Use
Tax/Interest

In *Conservation Federation of Missouri v. Richard Hanson*, 994 S.W. 2d 27 (Mo. Banc. 1999), the Supreme Court held that the revenue derived from the one-eighth of 1 percent conservation sales tax, and any interest earned on the investment of these funds, are excluded.

(17) State Employee Expense
Reimbursement

The state receives reimbursement from private individuals, firms, partnerships, corporations, etc., for state employee expenses incurred in providing testimony in a court of law, for which the employee has already been reimbursed by a state expense account. These reimbursements are excluded.

(18) Recovery Costs

Monies received from others for costs incurred by the state or to be incurred by the state are excluded. Monies received from tobacco companies under the Tobacco Master Settlement Agreement are included in the recovery costs exclusion. See Tobacco Master Settlement Agreement Proceeds section. Also, see item (19).

(19) Cost Reimbursements

Monies received from other governments for reimbursements of costs incurred by the state are excluded.

Regarding items (18) and (19), the state has excluded from TSR receipts for cost reimbursements since fiscal year 1982 and receipts for recovery costs since fiscal year 1988. Although the constitution does not specifically



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix C

mention cost reimbursements and recovery costs and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.

(20) Canceled Checks

Receipts derived from the redeposit of state checks that have been canceled are excluded.

(21) Local Match

Local governments provided funds to the state to use as a local match to qualify for federal or state funding. Since these funds are not state funds, they are excluded.

(22) Proceeds of Surplus Property
Sales

The proceeds from some sales of surplus property are excluded. Although the constitution does not specifically mention proceeds of surplus property sales and they have not been the subject of a court decision, we have agreed with such exclusions because from an accounting standpoint, they would not be considered revenue.

(23) DHSS Program Rebates

The Department of Health and Senior Services (DHSS) receives rebates through various federal programs, including the Special Supplemental Nutrition Program for Women, Infants, and Children and the HIV Care Formula Grants. These rebates are related to purchases made with federal funds and are therefore excluded.

(24) Amendment 3 Revenue
Derived From Highway
Users

In November 2004, the voters approved an amendment to Article IV, Sections 29 and 30(a) through 30(c) and added Section 30(d), Missouri Constitution, effective July 1, 2005.

Section 30(a)(4) provides for the apportionment and distribution of net proceeds of motor fuel tax. This section further provides that, "The net proceeds of fuel taxes apportioned, distributed and deposited under this section to the state road fund, counties, cities, towns and villages shall not be included within the definition of 'total state revenues'. . . ."

Section 30(b) provides for the use and distribution of revenue derived from highway users as an incident to their use or right to use the highways of the state (including all state license fees and taxes on motor vehicles, trailers and motor vehicle fuels and excepting sales tax on motor vehicles and trailers which are not distributed to the state road fund). This section further provides that, "The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of 'total state revenues'. . . ."

As a result, motor vehicle sales tax and special fuel non-gas tax, and fees from motor vehicle licenses or permits, interstate transportation licenses or permits, driver's licenses or permits, overdimension/overweight permits, other



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix C

licenses and permits, and non-motor fuel decals credited to the State Road Fund, State Road Bond Fund, and/or State Transportation Fund are excluded from TSR.

The increase in interstate transportation license or permits for certain motor vehicles excluded under this section were previously excluded and, as a result, have no impact on TSR. (See item (3))

Sections 29, 30(c), and 30(d) have no Hancock implications.

(25) Interest - Federal

Interest assessed and received on advances made to the state by the federal government. Since the interest is due to the federal government, it is excluded from TSR.

(26) Suspense Holding

The collection of unidentified funds for both state and non-state entities. Since these monies have not been identified, they are excluded from TSR.

Other Exclusions and
Limits

Other exclusions and limits have been considered to arrive at TSR, as follows:

Cash Management Improvement
Act (CMIA)

The state has to enter into an agreement with the federal government that governs the timing of when the state can obtain federal grant monies. If the state holds federal funds longer than needed, the state has to reimburse the federal government for interest earnings. Since the interest was earned on federal funds and has to be returned to the federal government, it is excluded from TSR.

Agency Remitted Sales Tax

Some state agencies sell goods or services to the public and collect sales tax. To avoid counting the same receipts in TSR twice, the sales tax remitted by state agencies to the Department of Revenue is excluded from TSR.

Abandoned Funds Claim
Payments

Under Section 447.543, RSMo, the state receives abandoned funds from various sources (banks, businesses, insurance companies, etc.). These funds are placed in the state Abandoned Fund Account. The rightful owner may receive these funds if properly claimed. The state includes the receipts in TSR. Starting in fiscal year 1998, the state excludes from TSR amounts paid to the rightful owner.

Circuit Courts Escrow and Debt
Offset Escrow

Under Section 488.5028, RSMo, the Department of Revenue and State Lottery Commission make setoffs of income tax refunds and lottery prize payouts, respectively, for amounts owed to circuit courts. Similarly, under Section 143.784, RSMo, the Department of Revenue makes setoffs of income tax refunds for amounts due to state agencies. Amounts setoff under both provisions are placed in escrow accounts until any review hearings are held and the matter is resolved. As a result, this revenue is not included in TSR.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix C

Expenditure Refunds

Under Article X, Section 17(1), Missouri Constitution, TSR shall exclude the amount of any credits based on actual tax liabilities. Refunds disbursed due to the excess collection by the state of liabilities owed the state, largely tax refunds, as identified by certain expenditure object codes are excluded. The method used to determine expenditure refunds is not specified in the amendment. Although the OA-BP initially used the appropriation basis to determine expenditures refunds, during fiscal year 1984, the OA-BP changed to the cash basis. In *Kelly v. Hanson*, 959 S.W.2d 107 (Mo. Banc 1997), the Supreme Court held that a cash basis of accounting should be used to determine compliance with the Hancock Amendment. A schedule of expenditure refunds is included at Appendix B.

Tobacco Master Settlement
Agreement Proceeds

The OA-BP excluded \$134,225,943 received from tobacco companies during fiscal year 2019. The Master Settlement Agreement was entered into effective November 23, 1998, between the major cigarette manufacturers and the states' Attorneys General. Missouri received its first payments under the settlement agreement during fiscal year 2001 and future payments from tobacco companies extend in perpetuity. The payment received in 2001 included amounts under the settlement agreement for 1998, 2000, and 2001. The settlement agreement did not require a payment for 1999. Payments for fiscal years 2001 through 2019 were as follows:

Fiscal Year	Amount
2001	\$ 338,230,653
2002	172,679,543
2003	166,895,179
2004	142,829,966
2005	144,964,644
2006	133,078,222
2007	139,292,616
2008	153,277,453
2009	168,066,958
2010	140,318,927
2011	132,631,552
2012	135,246,224
2013	135,166,246
2014	66,085,418
2015	132,261,643
2016	123,645,603
2017	191,261,135
2018	138,311,530
2019	134,225,943

The amounts received were coded in the state's accounting system to revenue source code 1806 - recovery costs, which is excluded from TSR. Recovery costs are defined under revenue source code 1806 as, "all money recovered



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix C

from others for costs incurred by the state or to be incurred by the state." The OA-BP believes these receipts should be excluded from TSR because the amounts represent a recovery of health care costs previously incurred or to be incurred by the state attributable to smoking.

Public information was not readily available to determine if the amounts recovered from the tobacco companies under the master settlement agreement were more or less than the health care costs incurred. For our fiscal year 2001 report, we reviewed three extensive research projects conducted by experts. We limited our analysis to Medicaid costs incurred in fiscal years 1998 through 2001. We did not consider Medicaid costs prior to fiscal year 1998. In addition, we did not consider other costs incurred by the state, such as employee health care costs attributable to smoking. These research projects showed that Medicaid costs attributable to smoking were higher than the amount the state received from the tobacco companies under the settlement agreement. As a result, in our 2001 report we concluded it was proper for the OA-BP to exclude the amounts received from the tobacco companies as a recovery cost.

A study, "Tobacco Damages to the State of Missouri" by Glenn W. Harrison, was commissioned by the Missouri Attorney General's Office for use in a lawsuit against tobacco companies filed May 12, 1997. This lawsuit was dropped because Missouri joined a consortium of states in December 1998, in the Master Settlement Agreement with the tobacco companies. As a result, the Harrison study was not fully completed. However, the draft report provided an estimate of Medicaid costs attributable to smoking for 1970 through 2007 and an estimate of state employee health care costs attributable to smoking for 1970 through 1997. This study estimates that state costs attributable to smoking were higher than the amount the state received. OA officials could not locate any current studies, but they believe continued exclusion is reasonable.

Federal Reimbursement
Allowance and Nursing Facility
Reimbursement Allowance

The Federal Reimbursement Allowance and the Nursing Facility Reimbursement Allowance tax imposed by the state to pay the state's share of the costs of the Medicaid program when collected by an offset against Medicaid claims, is not directly deposited in the state treasury. As a result, this revenue is not included in TSR.

Appendix D

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Code	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
			2015	2016	2017	2018	2019			
1536	US Department of Health and Human Services	\$	7,047,608,534	7,283,666,051	7,595,549,648	8,045,420,770	8,183,022,147	38,155,267,150	27.87%	27.87%
1022	Individual income tax		6,904,282,195	7,182,257,124	7,331,004,488	7,737,588,497	7,654,451,494	36,809,583,798	26.88%	54.75%
1001	Sales and use tax		2,013,256,448	2,109,630,089	2,143,671,908	2,197,128,210	2,236,491,091	10,700,177,746	7.81%	62.57%
1524	US Department of Transportation		856,690,126	908,711,359	921,311,289	1,014,416,571	964,603,792	4,665,733,137	3.41%	65.97%
1013	Proposition C sales and use tax		868,206,165	906,517,715	918,927,877	938,175,451	949,839,137	4,581,666,345	3.35%	69.32%
1060	Motor vehicle fuel tax		704,779,616	725,922,252	734,683,791	728,500,058	736,513,579	3,630,399,296	2.65%	71.97%
1717	Medicare - Medicaid refunds		555,309,589	764,065,387	745,882,820	769,637,896	782,649,205	3,617,544,897	2.64%	74.61%
1522	US Department of Education		729,834,415	708,684,175	718,547,280	728,837,665	704,746,954	3,590,650,489	2.62%	77.24%
1332	Lottery ticket sales		463,931,842	544,750,138	506,939,548	550,136,435	574,457,578	2,640,215,541	1.93%	79.16%
1510	US Department of Agriculture		500,917,291	514,422,704	514,408,963	508,032,007	511,845,041	2,549,626,006	1.86%	81.03%
1026	Corporate income tax		525,403,403	466,496,555	432,357,927	459,482,248	524,941,269	2,408,681,402	1.76%	82.79%
1076	Gaming commission gross receipts tax		320,386,965	323,585,514	324,262,046	328,396,438	327,393,773	1,624,024,736	1.19%	83.97%
1009	Motor vehicle sales tax		292,586,228	305,649,502	322,733,522	328,124,026	320,396,628	1,569,489,906	1.15%	85.12%
1420	Medicaid - community based		240,617,515	259,045,530	275,410,223	389,406,224	386,380,675	1,550,860,167	1.13%	86.25%
1033	County foreign insurance tax		239,393,674	247,446,081	280,592,925	310,095,430	293,426,981	1,370,955,091	1.00%	87.25%
1106	Motor vehicle licenses or permits		180,652,915	186,711,892	191,696,459	193,840,946	198,970,941	951,873,153	0.70%	87.95%
1806	Recovery costs		146,343,779	141,153,215	208,553,784	155,657,507	151,805,702	803,513,987	0.59%	88.53%
1814	Cost reimbursements - local/other		170,110,809	179,461,032	140,007,166	160,875,904	147,183,665	797,638,576	0.58%	89.12%
1305	Bond sales proceeds		167,828,087	210,116,282	102,130,224	133,670,887	35,003,859	648,749,339	0.47%	89.59%
1520	US Department of Labor		126,368,853	120,842,194	123,241,053	109,450,198	122,957,840	602,860,138	0.44%	90.03%
1011	Conservation sales and use tax		110,528,741	115,429,774	117,077,413	119,568,141	120,934,964	583,539,033	0.43%	90.46%
1039	Worker's compensation insurance tax - second injury		90,502,981	106,107,160	101,791,431	102,703,123	99,505,372	500,610,067	0.37%	90.82%
1636	Unclaimed properties		100,888,189	94,224,664	96,044,838	98,968,823	97,610,441	487,736,955	0.36%	91.18%
1089	Pharmacy reimbursement allowance		87,807,243	95,736,817	87,380,822	108,168,401	93,338,044	472,431,327	0.35%	91.52%
1828	Redeposit of loan principal		74,454,908	83,588,497	97,881,344	105,777,957	105,666,580	467,369,286	0.34%	91.86%
1534	Federal Emergency Management Agency		136,785,815	90,290,749	80,291,635	77,200,265	54,783,155	439,351,619	0.32%	92.19%
1530	US Environmental Protection Agency		92,295,480	84,163,611	92,033,621	85,456,503	58,136,507	412,085,722	0.30%	92.49%
1108	Interstate transportation licenses or permits		77,389,354	82,275,134	76,619,858	82,870,896	86,689,646	405,844,888	0.30%	92.78%
1057	Cigarette tax		81,745,445	83,685,975	79,873,777	75,939,169	72,927,231	394,171,597	0.29%	93.07%
1418	Medicaid		73,123,636	72,032,939	80,000,126	79,351,290	76,018,593	380,526,584	0.28%	93.35%
1528	US Veterans Administration		69,070,475	71,189,569	74,619,431	82,501,384	76,818,403	374,199,262	0.27%	93.62%
1834	Rebates		83,421,967	49,690,081	66,427,711	78,149,910	67,899,300	345,588,969	0.25%	93.87%
6015	Leased facility		61,542,743	61,346,648	62,104,759	63,126,489	64,424,904	312,545,543	0.23%	94.10%
1842	Loan repayment		57,842,761	53,865,984	59,539,899	46,011,380	54,192,647	271,452,671	0.20%	94.30%
1540	US Social Security Administration		45,917,912	53,141,675	49,273,043	47,114,295	46,841,466	242,288,391	0.18%	94.48%
1003	Parks sales and use tax		44,211,573	46,171,505	46,830,973	47,830,741	48,374,039	233,418,831	0.17%	94.65%
1005	Soil and water sales and use tax		44,211,575	46,171,508	46,830,977	47,830,649	48,373,824	233,418,533	0.17%	94.82%
1514	US Department of Housing and Urban Development		40,676,241	46,977,140	47,220,963	55,239,661	40,029,975	230,143,980	0.17%	94.99%
1549	Miscellaneous federal revenues		48,644,049	39,911,964	39,415,516	43,310,397	44,728,057	216,009,983	0.16%	95.14%
1252	Admission fees		45,589,269	44,166,866	42,421,150	41,204,836	38,939,356	212,321,477	0.16%	95.30%

Appendix D

Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Code	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
			2015	2016	2017	2018	2019			
	1603	U.S./agency securities interest	20,342,362	22,256,721	26,974,579	46,398,605	74,832,550	190,804,817	0.14%	95.44%
	6009	Telephone billing	36,836,383	37,945,584	38,207,119	33,736,326	38,077,517	184,802,929	0.13%	95.57%
	1512	US Department of Defense	32,534,000	38,537,907	33,598,338	39,111,801	37,466,470	181,248,516	0.13%	95.71%
	6029	Interagency receipts	41,998,779	35,435,991	35,066,083	33,691,602	34,030,155	180,222,610	0.13%	95.84%
	1264	Court fees	39,184,711	35,253,537	33,635,353	32,990,320	31,876,520	172,940,441	0.13%	95.96%
	1250	Collection fees	30,805,269	32,230,771	32,330,843	34,973,528	37,017,947	167,358,358	0.12%	96.09%
	1813	Cost reimbursements - state	33,749,887	34,449,443	31,776,464	35,812,952	29,697,994	165,486,740	0.12%	96.21%
	1041	Excess lines of insurance tax	29,713,178	30,024,860	33,455,598	34,308,445	35,890,349	163,392,430	0.12%	96.33%
	1126	Hunting and fishing licenses and commission permits	31,788,573	33,011,845	31,988,432	32,628,927	31,809,260	161,227,037	0.12%	96.44%
	1516	US Department of Interior	27,826,979	29,441,709	32,053,401	32,848,237	33,968,755	156,139,081	0.11%	96.56%
	6021	Computer services	24,413,038	29,571,066	30,753,047	32,349,562	37,043,025	154,129,738	0.11%	96.67%
	1557	American Recovery and Reinvestment Act	40,937,451	27,772,004	37,522,104	29,773,379	11,630,405	147,635,343	0.11%	96.78%
	1080	Real and personal property tax	27,568,831	28,189,016	28,830,339	29,703,452	31,102,787	145,394,425	0.11%	96.89%
	6013	Reimbursement/recovery cost	31,674,920	27,485,232	27,633,771	27,843,968	26,651,528	141,289,419	0.10%	96.99%
	1100	Professional licenses or permits	29,225,729	26,707,324	28,140,106	24,242,068	30,634,356	138,949,583	0.10%	97.09%
	1436	Room and care	28,109,625	27,664,512	26,946,999	25,026,869	22,258,611	130,006,616	0.09%	97.19%
	1560	Federal pass-through grants	37,998,600	19,553,864	31,442,608	14,579,015	18,223,873	121,797,960	0.09%	97.27%
	1053	Liquor tax	22,476,067	22,844,443	24,012,395	25,088,295	25,892,501	120,313,701	0.09%	97.36%
	1811	Local match	34,985,281	20,599,206	14,410,471	15,507,413	31,544,265	117,046,636	0.09%	97.45%
	6027	Sale of manufactured products	19,461,962	20,665,985	20,192,629	18,619,178	22,131,780	101,071,534	0.07%	97.52%
	1059	Tobacco product tax	17,691,619	19,434,019	20,516,652	21,468,711	21,938,400	101,049,401	0.07%	97.60%
	1188	Public utilities fees	19,695,636	19,842,506	19,936,400	19,627,829	19,494,691	98,597,062	0.07%	97.67%
	1162	Filing fees	19,047,755	19,812,035	19,096,824	19,153,508	19,777,511	96,887,633	0.07%	97.74%
	1088	Nursing facility reimbursement allowance	18,022,997	20,891,666	19,522,237	18,238,114	17,955,464	94,630,478	0.07%	97.81%
	1090	Federal reimbursement allowance	15,380,839	15,806,286	15,567,989	26,077,730	21,750,434	94,583,278	0.07%	97.88%
	1858	Other miscellaneous receipts - state	18,750,554	15,370,417	19,506,370	16,279,375	16,158,389	86,065,105	0.06%	97.94%
	1037	Worker's compensation insurance tax	17,199,724	17,156,163	16,720,052	17,416,920	16,976,319	85,469,178	0.06%	98.00%
	1626	Court awards	11,122,925	12,786,154	23,175,458	19,228,331	15,085,967	81,398,835	0.06%	98.06%
	1110	Driver's licenses or permits	16,154,330	15,361,100	13,754,181	15,544,741	14,612,104	75,426,456	0.06%	98.12%
	1624	Settlements	39,020,076	5,603,862	11,865,632	4,991,118	13,216,473	74,697,161	0.05%	98.17%
	1621	Penalties	17,377,486	13,442,654	10,477,035	13,339,235	11,519,332	66,155,742	0.05%	98.22%
	1152	Motorboat fees	12,549,673	12,358,613	12,687,392	12,562,562	12,224,132	62,382,372	0.05%	98.26%
	1206	Solid waste disposal fees	10,946,036	11,764,753	12,282,791	12,831,002	12,953,236	60,777,818	0.04%	98.31%
	1169	Other registration fees	11,501,235	11,916,069	11,926,930	12,158,837	12,429,855	59,932,926	0.04%	98.35%
	1198	Transport load fees	11,195,303	11,567,440	11,633,855	11,529,928	13,238,787	59,165,313	0.04%	98.40%
	1302	Criminal records check fees	11,037,517	12,170,148	11,578,987	11,134,370	12,918,735	58,839,757	0.04%	98.44%
	1303	Other fees	10,976,155	11,062,952	12,192,455	10,500,051	13,908,822	58,640,435	0.04%	98.48%
	1070	Corporation franchise tax	32,211,295	19,512,409	2,743,150	2,240,048	1,614,811	58,321,713	0.04%	98.52%
	1518	US Department of Justice	2,856,329	5,251,610	4,430,759	4,112,224	40,216,518	56,867,440	0.04%	98.57%
	1266	Financial institutions examination fees	10,676,424	10,386,467	11,444,946	11,138,716	11,659,106	55,305,659	0.04%	98.61%

Appendix D

Review of Article X, Sections 16 Through 24,
 Constitution of Missouri
 Schedule of SAM II Revenues - Largest 5-Year Cumulative Revenue Types

Revenue Source	Type of Revenue	Year Ended June 30,					5-Year Total	Percentage	Cumulative Percentage of Total
		2015	2016	2017	2018	2019			
1328	Sales of fixed assets - control	6,972,758	8,237,789	16,771,373	10,326,660	11,440,310	53,748,890	0.04%	98.65%
1551	County mental health programs	11,311,919	12,946,158	12,412,049	8,557,588	7,206,115	52,433,829	0.04%	98.68%
6007	Mail/freight services	9,761,536	9,619,041	9,605,392	9,291,754	9,789,843	48,067,566	0.04%	98.72%
1132	Overdimension/overweight permits - Amendment 3	9,277,614	9,563,794	9,377,774	9,565,985	9,774,441	47,559,608	0.03%	98.75%
1094	Ambulance service reimbursement allowance	7,894,871	7,863,496	9,781,742	11,366,127	10,637,791	47,544,027	0.03%	98.79%
6035	Taxes	9,609,364	8,613,452	7,653,994	8,380,299	8,188,913	42,446,022	0.03%	98.82%
1295	Intervention fees	8,503,124	8,429,899	7,414,914	8,028,733	8,573,586	40,950,256	0.03%	98.85%
1262	Loan administration fees	7,127,199	8,311,128	9,385,819	8,484,187	7,418,830	40,727,163	0.03%	98.88%
1822	Outlawed checks	5,551,795	7,914,090	9,367,114	8,047,892	9,417,971	40,298,862	0.03%	98.91%
1316	Manufactured product sales	8,418,694	7,456,017	7,814,296	8,355,266	7,321,967	39,366,240	0.03%	98.94%
1049	Heavy beer tax	7,708,889	7,798,378	7,666,892	7,437,210	7,517,441	38,128,810	0.03%	98.96%
1335	Canteen sales	-	-	-	-	37,504,377	37,504,377	0.03%	98.99%
1220	Lab fees	6,079,666	6,305,303	7,957,512	8,623,532	8,409,131	37,375,144	0.03%	99.02%
All other revenue source codes		281,556,071	263,717,538	279,080,418	265,329,328	252,888,961	1,342,572,316	0.98%	100.00%
Total Revenues		\$ 25,845,977,839	26,737,217,477	27,249,912,291	28,525,799,531	28,560,833,266	136,919,740,404		

Review of Article X, Sections 16 Through 24, Constitution of Missouri Appendix E

Article X, Sections 16 through 24, Constitution of Missouri (Adopted November 4, 1980, Amended April 2, 1996*)

TAXATION

Section 16. Taxes and state spending to be limited--state to support certain local activities--emergency spending and bond payments to be authorized. Property taxes and other local taxes and state taxation and spending may not be increased above the limitations specified herein without direct voter approval as provided by this constitution. The state is prohibited from requiring any new or expanded activities by counties and other political subdivisions without full state financing, or from shifting the tax burden to counties and other political subdivisions. A provision for emergency conditions is established and the repayment of voter approved bonded indebtedness is guaranteed. Implementation of this section is specified in sections 17 through 24, inclusive of this article.

Section 17. Definitions. As used in sections 16 through 24 of Article X:

- (1) **"Total state revenues"** includes all general and special revenues, license and fees, excluding federal funds, as defined in the budget message of the governor for fiscal year 1980-1981. Total state revenues shall exclude the amount of any credits based on actual tax liabilities or the imputed tax components of rental payments, but shall include the amount of any credits not related to actual tax liabilities.
- (2) **"Personal income of Missouri"** is the total income received by persons in Missouri from all sources, as defined and officially reported by the United States Department of Commerce or its successor agency.
- (3) **"General price level"** means the Consumer Price Index for All Urban Consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency.

Section 18. Limitation on taxes which may be imposed by general assembly--exclusions--refund of excess revenue--adjustments authorized.

- (a) There is hereby established a limit on the total amount of taxes which may be imposed by the general assembly in any fiscal year on the taxpayers of this state. Effective with fiscal year 1981-1982, and for each fiscal year thereafter, the general assembly shall not impose taxes of any kind which, together with all other revenues of the state, federal funds excluded, exceed the revenue limit established in this section. The revenue limit shall be calculated for each fiscal year and shall be equal to the product of the ratio of total state revenues in fiscal year 1980-1981 divided by the personal income of Missouri in calendar year 1979 multiplied by the personal income of Missouri in either the calendar year prior to the calendar year in which appropriations for the



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

fiscal year for which the calculation is being made, or the average of personal income of Missouri in the previous three calendar years, whichever is greater.

(b) For any fiscal year in the event that total state revenues exceed the revenue limit established in this section by one percent or more, the excess revenues shall be refunded pro rata based on the liability reported on the Missouri state income tax (or its successor tax or taxes) annual returns filed following the close of such fiscal year. If the excess is less than one percent, this excess shall be transferred to the general revenue fund.

(c) The revenue limitation established in this section shall not apply to taxes imposed for the payment of principal and interest on bonds, approved by the voters and authorized under the provisions of this constitution.

(d) If responsibility for funding a program or programs is transferred from one level of government to another, as a consequence of constitutional amendment, the state revenue and spending limits may be adjusted to accommodate such change, provided that the total revenue authorized for collection by both state and local governments does not exceed that amount which would have been authorized without such change.

(e). Voter approval required for taxes or fees, when, exceptions--definitions--compliance procedure, remedies.

1. In addition to the revenue limit imposed by section 18 of this article, the general assembly in any fiscal year shall not increase taxes or fees without voter approval that in total produce new annual revenues greater than either fifty million dollars adjusted annually by the percentage change in the personal income of Missouri for the second previous fiscal year, or one percent of total state revenues for the second fiscal year prior to the general assembly's action, whichever is less. In the event that an individual or series of tax or fee increases exceed the ceiling established in this subsection, the taxes or fees shall be submitted by the general assembly to a public vote starting with the largest increase in the given year, and including all increases in descending order, until the aggregate of the remaining increases and decreases is less than the ceiling provided in this subsection.

2. The term "new annual revenues" means the net increase in annual revenues produced by the total of all tax or fee increases enacted by the general assembly in a fiscal year, less applicable refunds and less all contemporaneously occurring tax or fee reductions in that same fiscal year, and shall not include interest earnings on the proceeds of the tax or fee increase. For purposes of this calculation, "enacted by the general assembly" shall include any and all bills that are truly agreed to and finally passed within that fiscal year, except bills vetoed by the governor and not overridden by the general assembly. Each individual tax or fee increase shall be measured by



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

the estimated new annual revenues collected during the first fiscal year that it is fully effective. The term "increase taxes or fees" means any law or laws passed by the general assembly after May 2, 1996, that increase the rate of an existing tax or fee, impose a new tax or fee, or broaden the scope of a tax or fee to include additional class of property, activity, or income, but shall not include the extension of an existing tax or fee which was set to expire.

3. In the event of an emergency, the general assembly may increase taxes, licenses or fees for one year beyond the limit in this subsection under the same procedure specified in section 19 of this article.

4. Compliance with the limit in this section shall be measured by calculating the aggregate actual new annual revenues produced in the first fiscal year that each individual tax or fee change is fully effective.

5. Any taxpayer or statewide elected official may bring an action under the provisions of section 23 of this article to enforce compliance with the provisions of this section. The Missouri supreme court shall have original jurisdiction to hear any challenge brought by any statewide elected official to enforce this section. In such enforcement actions, the court shall invalidate the taxes and fees which should have received a public vote as defined in subsection 1 of this section. The court shall order remedies of the amount of revenue collected in excess of the limit in this subsection as the court finds appropriate in order to allow such excess amounts to be refunded or to reduce taxes and/or fees in the future to offset the excess monies collected.

Section 19. Limits may be exceeded, when, how. The revenue limit of section 18 of this article may be exceeded only if all of the following conditions are met: (1) The governor requests the general assembly to declare an emergency; (2) the request is specific as to the nature of the emergency, the dollar amount of the emergency, and the method by which the emergency will be funded; and (3) the general assembly thereafter declares an emergency in accordance with the specifics of the governor's request by a majority vote for fiscal year 1981-1982, thereafter a two-thirds vote of the members elected to and serving in each house. The emergency must be declared in accordance with this section prior to incurring any of the expenses which constitute the emergency request. The revenue limit may be exceeded only during the fiscal year for which the emergency is declared. In no event shall any part of the amount representing a refund under section 18 of this article be the subject of an emergency request.

Section 20. Limitation on state expenses. No expenses of state government shall be incurred in any fiscal year which exceed the sum of the revenue limit established in sections 18 and 19 of this article plus federal funds and any surplus from a previous fiscal year.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

Section 21. State support to local governments not to be reduced, additional activities and services not to be imposed without full state funding. The state is hereby prohibited from reducing the state financed proportion of the costs of any existing activity or service required of counties and other political subdivisions. A new activity or service or an increase in the level of any activity or service beyond that required by existing law shall not be required by the general assembly or any state agency of counties or other political subdivision, unless a state appropriation is made and disbursed to pay the county or other political subdivision for any increased costs.

Section 22. Political subdivisions to receive voter approval for increases in taxes and fees--rollbacks may be required--limitation not applicable to taxes for bonds.

(a) Counties and other political subdivisions are hereby prohibited from levying any tax, license or fees, not authorized by law, charter or self-enforcing provisions of the constitution when this section is adopted or from increasing the current levy of an existing tax, license or fees, above that current levy authorized by law or charter when this section is adopted without the approval of the required majority of the qualified voters of that county or other political subdivision voting thereon. If the definition of the base of an existing tax, license or fees, is broadened, the maximum authorized current levy of taxation on the new base in each county or other political subdivision shall be reduced to yield the same estimated gross revenue as on the prior base. If the assessed valuation of property as finally equalized, excluding the value of new construction and improvements, increases by a larger percentage than the increase in the general price level from the previous year, the maximum authorized current levy applied thereto in each county or other political subdivision shall be reduced to yield the same gross revenue from existing property, adjusted for changes in the general price level, as could have been collected at the existing authorized levy on the prior assessed value.

(b) The limitations of this section shall not apply to taxes imposed for the payment of principal and interest on bonds or other evidence of indebtedness or for the payment of assessments on contract obligations in anticipation of which bonds are issued which were authorized prior to the effective date of this section.

Section 23. Taxpayers may bring actions for interpretations of limitations. Notwithstanding other provisions of this constitution or other law, any taxpayer of the state, county or other political subdivision shall have standing to bring suit in a circuit court of proper venue and additionally, when the state is involved, in the Missouri supreme court, to enforce the provisions of sections 16 through 22, inclusive, of this article and, if the suit is sustained, shall receive from the applicable unit of government his costs, including reasonable attorneys' fees incurred in maintaining such suit.



Review of Article X, Sections 16 Through 24,
Constitution of Missouri
Appendix E

Section 24. Voter approval requirements not exclusive--self-enforceability.

(a) The provisions for voter approval contained in sections 16 through 23, inclusive, of this article do not abrogate and are in addition to other provisions of the constitution requiring voter approval to incur bonded indebtedness and to authorize certain taxes.

(b) The provisions contained in sections 16 through 23, inclusive, of this article are self-enforcing; provided, however, that the general assembly may enact laws implementing such provisions which are not inconsistent with the purposes of said sections.

* The 1996 amendment added Section 18(e).



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
May 2020**

Report No. 2020-034

June 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

May 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended November 30, 2019 Reports Due May 31, 2020.....	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in May 2020	5
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in May 2020	6
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in May 2020	7



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 10 political subdivisions required to file a financial report by May 31, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in May 2020, after their filing deadline. The filing status for these 9 entities is presented in summary on page 3 and by individual entity in Appendix B-D.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

May 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 10 political subdivisions, other than cities, towns, and villages, with a fiscal year end of November 30, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 10 political subdivisions, 5 filed an annual financial report timely.

This report also includes the filing status for 9 political subdivisions, other than cities, towns, and villages, that filed their financial report in May 2020, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due May 31, 2020

Fiscal Year Ended November 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	Amazonia Levee District	No	
Carroll	Big Bend Levee District	Yes	December 10, 2019
Greene	PWSD 5 Greene County	No	
Holt	Big Tarkio Drainage District	No	
Jefferson	Goldman FPD	Yes	January 4, 2020
Laclede	Lebanon SRD 1 Laclede County	No	
Moniteau	Tipton Rural FPD	Yes	May 27, 2020
New Madrid	Drainage District 29 New Madrid County	Yes	December 18, 2019
St. Charles	PWSD 2 St. Charles County	Yes	April 8, 2020
St. Francois	Leadwood FPD	No	
Total Filed		5	
Total Not Filed		5	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in May 2020

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Harrison	Noel Adams Ambulance District	Yes	May 7, 2020
Marion	Marion County 911 Board	Yes	May 29, 2020
Webster	Webster County Health Unit	Yes	May 31, 2020
Total Filed		3	

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due March 31, 2020

Filed in May 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Callaway	Millersburg FPD	Yes	May 21, 2020
Monroe	Monroe City Ambulance District	Yes	May 5, 2020
St. Louis	Daniele CID	Yes	May 11, 2020
Total Filed		3	

Acronyms:

CID	Special Road District
FPD	Fire Protection District

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due April 30, 2020

Filed in May 2020

Fiscal Year Ended October 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Lafayette	Wellington-Napoleon FPD	Yes	May 4, 2020
Macon	Callao Town & Country Volunteer FPD	Yes	May 12, 2020
Ray	Ray County Memorial Hospital	Yes	May 22, 2020
Total Filed		3	

Acronyms:

FPD Fire Protection District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
May 2020**

Report No. 2020-033

June 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

May 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended November 30, 2019 Reports Due May 31, 2020.....	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in May 2020	6
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in May 2020	7
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due April 30, 2020 Filed in May 2020	8



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by May 31, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 3 cities is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in May 2020, after their filing deadline. The filing status for these 19 cities is presented in summary on pages 4 and by individual entity in Appendixes B to D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

May 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 3 cities with a fiscal year end of November 30, 2019, whose financial report was due by May 31, 2020. Of the 3 municipalities required to file an annual financial report, 2 filed the report timely. Of the 3 municipalities required to file an addendum, 1 filed an addendum timely. Of the 2 municipalities required to file a certification, 1 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
May 2020
Executive Summary

This report includes the filing status for 19 cities that filed at least one of the items (financial report, addendum, or certification) in May 2020, after their filing deadline. Of these municipalities, 3 filed an annual financial report, 14 filed an addendum, and 7 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due May 31, 2020

Fiscal Year Ended November 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Lafayette	City of Mayview	Yes	February 12, 2020	No	n/a
St. Louis	City of Flordell Hills	No		No	No
	City of Florissant	Yes	May 28, 2020	Yes	Yes
Total Filed		2		1	1
Total Not Filed		1		2	1
Total n/a		0		0	1

n/a Entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in May 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
DeKalb	City of Clarksdale	**	December 30, 2019	Yes	n/a
Franklin	City of Berger	Yes	May 14, 2020	No	n/a
Jefferson	City of Hillsboro	**	November 18, 2019	Yes	Yes
Total Filed		1		2	1

** Filed by December 31, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2020
Filed in May 2020

Fiscal Year Ended September 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Audrain	City of Farber	**	January 10, 2020	Yes	n/a
Barry	City of Exeter	**	October 11, 2019	Yes	Yes
Camden	City of Camdenton	**	October 2, 2019	Yes	Yes
Dallas	City of Buffalo	**	March 23, 2020	Yes	n/a
Henry	City of Urich	Yes	May 12, 2020	No	n/a
Jackson	City of Buckner	**	March 25, 2020	**	Yes
Jasper	City of Duquesne	**	January 27, 2020	Yes	Yes
Lafayette	City of Concordia	***	April 23, 2020	***	Yes
Madison	City of Fredericktown	***	April 20, 2020	Yes	No
Ozark	City of Gainesville	**	December 10, 2019	Yes	n/a
Saline	City of Marshall	**	March 23, 2020	Yes	***
St. Francois	City of Bonne Terre	**	March 30, 2020	Yes	**
Stone	City of Branson West	**	March 25, 2020	**	Yes
Total Filed		1		9	6

** Filed by March 31, 2020.

*** Filed after March 31, 2020, but before May 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2020
Filed in May 2020

Fiscal Year Ended October 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Holt	City of Maitland	Yes	May 26, 2020	Yes	n/a
Jackson	City of Raytown	**	April 30, 2020	Yes	No
Jasper	City of Cartersville	**	April 7, 2020	Yes	No
Total Filed		1		3	0

** Filed by April 30, 2020.

n/a Entities without a municipal judge are not required to file a certification.

The seal of the State Auditor of Missouri is circular. It features the text "SEAL OF THE STATE AUDITOR" around the top edge and "MISSOURI 1820 1892" around the bottom edge. In the center, there is a shield with a balance scale and a plow, with the motto "JUSTICE WE STAND DIVIDED" above it.

Nicole Galloway, CPA

Missouri State Auditor

Clay County

Public Administrator

Report No. 2020-032

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Clay County - Public Administrator

Cash Disbursements

The Public Administrator's office did not maintain sufficient documentation to support some cash disbursements.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Clay County Public Administrator Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Finding	Cash Disbursements4
--	---------------------------

Organization and Statistical Information	7
---	---



NICOLE GALLOWAY, CPA

Missouri State Auditor

Public Administrator
Clay County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit Clay County. We have audited certain operations of the Clay County Public Administrator in fulfillment of our duties. The county engaged RSM US LLP to audit the county's financial statements for the year ended December 31, 2018. To minimize duplication of effort, we reviewed the firm's audit report for the year ended December 31, 2017, since the report for the year ended December 31, 2018, had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the Public Administrator's internal controls over certain management and financial functions.
2. Evaluate the Public Administrator's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

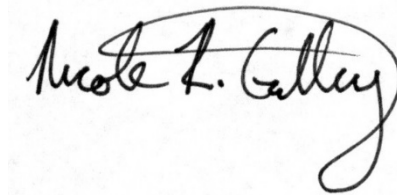
Our methodology included reviewing policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Public Administrator and was not subjected to the procedures applied in our audit of the Public Administrator.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) no significant deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Clay County Public Administrator.

Additional audit reports of various elected officials and Clay County as a whole are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Managers:	Pamela Allison, CPA, CFE
	John Lieser, CPA
In-Charge Auditor:	Robert McArthur II, CFE
Senior Auditor:	Joy Stevens, MAcc, CFE, CGAP
Audit Staff:	Zach Andrews

Clay County Public Administrator Management Advisory Report - State Auditor's Finding

Cash Disbursements

The Public Administrator's office did not maintain sufficient documentation to support some cash disbursements.

Public Administrator's office personnel withdraw cash from ward bank accounts. The cash is provided to the ward or one of the Public Administrator's deputy case managers to purchase items for the ward. To initiate this, the ward's case manager sends an email requesting the Deputy Financial Officer write a check from the ward's bank account that is then cashed by the Deputy Financial Auditor. The cash is placed in an envelope in a locked box in the office safe until it is picked up by the ward or case manager.

The recipient of the cash (case manager or ward) is noted by the recipient's signature on a cash receipt form that also indicates the date, amount, and intended purchase. When the case manager is the recipient, the case manager is required to obtain vendor receipt slips that are maintained in the ward case file. In addition, the case manager is required to return any unspent cash to the Deputy Financial Officer for redeposit into the ward's bank account, or obtain a signed cash receipt form if the remaining cash is given to the ward for spending money. During the year ended December 31, 2018, Public Administrator's office personnel made 159 cash disbursements, totaling approximately \$31,000, from 78 ward bank accounts.

We reviewed 31 cash disbursements made from July 2017 to January 2020 from 15 ward bank accounts totaling \$11,860 and identified the following disbursements that did not have the necessary documentation to support the payments made:

- The case manager did not prepare a cash receipt form for \$117 cash provided to a ward. Notations on the original cash receipt form for \$450, signed only by the case manager, indicated \$117 cash was given to the ward, after the case manager used \$333 to purchase a television and wall mount for the ward. The Public Administrator provided the vendor receipt slip for the television and wall mount, but the case manager did not prepare a cash receipt form to be signed by the ward for the remaining \$117.
- Neither the case manager nor the ward signed the cash receipt form for \$50 cash provided to a ward. According to the Public Administrator, the case manager provided the cash to the Director of Nursing at the nursing facility where the ward resided. The Director of Nursing signed the form and provided the cash to the ward, but the case manager did not obtain a receipt slip from the nursing facility to support this.
- The case manager did not obtain the ward's signature on a cash receipt form for \$50 provided as a personal spending allowance. Instead the form



Clay County
Public Administrator
Management Advisory Report - State Auditor's Findings

was only signed by the case manager and the case manager's email to request the funds indicated the disbursement was a reimbursement for \$50 in spending money he provided the ward.

- The recipient section was blank on one cash receipt form for \$400. The email prepared by the case manager requesting the cash indicated she intended to shop for the ward. The Public Administrator provided vendor receipt slips for groceries totaling \$284 and a deposit receipt slip showing the remaining \$116 was redeposited in the ward's bank account.
- A cash receipt form was not maintained for a \$40 cash disbursement. The Public Administrator indicated the case manager received the cash. The Public Administrator provided a vendor receipt slip for \$33 and deposit receipt slip showing the remaining \$7 was redeposited in the ward's bank account.

Without obtaining, reviewing, and maintaining adequate documentation, the Public Administrator cannot ensure the validity and propriety of all cash disbursements. To ensure payments are valid and proper and to reduce the risk of loss, theft, or misuse of ward assets, adequate supporting documentation should be maintained for all cash disbursements.

Recommendation

The Public Administrator ensure proper documentation is maintained for cash disbursed from ward bank accounts.

Auditee's Response

The Public Administrator's office thanks the State Auditor's Office for their work investigating the concerns of Clay County's citizens. We appreciate their recommendation for increased improvement, and will continue, as always, to find ways to improve the Public Administrator's office and better serve our wards. From July 1, 2017, to December 31, 2019, the Public Administrator's office made over \$16.3 million in financial disbursements on behalf of our wards and estates. The overwhelming majority of disbursements are conducted via check to ensure the highest-level of financial security possible for our wards and estates.

Before 2017, the Public Administrator's office was operating under the auditing and documentation guidelines of the Social Security Administration (SSA), from which almost all of our wards receive income. The Public Administrator's staff was trained by SSA that SSA policies require a signature on a cash receipt form or receipt slips from the purchases, not both. Since the Public Administrator took office in January 2017, improvements have been made gradually, including the tightening of cash-handling procedures to increase accountability. The Public Administrator's office has instituted a regular training that all staff members handling cash or working with finances must attend to reduce the chance of employee error. The Public Administrator's office has also developed new cash-handling receipt slips to



Clay County
Public Administrator
Management Advisory Report - State Auditor's Findings

reduce the chance of employee error and ensure all necessary signatures and receipt slips are documented. The Public Administrator has worked with the court to allow the office to utilize more electronic transactions to further reduce instances of cash transactions.

Concerning the staff reimbursement, the Public Administrator's office works with real people with serious mental health diagnoses such that we often work in extraordinary or unusual circumstances. The Public Administrator's office also must comply with the various policies and regulations of several state and federal agencies, including, but not limited to, the 7th Judicial Circuit of Clay County, Missouri, the SSA, the Veteran's Administration, and the Missouri Department of Social Services. Our work requires a flexibility that is not always apparent from an auditing perspective. This need for flexibility is most apparent when we must timely act in response to the immediate and pressing needs of a ward, especially when health and safety is a concern.

In regards to the Director of Nursing signing a cash receipt form, our policy is that it is preferred for our wards to sign for cash, but there are allowances for attending facility or agency staff to sign. We have some wards that are unable to sign their name. Furthermore, we are required to have a high-level of trust in the facilities and agencies that care for our wards. That trust also extends to a ward's finances. Almost all the facilities and agencies do some sort of shopping for our wards, hold their personal spending money, or take our wards shopping and assist them. These homes must report to the Public Administrator's office, Missouri state agencies, and the SSA. Per the State Auditor's recommendation, in the future, we will ensure that we receive a receipt slip for any cash signed by a facility or agency employee.

As to the final point, in the past, a cash receipt form was only created if the cash is brought back to the office. Most likely, the same employee that withdrew the cash also did the shopping for which the cash was withdrawn. Although this complies with the previous practices of the office, it would now be handled differently under the new procedures of the Public Administrator's office.

Clay County

Public Administrator

Organization and Statistical Information

The Public Administrator serves as the court appointed personal representative for decedents' estates and as guardian and/or conservator for individuals who are unable to care for themselves or their property when there is no one else to serve. The Public Administrator is responsible for the financial activity of approximately 316 wards with assets totaling approximately \$5.8 million as of December 31, 2018. The Public Administrator is required to file annual settlements with the Circuit Court, Probate Division, for each appointed ward or estate reflecting the financial activity for the year.

Sarah Mills was elected Clay County Public Administrator in November 2016 and is serving a 4-year term. She received a salary of \$77,106 for the year ended December 31, 2018. The Public Administrator's office employed an Assistant Public Administrator, 9 deputies, and 1 part-time employee as of December 31, 2018.

The seal of the Missouri State Auditor is a circular emblem. It features a central shield with a balance scale and a plow. Above the shield is an eagle with spread wings. The text "SEAL OF THE STATE AUDITOR" is written in a circle around the top, and "MISSOURI 1820 1892" is written around the bottom. The phrase "UNDER THE STAND DIVIDED" is written across the middle of the seal.

Nicole Galloway, CPA

Missouri State Auditor

Phelps County

Report No. 2020-031

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Phelps County

Property Tax System	As noted in the prior audit report, neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector.
Prosecuting Attorney's Bank Reconciliations and Liabilities	Prosecuting Attorney's office personnel do not prepare adequate and timely bank reconciliations and do not maintain an adequate list of liabilities.
County Procedures	As similarly noted in the 2 prior audit reports, the County Commission does not maintain documentation supporting the annual transfer from the Unemployment Fund to the General Revenue Fund for administrative costs for maintaining the Unemployment Fund and processing unemployment claims. The County Commission has not established a comprehensive county personnel policy manual covering all county employees and vacation leave policies developed for the Road and Bridge department are not always followed.
County Commission Meeting Minutes	The County Clerk and the County Commission do not ensure minutes of all County Commission meetings are prepared and approved timely.
Senate Bill 40 Board Employee Bonuses	The Senate Bill 40 Board paid bonuses to employees in violation of the Missouri Constitution.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Phelps County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Property Tax System4 2. Prosecuting Attorney's Bank Reconciliations and Liabilities.....4 3. County Procedures6 4. County Commission Meeting Minutes.....8 5. Senate Bill 40 Board Employee Bonuses9
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Organization and Statistical Information	10
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NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Phelps County

We have audited certain operations of Phelps County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

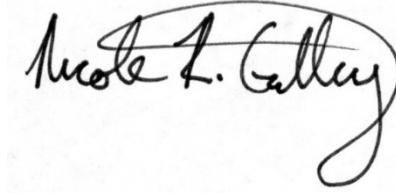
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Phelps County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable. It is written over a faint, rectangular background that appears to be a stamp or a watermark.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Robyn Vogt, M.Acct., CPA
In-Charge Auditor:	Nicole Cash, MBA, CFE, CGAP
Audit Staff:	Albert Borde-Koufie, MBA
	Logan J. Vogel

Phelps County Management Advisory Report State Auditor's Findings

1. Property Tax System

As noted in our prior audit report, neither the County Clerk nor the County Commission adequately reviews the financial activities of the County Collector, who processed property tax collections of approximately \$29.3 million during the year ended February 29, 2020.

The County Clerk does not maintain an account book or other records summarizing property tax charges, transactions, and changes. In addition, the County Clerk and the County Commission do not perform adequate procedures to verify the accuracy and completeness of the County Collector's annual settlements. The County Collector filed the annual settlement for the year ended February 28, 2019, in March 2019. However, the County Clerk and the County Commission had not approved the settlement as of March 12, 2020. As a result, there is an increased risk of loss, theft, or misuse of property tax monies going undetected, and less assurance the annual settlements are complete and accurate.

Section 51.150.1(2), RSMo, requires the County Clerk to maintain accounts with all persons chargeable with monies payable into the county treasury. An account book or other records that summarize all taxes charged to the County Collector, monthly collections, delinquent credits, additions and abatements, and protested amounts should be maintained by the County Clerk. Such records would help the County Clerk ensure taxes charged and credited to the County Collector are complete and accurate and could also be used by the County Clerk and the County Commission to verify the County Collector's annual settlements. In addition, Section 139.190, RSMo, requires the County Commission to carefully and fully examine the annual settlement of the County Collector. Such procedures are intended to establish checks and balances related to the collection of property taxes.

Recommendation

The County Clerk maintain an account book with the County Collector. In addition, the County Clerk and the County Commission should use the account book to review the accuracy and completeness of the County Collector's annual settlements.

Auditee's Response

We concur with the recommendation. The County Clerk will develop an account book and the County Commission and County Clerk will review the accuracy and completeness of the annual settlements.

2. Prosecuting Attorney's Bank Reconciliations and Liabilities

Prosecuting Attorney's office personnel do not prepare adequate and timely bank reconciliations and do not maintain an adequate list of liabilities. The office collected bad check and court-ordered restitution and fees totaling approximately \$116,000 during the year ended December 31, 2019.

Office personnel did not complete the monthly bank reconciliations for October and November 2019 until February 2020, and only partially completed the reconciliation for December 2019 as of March 11, 2020.



Phelps County
Management Advisory Report - State Auditor's Findings

In addition, office personnel do not use a consistent time frame when comparing bank activity to book activity, resulting in differences not being identified and resolved. For example, the September 2019 reconciled bank balance was calculated using activity through September 30, 2019, but was compared to a book balance calculated as of October 2, 2019. The reconciliation did not consider adjustments for timing differences, including deposits in transit or disbursements made after the September month end. After we adjusted for these differences, the reconciled bank balance totaled \$36, while the book balance totaled \$2,678, resulting in a shortage of \$2,642. Office personnel do not maintain a running book balance throughout the month; therefore, this difference may be due to errors in the book balance used in the reconciliation. Also, office personnel do not reconcile the available cash balance to a monthly list of liabilities, such as undistributed restitution and fees.

Adequate monthly bank reconciliations are necessary to ensure accounting records balance, transactions are properly recorded, and errors or discrepancies are detected and resolved timely. Regular identification and comparison of liabilities to the available cash balance is also necessary to ensure records are in balance and monies are available to satisfy all liabilities.

Recommendation

The Prosecuting Attorney ensure an accurate book balance is maintained and accurate bank reconciliations are prepared monthly. In addition, prepare monthly lists of liabilities and reconcile the list to the available cash balance. Any differences between accounting records and reconciliations should be promptly investigated and resolved.

Auditee's Response

*Bank reconciliations are now complete through April 2020. Moving forward, reconciliations will be completed within five days of the receipt of the bank statement. The reconciliations will subsequently be approved by both the Office Manager and the elected Prosecuting Attorney. To expedite receipt of the monthly bank statements, online banking has been set up for both the Office Manager and the elected Prosecuting Attorney. Online banking provides the ability to review transactions, verify cashed checks and bank balance, and download bank statements only. Online banking **DOES NOT** permit anyone to transfer funds or affect monies in the account in any way. These changes should resolve any previous timeliness issues with bank reconciliations. Lastly, in an effort to speed the process up further, the Restitution Clerk has been directed to block off time each month to perform her part of the reconciliation. That time is to be considered "do not disturb" time. In the past, trying to reconcile bank statements while also fielding phone calls, emails, or other general inquiries has contributed to delays. The office recognizes the importance of timely reconciliations and has prioritized them moving forward. All bank activity will be compared to book activity through the end of each*



Phelps County
Management Advisory Report - State Auditor's Findings

month, which should resolve any potential timing differences. Any balance remaining in the account will be reviewed and resolved.

Checks will be issued on or about the 1st and 18th of each month. Checks not cashed within 60 days of issuance will be followed up on to determine any issues. Checks returned as non-deliverable will receive additional attention and efforts to locate the payee. Unclaimed checks, and interest on the account, will be turned over to the state as required by law.

All payments received each day will be logged into a spreadsheet, with a total for the day printed at 4:00 p.m. daily. Payments after 4:00 p.m. will roll over to the following day. Daily totals will be compared to the weekly deposits made each Friday (or sooner if a larger payment is received).

3. County Procedures

The County Commission's procedures over the Unemployment Fund and personnel policies need improvement.

3.1 Unemployment Fund

As similarly noted in our 2 prior audit reports, the County Commission does not maintain documentation supporting the annual transfer from the Unemployment Fund to the General Revenue Fund for administrative costs for maintaining the Unemployment Fund and processing unemployment claims.

As allowed by state law, the county elects to not pay quarterly unemployment contributions to the Missouri Department of Labor and Industrial Relations (DLIR) and instead is responsible for the payment of unemployment claims as they occur. Although there are no statutory or regulatory requirements to establish such a fund, the county voluntarily elected to set money aside in the Unemployment Fund to pay claims.

The following table shows the activity of the Unemployment Fund for the years 2011 through 2019. Since 2017, the county set the annual transfer amount at 10 percent of the beginning balance of the Unemployment Fund.

	2011	2012	2013	2014	2015	2016	2017	2018	2019
Beginning balance,									
January 1	\$ 257,447	289,534	270,118	250,040	218,004	177,803	171,430	151,791	133,797
Transfers in ¹	67,392	1,209	0	0	0	0	0	0	0
Claims paid ²	(25,305)	(10,625)	(10,078)	(22,036)	(201)	(6,373)	(2,496)	(2,815)	(2,545)
Transfers out ³	(10,000)	(10,000)	(10,000)	(10,000)	(40,000)	0	(17,143)	(15,179)	(13,380)
Ending balance,									
December 31	\$ 289,534	270,118	250,040	218,004	177,803	171,430	151,791	133,797	117,872

¹ Transfers into the Unemployment Fund were made from all county funds from which employees are paid, including the restricted-use Special Road and Bridge, Assessment, Health Department, and Law Enforcement Sales Tax Funds.

² Claims paid through the Unemployment Fund consist of reimbursements to the DLIR for any unemployment benefits paid to eligible former county employees.

³ Transfers out from the Unemployment Fund consist of annual administrative transfers to the General Revenue Fund.



Phelps County Management Advisory Report - State Auditor's Findings

As noted in our prior audit report, the county still does not maintain documentation supporting the annual transfer from the Unemployment Fund to the General Revenue Fund and no documentation is available analyzing the impact of this transfer on the Unemployment Fund. In response to our prior audit recommendation, the County Commissioners indicated they would evaluate the Unemployment Fund, establish a target balance, and determine if a transfer was needed based on the target balance. They further indicated any transfers made would be based on a percentage of the fund and they would maintain documentation to support that determination and calculation. However, the county has not established a target balance, and although county officials now base the determination of the annual transfer amount on a percentage of the fund balance, no one could provide documentation or an explanation to support how the percentage was determined.

In addition, as demonstrated in the table, since at least 2017, the administrative transfers from the Unemployment Fund are disproportionate to the claims paid from the fund. The county changed the determination method and increased the annual transfer amount from the Unemployment Fund during the years 2017-2019, when unemployment claims totaled less than any previous year except 2015. Transferring higher amounts to the General Revenue Fund for administrative costs when actual unemployment claims are lower indicates it is unlikely the transfer amount reflects the administrative costs incurred for maintaining the Unemployment Fund.

To ensure transfers from the Unemployment Fund are appropriate, administrative transfers from the Unemployment Fund should approximate administrative costs incurred in the General Revenue Fund.

3.2 Personnel policies

The County Commission has not established a comprehensive county personnel policy manual covering all county employees. In addition, vacation leave policies developed for the Road and Bridge department are not always followed.

Comprehensive personnel policy manual

The County Commission has not established a comprehensive county personnel policy manual. Personnel policies typically address employment issues such as workplace conduct, personnel records, employee benefits, use of county property, etc. Some county departments have prepared their own personnel policies covering certain aspects of employment. For example, the County Commission has policies for the Road and Bridge department, and the Sheriff has policies for the Sheriff's office. However, these policies are not comprehensive.

A complete and comprehensive personnel policy manual benefits both county officials and employees by providing a basic understanding between the parties regarding rights and responsibilities, provides guidance should questions or disputes arise, and helps ensure county policies are fairly and consistently applied to all employees.



Phelps County
Management Advisory Report - State Auditor's Findings

Department policy
compliance

Leave balances for some Road and Bridge department employees are not in accordance with the department's leave policy. The department policy only allows employees to carry forward the vacation time earned in one year, and hours in excess of the allowed carryover amount will be forfeited if not used before December 31. An employee's carryover amount is based on his/her length of employment.

Our review of leave records for department employees identified 7 of the 17 employees (41 percent) with vacation hours exceeding their allowed carryover amount. For instance, one 15-year employee had a 394 hour vacation leave balance as of December 31, 2019, which exceeded his allowed one year accrual by 234 hours. These excess vacation leave hours were not forfeited after December 31 in accordance with the policy.

By not complying with personnel policies, the county may be paying more in accumulated vacation leave than required when an employee leaves employment, resulting in a greater financial burden to the county. In addition, compliance with personnel policies is necessary to ensure equitable treatment of employees.

Recommendations

The County Commission:

- 3.1 Prepare and maintain calculations of the costs associated with the administrative functions related to the Unemployment Fund to support the administrative transfers made from the Unemployment Fund to the General Revenue Fund.
- 3.2 Establish a complete and comprehensive employee personnel policy manual and ensure compliance with all policies.

Auditee's Response

- 3.1 *We will consider the methodology for making administrative transfers from the Unemployment Fund and ensure any transfers are adequately supported.*
- 3.2 *We concur with the recommendation. We are looking into developing a comprehensive employee personnel policy manual. We also agree it is important to follow policies and will take steps to remedy the situation by ensuring all Road and Bridge department employees and supervisors are aware of the leave policy and it is enforced.*

**4. County
Commission
Meeting Minutes**

The County Clerk and the County Commission do not ensure minutes of all County Commission meetings are prepared and approved timely. As of March 12, 2020, minutes were not available for the 20 open commission meetings held since January 1, 2020.



Phelps County
Management Advisory Report - State Auditor's Findings

Section 610.020.7, RSMo, requires minutes of open and closed meetings be maintained as a record of business conducted and to provide an official record of actions and decisions. Section 610.023.2, RSMo, requires the county make records available to the public for inspection and copying. Without timely preparation and approval of meeting minutes, the public records of open County Commission meetings cannot be made available to the public within a reasonable time period.

Recommendation

The County Commission ensure meeting minutes are prepared and approved timely, and maintained for all open and closed sessions.

Auditee's Response

We are pleased to report that our meeting minutes are now prepared and approved timely and we plan to continue this practice.

**5. Senate Bill 40
Board Employee
Bonuses**

The Senate Bill 40 Board paid bonuses to employees in violation of the Missouri Constitution. Sections 205.968 through 205.972, RSMo, allow counties to establish a Senate Bill 40 Board and related tax levy to establish or contract to provide a sheltered workshop, residence facility, or related services for the care and/or employment of persons with a disability. The Board for Phelps County is known as the Phelps County Board for the Developmentally Disabled (PCBDD).

In July 2018, the PCBDD paid \$500 bonuses to 16 salaried employees totaling \$8,000. In January 2020, the PCBDD paid bonuses to 14 salaried employees totaling \$16,146. The Board based the bonus amount paid to each employee in 2020 on a percentage of the employee's annual salary, with the percentage determined by the employee's performance appraisal rating.

These bonuses represent additional compensation for services previously rendered and, as such, are in violation of Article III, Section 39, the Missouri Constitution, and contrary to Attorney General's Opinion No. 72-1955 (June 14, 1955), which states, "... a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

Recommendation

The Phelps County Board for the Developmentally Disabled discontinue the practice of paying bonuses.

Auditee's Response

The Board has agreed and implemented the process that any/all pay raises will be given as a cost to continue and not as a bonus, as bonuses are prohibited.

Phelps County

Organization and Statistical Information

Phelps County is a county-organized, third-class county. The county seat is Rolla.

Phelps County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 156 full-time employees and 25 part-time employees on December 31, 2019.

In addition, county operations include a Senate Bill 40 Board (Phelps County Board for the Developmentally Disabled), Senior Companions Board, Law Enforcement Restitution Board, and the Phelps County Health Department.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Randy Verkamp, Presiding Commissioner	\$	39,161
Gary W. Hicks, Associate Commissioner		37,080
Larry J. Stratman, Associate Commissioner		37,080
Robin Kordes, Recorder of Deeds		56,182
Pamela K. Grow, County Clerk		56,182
Brendon Fox, Prosecuting Attorney		140,586
Richard Lisenbe, Sheriff		64,921
Carol Green, County Treasurer		56,182
Andy Davis, County Coroner		19,976
Kathleen S. Oliver, Public Administrator		56,182
Faith Ann Barnes, County Collector (1), year ended February 29,	66,319	
Bill Stoltz, County Assessor (2), year ended August 31,		68,182
Terris L. Cates, County Surveyor (3)		

(1) Includes \$9,904 of commissions earned for collecting city property taxes.

(2) Includes \$12,000 of annual compensation for Emergency 911 addressing services.

(3) Compensation on a fee basis.



Nicole Galloway, CPA

Missouri State Auditor

Johnson County Collector and Property Tax System

Report No. 2020-030

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the Johnson County Collector and Property Tax System

Background	The County Collector bills and collects property taxes for the county and most local governments. Ruthane Small served as County Collector until her resignation effective March 2, 2020. Laura Neth Smith was appointed the Johnson County Collector and sworn into office on March 3, 2020.
Findings	The audit identified no significant deficiencies in internal controls and no significant noncompliance with legal provisions. No findings resulted from our audit.

In the areas audited, the overall performance of this entity was **Excellent**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Johnson County Collector and Property Tax System

Table of Contents

State Auditor's Report	2
------------------------	---

Organization and Statistical Information	4
---	---



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
County Collector
Johnson County, Missouri

We have audited the County Collector and Property Tax System of Johnson County. Section 52.150, RSMo, requires the State Auditor to audit the office of the County Collector after being notified of a vacancy in that office. On March 2, 2020, a vacancy occurred in the office of the County Collector of Johnson County. A successor was appointed and sworn into office effective March 3, 2020. The scope of our audit included, but was not necessarily limited to, the period of March 1, 2020, to March 2, 2020, and the year ended February 29, 2020. The objectives of our audit were to:

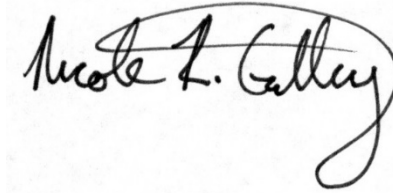
1. Evaluate the county's internal controls over significant property tax functions.
2. Evaluate the county's compliance with certain legal provisions.

Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Collector and county management and was not subjected to the procedures applied in our audit of the County Collector and Property Tax System.

Section 52.150, RSMo, requires the County Commission to accept the State Auditor's report and, if necessary, to take certain specific actions if the State Auditor finds any monies owed to the county or the former County Collector. For the areas audited, we identified (1) no significant deficiencies in internal controls, and (2) no significant noncompliance with legal provisions. No findings resulted from our audit of the County Collector and Property Tax System of Johnson County.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Amanda G. Flanigan, MAcc

Johnson County Collector and Property Tax System

Organization and Statistical Information

The County Collector bills and collects property taxes for the county and most local governments. Pursuant to Section 52.015, RSMo, the term for which collectors are elected expires on the first Monday in March of the year in which they are required to make their last final settlement for the tax book collected by them. Annual settlements are to be filed with the county commission for the fiscal year ended February 28 (29).

Ruthane Small served as County Collector until March 2, 2020. Laura Neth Smith was appointed the Johnson County Collector and sworn into office on March 3, 2020.

The County Collector received compensation of \$326 for the period March 1, 2020, to March 2, 2020. During the year ended February 29, 2020, the County Collector received compensation of \$57,756.



Nicole Galloway, CPA

Missouri State Auditor

City of Monroe City

Report No. 2020-029

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Monroe City

Water and Sewer Systems Contract	The city did not perform a cost-benefit analysis to determine if any cost savings would result prior to contracting with a private company in June 2018 to operate and maintain the water and sewer systems. City officials also did not solicit competitive proposals for these services. The cost for this 5-year contract will be at least \$3.2 million.
Restricted Assets	The city has not established adequate procedures to ensure restricted monies are expended only for intended purposes. City officials also used restricted utility money in the Electric and Gas Funds to make 2 loans totaling \$788,000 to the Industrial Development Fund.
Utilities	City personnel could not provide documentation that a formal review of electric, water, and sewer rates has ever been performed. In addition, the last formal review of natural gas rates occurred in 2000. Controls over non-monetary adjustments posted to customer utility accounts and utility billings need improvement. The City Administrator does not review and investigate significant utility losses identified in the monthly report on electric, gas, water, and sewer operating statistics. The city policies and procedures for utility customers with delinquent utility bills who have requested payment extensions and payment plans does not include procedures to determine how the payment amount is established and the approval process for these arrangements. The Board needs to determine proper disclosures in the city's financial statements regarding its relationship with the Missouri Joint Municipal Electric Utility Commission (MJMEUC), including the Missouri Public Energy Pool, a power pool managed by the MJMEUC.
Written Contracts	The city's contracts with some entities have not been updated in many years and do not adequately define each party's responsibilities. The city does not have written contracts with some service providers and certain outside parties.
Real Estate Transactions and Economic Incentives	The city does not have a long-range plan for the sale or development of its real estate holdings. City officials have not documented reasons for the purchase of real estate and have not generally obtained appraisals prior to purchasing or selling real estate. The city provides financial incentives to some businesses, but does not have an ordinance for offering or approving such incentives for new or existing businesses.
Accounting Controls and Procedures	The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work completed by city administrative office personnel are performed. City officials do not maintain records of all capital assets owned by the city.
Procurement Procedures	City personnel do not always solicit competitive bids or proposals for goods or services as required by the city code, and some professional services are obtained without benefit of a competitive selection process.

Fire Service Billing and Collection Procedures	The fee schedule used by the city for membership and service call billings has not been revised by the city and the Monroe City Area Fire Protection District's (FPD) Board in many years. The city and the FPD's Board do not have documentation supporting the basis for the fees charged. The city does not prepare or send bills for all billable calls.
Payroll Controls and Procedures	The Board approves year-end bonus payments to all full-time employees in violation of the Missouri Constitution. Employees are not required to sign timesheets.
Closed Meetings	The Board did not ensure compliance with the Sunshine Law for closed meetings.
Budgets and Ordinances	The city budgets prepared for the years ended September 30, 2017, 2018, and 2019, did not include all required elements. The city does not maintain an up-to-date official ordinance book.
Electronic Data Security	The Board has not established sufficient controls to reduce the risk of unauthorized access to computer systems and electronic data. Some employees share the user identification and password for 2 shared computers used for issuing receipt slips from the accounting system. Security controls are not in place to lock some computers after a certain period of inactivity.

In the areas audited, the overall performance of this entity was **Poor**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Monroe City

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Water and Sewer Systems Contract4
	2. Restricted Assets5
	3. Utilities8
	4. Written Contracts13
	5. Real Estate Transactions and Economic Incentives15
	6. Accounting Controls and Procedures18
	7. Procurement Procedures20
	8. Fire Service Billing and Collection Procedures22
	9. Payroll Controls and Procedures24
	10. Closed Meetings25
	11. Budgets and Ordinances26
	12. Electronic Data Security27

Organization and Statistical Information	29
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
Monroe City, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Monroe City. We have audited certain operations of the city in fulfillment of our duties. The city engaged Luck, Humphreys and Associates, Certified Public Accountants (CPAs), PC, to audit the city's financial statements for the year ended September 30, 2018. To minimize duplication of effort, we reviewed the CPA firm's audit report. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2018. The objectives of our audit were to:

1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

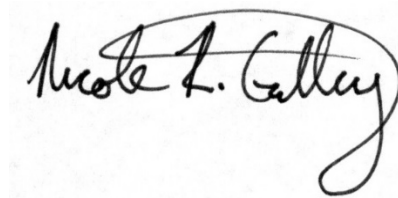
Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Monroe City.

An additional report, No. 2019-051, *Tenth Judicial Circuit, City of Monroe City Municipal Division*, was issued in July 2019.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Senior Director:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Julie A. Moulden, MBA, CPA
In-Charge Auditor:	Richard Stuck
Audit Staff:	Amanda G. Flanigan, MAcc Sacha Tejan, CFE

City of Monroe City Management Advisory Report State Auditor's Findings

1. Water and Sewer Systems Contract

The city did not perform a cost-benefit analysis to determine if any cost savings would result prior to contracting with a private company in June 2018 to operate and maintain the water and sewer systems, and as discussed in MAR finding number 7, competitive proposals were not solicited. The cost of this 5-year contract will be at least \$3.2 million.

Making the change eliminated some city paid utility employees for these systems and shifted the responsibility for operating and maintaining them to the private company. Per the contract, the company is responsible for the routine operation and maintenance expenses of the systems' facilities, including personnel services, one data/internet service connection, chemicals, materials, supplies, contracted services, insurance, and equipment maintenance and repair, except capital replacement costs (defined as nonrecurring expenditures greater than \$1,000), provided that noncapital expenditures do not exceed the amount specified in the contract. Capital improvements and major repairs to the systems continue to be the responsibility of the city.

City officials said the city has struggled to hire and retain an adequate number of employees to properly operate and maintain the systems since at least October 2014. The City Administrator indicated the proper number of employees is 5 certified plant operators, including a manager. In late May 2018, the systems' facilities were being operated by 2 plant operators with one of them not certified. As a result, city officials indicated they determined immediate action was required to ensure the continued operation and maintenance of the systems. Not performing a formal cost-benefit analysis before making a significant financial decision is not prudent.

Regular review of water and sewer operations, management, and costs is necessary to ensure the city is receiving these services at a reasonable cost and whether continuing with the current arrangement is beneficial to the city.

Recommendation

The Board of Aldermen ensure a cost-benefit analysis is prepared when making significant management decisions.

Auditee's Response

The Board felt that the decision made was the best one for the city at that time due to the major responsibility of being able to provide the citizens safe drinking water. There was a shortage of employees, but the city was limping by and thought that things were under control. Two personnel issues occurred that the city had no control over which put the city in a compromised position with only two operators for the plants. As a result, the city did not have a certified employee to operate the water plant.

Calls were made to the Department of Natural Resources for assistance and they were a great help. A call was made to a vendor, but they had no one available to assist that day. This vendor did not make an effort to put the city



City of Monroe City
Management Advisory Report - State Auditor's Findings

in contact with anyone as the individuals that the city needed to talk with were out of the office. A call was also made to another vendor, and the firm's service people were out of the office as well, but they put the city in contact with an individual and that person's vendor had someone on-site the next day; the city later entered into a contract with this vendor. Both of these vendors had the capabilities to assist with both the water and sewer plants as well as the distribution systems.

The city has been scrutinized for not contacting a local water commission. The commission was not able to provide the city with water and to our knowledge didn't provide on-site assistance for the sewer plant, sewer collection system or the water distribution system. In fact, a representative from the commission came to the Board this last summer and advised that they had completed the line to Highway 107; however, they still did not have a line to serve the city. Additionally, the commission has advised the city that there is an estimated one-year lead time from the time a contract is signed until the time that the city would have access to water from the commission. Had the city decided to go with them at the time of the issues, the city still may not have access to their water.

The city was left with the decision to contract with a vendor or not provide our citizens with drinking water for at least a year. Therefore, the Board felt that it would be in the best interest of the citizens and the city to contract with the vendor that was responsive to our needs for a 5-year term. This would allow time to get the facilities where they needed to be as well as continue providing our citizens with water and sewer service and to look at other water options. The personnel affected by this decision were given the opportunity to apply with the vendor and 2 did go to work for them. A cost-benefit study was not done due to the time constraints and needing to get certified and qualified personnel on-site to continue operations for the water and sewer facilities.

The Board understands the Auditor's concerns and will conduct a cost-benefit analysis prior to significant management decisions being made in the future. The city has recently passed a bond issue to construct a new sewer treatment facility. The city has also contracted with an engineering firm to evaluate the water treatment facility with regards to improvements that need to be made to maintain compliance. Once this study is completed, the city will be given an idea as to what type of funding will be needed to resolve the issues. This study will also provide the city with a cost-benefit analysis of the water plant. It is anticipated that the study will be completed in October 2020.

2. Restricted Assets

The city has not established adequate procedures to ensure restricted monies are expended only for intended purposes.

2.1 Utility transfers

The Board has no documentation of any discussions held or the basis for determining administrative fees and franchise taxes paid and transfers out



City of Monroe City
Management Advisory Report - State Auditor's Findings

made from the Electric, Gas, Water, and Sewer Funds to the General Fund. In addition, city personnel could not locate any documentation detailing how the administrative fees and franchise taxes are calculated. The city's audited financial statements for the year ended September 30, 2018, report the following transfers from the Electric, Gas, Water, and Sewer Funds to the General Fund:

	Electric	Gas	Water	Sewer	Total
Administrative fee	\$ 490,186	115,802	122,552	30,433	758,973
Franchise tax	132,240	38,304	15,840	8,856	195,240
Transfers out	150,000	150,000	0	0	300,000
Total	\$ 772,426	304,106	138,392	39,289	1,254,213

The administrative fee, franchise tax, and transfers out from the funds are significant and accounted for approximately 48 percent of the General Fund revenues during the year ended September 30, 2018. Because these transfers represent a significant revenue source for the General Fund, it is important for the city to periodically re-evaluate their impact, not only on the General Fund budget, but on utility rates.

The City Clerk indicated the administrative fee is based on 8 percent of utility user charges, and the franchise tax is based on 3 percent of the utility user charges. The City Administrator indicated the city would charge any utility provider the same 3 percent franchise tax. However, the city's franchise tax ordinance only authorizes the tax on a cable television provider and not city-owned utilities.

The actual administrative fees paid and franchise taxes paid by each fund differed significantly from our calculation of what should have been transferred. City personnel could not explain the differences. The utility user charges according to the city's audited financial statements and our calculation of the 8 percent administrative fee and 3 percent franchise fees for the year ended September 30, 2018, are as follows:

	Electric	Gas	Water	Sewer	Total
Utility user charges	\$ 4,730,325	1,149,269	623,879	548,287	7,051,760
8% administrative fee	378,426	91,942	49,910	43,863	564,141
Actual administrative fee	490,186	115,802	122,552	30,433	758,973
Difference	111,760	23,860	72,642	(13,430)	194,832
3% franchise tax	141,910	34,478	18,716	16,449	211,553
Actual franchise tax	132,240	38,304	15,840	8,856	195,240
Difference	\$ (9,670)	3,826	(2,876)	(7,593)	(16,313)



City of Monroe City
Management Advisory Report - State Auditor's Findings

In addition, the administrative fees paid by these utility funds exceeds the amount of expenses the city classifies as administrative in the General Fund by \$387,356. The city's audited financial statements for the year ended September 30, 2018, reported administrative expenses in the General Fund totaling \$371,617 while the administrative fees paid to the General Fund by these utility funds totaled \$758,973.

The city transferred \$150,000 from both the Electric Fund and the Gas Fund to the General Fund in 2018. The City Clerk indicated these transfers occurred to prevent the General Fund from having a deficit fund balance. These transfers were authorized by the Board in the 2018 budget. Without these funds, the General Fund would have had a deficit fund balance of \$70,651, instead of a \$229,349 balance on September 30, 2018.

The city has no documentation that the administrative fees, franchise taxes, and transfers out were system related expenses or a reimbursement of specific expenses or costs paid by the General Fund related to providing utility services. As a result, the city has violated bond covenants for its sewer system revenue bonds since at least 2016.

To ensure utility transfers are reasonable, it is important the city evaluate the value of government services the transfers are offsetting during the annual budget process and document the process for determining the percentage to be charged. In addition, Article VI, Section 602 (e) of the 2016 bond agreement prohibits the transfer of any surplus revenue for any purpose other than a system related expense and paying off the bond itself. Failure to follow the bond covenants could result in the bondholders taking action to call the bonds.

2.2 Industrial Development Fund loan

The city used restricted utility money in the Electric and Gas Funds to make 2 loans totaling \$788,000 to the Industrial Development Fund. At September 30, 2018, the Industrial Development Fund owed the Gas Fund \$644,000.

The Board amended a 2005 lease purchase agreement with a local company in 2011 and 2015. The amended lease provided the company an additional \$670,000 in 2011. The \$670,000 payment to this company came from the Industrial Development Fund. The city transferred \$200,000 from the Electric Fund and \$470,000 from the Gas Fund to the Industrial Development Fund to fund the payment. The company received another \$118,000 from the Industrial Development Fund in 2015 when the lease was amended again. The city transferred \$118,000 from the Gas Fund to the Industrial Development Fund to fund that payment. The Industrial Development Fund repaid the Electric Fund \$54,000 between 2012 and 2014 and the Gas Fund \$90,000 between 2012 and 2017. The city transferred \$146,000 from the Gas Fund to the Electric Fund in 2016 to resolve the remaining balance owed to that fund.



City of Monroe City
Management Advisory Report - State Auditor's Findings

Money in the Electric and Gas Funds is restricted for intended purposes and is not to be used for loans to other city funds. These proprietary funds are established to account for the user fees collected and costs associated with each utility separately. This separate accounting is intended to assist the city in monitoring each utility to ensure user fees are set at the level necessary to provide the service and for reasonable reserves. Although there is no defined level for reasonable reserves, it is not reasonable or prudent to set user fees at a level where excessive reserves are accumulated and then used to fund other activities unrelated to the specific utility.

Recommendations

The Board of Aldermen:

- 2.1 Ensure any future payments from the Electric, Gas, Water, and Sewer Funds to the General Fund represent reimbursement of actual costs of operations. In addition, determine the value of government services being offset by the utility transfers, maintain documentation to support the amounts transferred, and evaluate the effect on the General Fund.
- 2.2 Repay the amounts due to the Gas Fund from the Industrial Development Fund and ensure restricted electric, gas, water, and sewer funds are only used for their intended purposes.

Auditee's Response

- 2.1 *The city had done things the same way for many years. With the retirement of long-term employees, things continued "as they were" with new staff. This audit has brought to light several things that need to be evaluated and modified. Prior to making any reimbursement to the General Fund, the city will evaluate the costs and make sure that the transfers are based on actual costs and not based on an amount that is deemed feasible. The city will also make sure that any funds that are restricted due to bonds are only used for the purpose of the bonds.*
- 2.2 *The city will repay the amounts due to the utility funds from the Industrial Development Fund. In the future, the city will ensure that restricted utility funds are only used for their intended purpose.*

3. Utilities

There are significant weaknesses in the city's utility operations. The city provides electric, gas, water, sewer, and trash services, and accounts for the financial activity of each service in a separate fund. The city collected approximately \$7.2 million in utility revenues during the year ended September 30, 2018.

3.1 Utility rates

City officials could not provide documentation that a formal review of electric, water, and sewer rates has ever been performed. In addition, the last formal review of natural gas rates occurred in 2000. As a result, there is less



City of Monroe City
Management Advisory Report - State Auditor's Findings

assurance the utility rates are set at an appropriate level. Electric, water, and sewer rates last increased in 2016, and gas rates last increased in 2010.

Section 67.042, RSMo, provides that fees may be increased if supported by a statement of costs that shows the increase is necessary to cover costs of providing the service. To ensure utility rates are appropriately set, city officials should perform and document a detailed cost study of the city's utility costs, including depreciation, and set rates to cover the total cost of operations without generating excessive profits.

3.2 Non-monetary adjustments and utility billings

Controls over non-monetary adjustments posted to customer utility accounts and utility billings need improvement. The City Administrator made 205 non-monetary adjustments totaling \$8,575,924 (120 percent of utility revenues), during the year ended September 30, 2018, to reduce customer account balances.

Non-monetary adjustments are any transactions where payment is not received; however, the account balance is changed in the accounting records, such as for waiving customer late charges, adjusting usage for inaccurate meter readings, or reducing a balance due to water leaks. The City Administrator, who also has the ability to receipt utility payments to the financial accounting system, is responsible for posting non-monetary adjustments to customer utility accounts. We reviewed 11 non-monetary adjustments. The City Administrator made 2 of them (totaling \$7,290,475) to correct errors in monthly meter readings and 3 others (totaling \$269,809) because city personnel entered the wrong monthly meter reading in the billing system for a customer. These errors occurred because they were not caught by the City Administrator during her review of utility billings prior to mailing. Those reviews are not documented. City officials did not retain documentation to support the reasons for any of these 11 adjustments. The City Administrator indicated records of non-monetary adjustments are maintained in the customer's file for approximately 6 months and activity older than 6 months is not kept due to a lack of storage space.

In addition, these adjustments are not reviewed and approved by someone independent of the billing process before or after they are posted to the system. Because the City Administrator has the ability to receipt utility payments and is solely responsible for posting non-monetary adjustments to customer utility accounts, there is an increased risk that unsupported or unauthorized changes can be made in the utility system.

Non-monetary adjustments should be verified and approved by someone independent of the person responsible for these transactions to ensure they are necessary and properly handled. Considering the risks associated with non-monetary adjustments, the Board should consider monitoring all such



City of Monroe City
Management Advisory Report - State Auditor's Findings

transactions. In addition, utility billings should be reviewed for accuracy prior to mailing to identify and correct obvious billing errors.

3.3 Utility losses

The City Administrator does not review and investigate significant utility losses identified in the monthly report on electric, gas, water, and sewer operating statistics. During our review of the utility operating statistics report for the year ended September 30, 2018, water losses exceeded 10 percent for 8 months with 4 of those months exceeding 20 percent. In addition, electricity losses exceeded 10 percent for 6 months with one month at 19 percent, and gas losses exceeded 10 percent for 4 months with 3 of those months more than 24 percent.

Monthly reviews of utility losses are necessary to help detect significant system leaks or billing problems. Significant differences should be investigated.

3.4 Payment extensions and payment plans

The city policies and procedures for utility customers with delinquent utility bills who have requested payment extensions and payment plans does not include procedures to determine how the payment amount is established and the approval process for these arrangements. In addition, city personnel do not track these arrangements and do not retain copies of written payment plans once the delinquent utility bill has been paid.

The city's utility collection policy allows utility customers unable to pay their delinquent utility bill by the shut off date an extension until the second Friday of the following month to pay their bill. This extension must be requested by the customer and a \$10 fee is charged. In addition, the policy states a utility customer may request a payment plan if he/she cannot make a full payment after the extension expires. Service will be shut off if the customer does not make the payments agreed to in the extension and payment plan.

To ensure all customers are treated in a fair and equitable manner, the city's utility collection policy should be amended to document the process to determine when these arrangements are allowed, how the payment amount is to be established, and the approval process for these arrangements. In addition, retaining the signed written agreements is necessary to support all utility account transactions.

3.5 Missouri Power Energy Pool disclosures

The Board needs to evaluate its relationship with the Missouri Joint Municipal Electric Utility Commission (MJMEUC), including the Missouri Public Energy Pool (MoPEP), a power pool managed by the MJMEUC, to determine proper disclosures about the relationship in the city's financial statements.

The city contracts with the MJMEUC for the purchase of electrical power and energy. The city, along with other Missouri municipalities, is also a member



City of Monroe City
Management Advisory Report - State Auditor's Findings

of the MoPEP. In order to provide the MoPEP members a diversified portfolio of reliable energy resources on a long-term basis due to growing load requirements of the members and to replace power and energy currently purchased under short-term contracts, the MoPEP members directed the MJMEUC to participate in the development and construction of new generating facilities.

The obligations of the MoPEP members include maintaining adequate customer rates and maintenance of power facilities and contracts in order to meet the members' commitments to the pool. If a member city decides to leave the pool, it must give a 5-year notice. At the end of the 5-year period, the city would be responsible for a pro-rata share of the ongoing capital and operation costs of each pool project based on its share of energy. According to our calculations based on MJMEUC documents, Monroe City's pro-rata share was 1.6 percent and the city's obligation for the project bonds issued would be approximately \$7.3 million as of December 31, 2018. The city may also be obligated for any purchase power contracts.

The city does not include any disclosure about the MJMEUC and the MoPEP or details about the city's ownership interest in power generating facilities under construction and/or to be constructed and the potential ownership costs in the city's financial statements. However, based on the requirements of the Governmental Accounting Standards Board (GASB) for state and local governments, the relationship between the city and the MJMEUC/MoPEP may be a joint venture. Additionally, joint venture participants must disclose specific information including information regarding ongoing financial interests and/or financial responsibility and information to evaluate whether the joint venture is accumulating significant financial resources or causing financial burden on the participating government in the future. Such disclosures are necessary to comply with GASB financial reporting requirements and to fully disclose the financial arrangements, as well as potential, significant future debt, to citizens.

Recommendations

The Board of Aldermen:

- 3.1 Ensure a statement of costs is prepared to support changes in utility rates and document formal reviews of utility rates periodically to ensure revenues are sufficient to cover all costs of providing these services.
- 3.2 Ensure all non-monetary adjustments are properly approved and compared to actual changes posted to the utility system, and documentation of reasons for all non-monetary adjustments is retained. In addition, ensure utility billings are reviewed for accuracy prior to mailing.



City of Monroe City
Management Advisory Report - State Auditor's Findings

- 3.3 Review and investigate significant utility losses.
- 3.4 Amend the utility collection policy to include procedures and requirements for payment arrangements. In addition, signed written agreements should be retained to support all payment arrangements.
- 3.5 Consult with the city's independent auditor to evaluate the relationship with the MJMEUC/MoPEP and determine the proper and necessary disclosures for the financial statements.

Auditee's Response

3.1 *The city recently has had a water and sewer rate study completed. The city will budget to have an electric and gas rate study completed within the next budget cycle.*

3.2 *The meter readings are reviewed when they come in and re-reads are created for readings with obvious issues. The bills are also reviewed prior to them being mailed out; however, errors do happen. It is referenced that 205 non-monetary adjustments were made for the year ending September 30, 2018. Based on an average of 1,300 utility cards per month (based off 1,350 actual bills sent out on April 1, 2020) for the year ending September 20, 2018; it would total 15,600 utility cards. If 205 adjustments were made that reflects a 1.3 percent error rate. Considering all factors involved, that is not an excessive amount. The large corrected billings were due to water/sewer mis-reads, not putting the correct number of digits in the reader, not putting a reading in, etc.*

With regards to documentation, it is current practice to note on the re-read forms if a corrected billing was issued and why. There is a file for each location in town - residential, commercial and industrial. Any transactions regarding any location is kept in the respective file folder. Each folder has a cover sheet which shows all the transactions regarding the location (budgets, re-reads, particular issues/agreements, read in/read out, etc.). There is one file cabinet that is solely dedicated to this. As the file folders get full, items are purged from the file but they should be noted on the cover sheet. Usually, items are maintained in the files for 6 months to a year, and anything that has a major impact on the property is retained indefinitely. Depending on when the corrected billing was done, this could have impacted whether or not the actual documentation was in the file during the time of the audit.

Recently, a spreadsheet has been completed to document each corrected billing. The spreadsheet sets out the account number, address, name, service affected, increase/decrease in consumption, increase/decrease in cost, and reason for the correction. It is noted



City of Monroe City
Management Advisory Report - State Auditor's Findings

that the audit states that the items need to be approved other than by the person posting the transactions and that the Board should consider monitoring the transactions. Therefore, documentation will be signed off by the individual making the correction and another individual that is witness to the reason the billing is to be corrected. This information (less the names) will be provided to the Board on a monthly basis. A copy of the monthly report to the Board as well as copies of the back-up documentation will be filed in the City Administration's office separate from the utility files to ensure that the documentation is on file until the annual audit is completed. The city will continue to review the utility bills prior to them being mailed.

3.3 *This is another one of the areas that a long-time employee retired and this task was passed along to another individual. The audit brought this issue to light and the City Administrator is working with employees to ensure that the information entered is accurate and that a review is done on a monthly basis.*

3.4 *Recently, there have been several changes to this process. When utility bills become delinquent, a spreadsheet is developed that sets out all those individuals, when they pay, if they received a notice on their door, if they have a payment plan, if they are getting assistance, etc. This information is kept on file. Copies of all friendly reminders, cut-off notices, and payments arrangements are also kept on file.*

The city has also tightened up on this process as well. Individuals can obtain a promise to pay for \$10 to extend their bill to the second Friday of the following month. After that they will be disconnected if the bill is not paid. Three ordinances have been passed regarding delinquent accounts, time payment plans, and disputed utility accounts. A proposed utility policy has been sent to the Board for review as well. It addresses the issues in the audit as well as incorporating the recently approved ordinances. In addition, the city will attempt to obtain a signed payment agreement.

3.5 *The city will work with the accountant on this recommendation and determine what needs to be disclosed in the financial statements.*

4. Written Contracts

The city's contracts with some entities have not been updated in many years and do not adequately define each party's responsibilities. In addition, the city does not have written contracts with some service providers and certain outside parties.

Mosswood Golf and
Recreation Association

The city entered into a lease agreement with the Mosswood Golf and Recreation Association for the management and operation of the Mosswood Meadows Public Golf Course in 1984. The agreement has not been updated



City of Monroe City Management Advisory Report - State Auditor's Findings

since then and does not address the expenses the city pays on behalf of the association each year which totaled approximately \$48,000 during the year ended September 30, 2018.

The city also has not entered into written contracts with the association for loans to the association totaling \$15,000 in 2017, \$17,500 in 2018, and \$17,000 in 2019. The 2018 and 2019 loans remain outstanding.

Monroe City Area Fire Protection District

The city's mutual aid agreement with the Monroe City Area Fire Protection District (FPD) does not address the relationship between the city and the FPD. The FPD has a separate Board and is considered a separate political subdivision. However, the city provides all fire services to city and district residents. In addition, the city handles all of the FPD's accounting duties including billings and collecting revenues for annual FPD memberships and service calls made within the district; preparing disbursements; and financial reporting.

Monroe County Industrial Development Authority

The city does not have a written contract with Monroe County Industrial Development Authority for the \$40,000 paid annually for membership. The city does not require and has not received any type of report documenting how this money is used. It is unclear what benefits, if any, the city receives as a result of these payments.

Professional services and other service providers

The city does not have written contracts with some service providers. During the year ended September 30, 2018, the city paid for various services without a contract including \$30,280 in legal services and \$7,700 in brush and debris storage and removal.

Conclusion

Section 432.070, RSMo, requires contracts for political subdivisions to be in writing. Written agreements, signed by the parties involved, should specify the services to be rendered and the manner and amount of compensation to be paid. Written contracts are necessary to ensure all parties are aware of their duties and responsibilities, prevent misunderstandings, and ensure city resources are used appropriately and effectively.

Recommendation

The Board of Aldermen enter into clearly written contracts defining services provided and benefits received that are updated periodically.

Auditee's Response

Mosswood Golf and Recreation Association - Recently, the city has met with the association's Board members and is monitoring their situation. The city will enter into a contract with the association to address the responsibilities of each party, benefits provided, loan situations and repayment, expenses the city will cover if the city's requisition/bid/purchase process is followed, etc.



City of Monroe City
Management Advisory Report - State Auditor's Findings

Monroe City Area Fire Protection District - The city will enter into a contract with the Monroe City Area Fire Protection District that sets out the expectations and benefits to each party.

Monroe County Industrial Development Authority - The city is no longer part of this group. Recently, the city has entered into an agreement with a vendor as the city's economic development consultant.

Professional services and other service providers:

- *Legal Services - The City Attorney provides legal services to the city for the flat amount of \$2,000 per month. The city will execute a contract for legal services.*
- *Brush/Debris Storage and Removal - To the best of the city's knowledge, - this was a "gentleman's agreement" years ago. The gentleman allowed the city to haul brush, construction spoils, etc., to his property to fill in a large area and the city is to pay for the "clean-up" of the area. The city was not aware that the individual was going to hire someone to clean up the site until we received a billing. The city is currently looking to address this situation.*

5. Real Estate Transactions and Economic Incentives

Policies and procedures for real estate transactions and economic incentives need improvement.

5.1 Real estate transactions

The city does not have a long-range plan for the sale or development of its real estate holdings. In addition, city officials do not document reasons for the purchase of real estate and do not generally obtain appraisals prior to purchasing or selling real estate. We noted the following concerns regarding real estate purchases and sales:

- City officials did not document the reason for purchasing 2 buildings from Monroe County in November 2017 for approximately \$7,000, the amount of the delinquent real estate taxes. The City Administrator indicated the buildings were purchased due to health and safety concerns. The city spent approximately \$6,000 on repairs and engineering services for one building and \$6,500 to demolish the other building. The repaired building was sold for \$20 (only 1 bid) in October 2019, however, the building had been appraised at \$6,500 in August of that year.
- City officials did not obtain an independent appraisal prior to selling 8 acres in the Monroe City Area Industrial Park in September 2017 for \$55,000. In addition, the city paid \$1,960 to repay a farmer who was



City of Monroe City Management Advisory Report - State Auditor's Findings

leasing the property when the property was sold to get the crops cleared before his lease had expired.

- City officials have no plans for the sale or development of the remaining 28 acres in the Monroe City Area Industrial Park. These acres are currently leased to a farmer for \$2,400 per year. The city purchased 36 acres from the Monroe City Development Board in November 2014 for \$157,500.
- The city also owns 4 additional properties that are unused and 2 other properties that are leased for farming. City officials have not performed a cost-benefit analysis on these leases and has no current plans for the sale or development of these properties.

To ensure efficient and effective use of city resources, the Board should have a documented plan, including a cost-benefit analysis, for the use of city-owned properties. Good business practice requires real estate purchases be formally and independently appraised to ensure a reasonable price is paid. While leasing properties to farmers may provide some benefit to the city, adequate planning and cost-benefit analysis is needed to ensure city resources are used effectively.

5.2 Economic incentives

The city does not have an ordinance for offering or approving financial incentives to new or existing businesses.

The Board granted a local business credits against its utility bills totaling \$10,200 between December 2014 and December 2017 for creating a total of 34 new jobs. The December 21, 2017, Board meeting minutes indicate that according to city policy this business will receive \$300 in credits for each job created as long as the jobs last at least 1 year. However, the City Administrator indicated the city does not have an ordinance or written policy for the utility incentive program.

The sale contract for the business that purchased 8 acres in the Monroe City Area Industrial Park gives the business the opportunity to receive a \$5,000 reimbursement for each job created up to a maximum of 11 jobs or \$55,000, as long as the job lasts at least 1 year. The contract gives the business 60 months to claim any reimbursements. As of April 2020, the business had not made any claims.

Section 79.110, RSMo, provides fourth-class cities with the power to enact ordinances for the benefit of trade and commerce. In addition, allowing industrial customers to receive free or preferential utility services reduces city revenues and could create higher utility rates for other paying customers. In addition, economic development financial incentives should be fair and transparent.



City of Monroe City
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 5.1 Develop plans, including a cost-benefit analysis, for the use of city-owned property, and ensure independent appraisals are obtained prior to the purchase or sale of real estate.
- 5.2 Adopt an ordinance detailing economic incentives offered to businesses located in or relocating to the city.

Auditee's Response

- 5.1 *Tax Sale 2017 - First Street & N. Main Street Properties - These properties were blighted properties and had been abandoned. The tax sale allowed the city to purchase the properties and abate the nuisance so that the properties could be sold to private individuals and put back on the tax rolls. The First Street property has been demolished but not yet sold. The N. Main Street property did have an appraisal done and it was sold for \$20; which alleviated the city from having to spend additional money to bring the property into compliance.*

Industrial Park Lot - The sale of this property was to allow an existing company to expand its operations. The city crews cleared the debris from the lot as it was felt that it would be less expensive than to hire an independent contractor to do the work.

Industrial Park 28 acres - The purpose of this purchase was to keep the land open for industry build, relocation, or expansion.

Additional City Properties - The properties in residential areas were purchased to alleviate a nuisance and it is anticipated that these properties will be sold. There has not been an expressed interest in purchasing the properties even when offered for sale; but the nuisances have been abated.

Recently, the city has developed an appraisal policy for the sale or purchase of property. The city has discussed developing covenants and restrictions for the land at the Industrial Park. The city is utilizing the land west of the Mosswood Meadows Public Golf Course for the land application of sludge as it is more cost efficient to do that than to have a company come in and pump out the lagoons. The city will look into developing a policy for city properties that will include a cost-benefit analysis and an appraisal.

- 5.2 *Utility Bill Incentive - This plan is active, but the city will adopt an ordinance to formally accept this plan.*



City of Monroe City
Management Advisory Report - State Auditor's Findings

8 Acres in the Industrial Park - No request for reimbursement has been made as of the writing of this response.

Recently, the city has entered into an agreement with a vendor as an economic development consultant. The vendor is working with the city to develop plans for the city's economic development program. Once this evaluation is completed, the city will approve an ordinance that will detail the incentives offered to all businesses.

6. Accounting Controls and Procedures

Accounting controls and procedures need improvement. During the year ended September 30, 2018, city receipts totaled approximately \$10.2 million for all funds. The city receives payments for utility services, taxes, and other miscellaneous revenues.

6.1 Segregation of duties

The Board has not adequately segregated accounting duties or ensured documented supervisory or independent reviews of work completed by city administrative office personnel are performed. The Administrative Assistants, City Clerk, and City Administrator can receipt payments. The City Clerk is primarily responsible for preparing and making deposits, processing payroll, preparing disbursements, signing checks, and reconciling bank accounts. The City Administrator signs all checks but does not perform a review of the detailed accounting and bank records.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed.

6.2 Capital assets

City officials do not maintain records of all capital assets owned by the city. They maintain a listing of capital assets covered by property and liability insurance including buildings, vehicles, and equipment, but do not maintain records of land, utility system infrastructure, and other property. In addition, city personnel do not tag, number, or otherwise identify assets or perform annual physical inventories.

Adequate capital asset records and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage.

Recommendations

The Board of Aldermen:

- 6.1 Segregate the accounting duties. If proper segregation cannot be achieved, ensure documented independent or supervisory reviews of detailed accounting and bank records are performed.



City of Monroe City
Management Advisory Report - State Auditor's Findings

- 6.2 Ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct an annual inventory.

Auditee's Response

- 6.1 *Due to the limited staff that wear many hats in their job duties, segregation of duties is a challenge. However, the following items have been implemented to address these concerns.*
- *Preparing/making deposits - There are 4 administration employees (including the City Clerk and City Administrator) that take the money and make deposits. When one individual closes out the drawer at the end of the day, it confirms that all was entered correctly and applied correctly, or the drawers won't balance - regardless of who took the money. The City Administrator does periodically check for voided transactions during the day and to see why they occurred. Voided transaction information is kept with the daily paperwork and designate why something was voided.*
 - *Payroll - Concern was expressed during the audit that there is not a review done on the payroll and a few other items. The following items have been implemented.*
 - *The City Administrator's timesheet is copied to the Mayor each pay period.*
 - *The City Administrator periodically reviews the payroll through a spreadsheet to confirm that what was on the timesheets was correctly entered into the computer. This information is printed out and maintained.*
 - *The City Administrator reviews all timesheets (as normal) but now ensures she signs off the timesheets for managers, as well as her employees.*
 - *The disbursements (bills payable) are put together by an Administrative Assistant, reviewed by the City Administrator, and approved by the Board. The checks are issued by the Administrative Assistant, reviewed and signed by the City Administrator as well as the City Clerk. Other disbursements throughout the month are reviewed by the City Administrator and City Clerk and sent out (health/life insurance, payroll deductions, end of month transactions, etc.).*



City of Monroe City
Management Advisory Report - State Auditor's Findings

- *Signing checks is done by the City Clerk and the City Administrator or the Mayor in the absence of the City Clerk or City Administrator. The Mayor Pro-Tem is also an authorized check signer.*
- *The City Administrator is developing a policy to ensure that detailed accounting and bank records are reviewed on a regular basis.*

6.2 *Recently, the City Administrator has had each department create a listing of the capital assets items that they have and is in the process of compiling the information. With this listing, the departments were also asked to list the condition of the items so that items that need repaired or replaced can be taken into consideration at budget time. Board members will determine what types of items they wish to be tagged as city property.*

7. Procurement Procedures

Bidding

City personnel do not always solicit competitive bids or proposals for goods or services as required by city code, and some professional services are obtained without benefit of a competitive selection process.

The city did not obtain bids in compliance with the city code for the following purchases during the year ended September 30, 2018.

Item	Cost
Seed, fertilizer, and weed control chemicals	\$ 24,294
Water and wastewater plant supplies	13,338
Uniforms and rugs	11,463
Dump site clean-up	7,700
Mower	6,000
Sprayer	4,000
Tire deflation device	1,710
Total	\$ 68,505

City personnel indicated the seed, fertilizer, weed control chemicals, mower, and sprayer were not bid because procurement was arranged by the Mosswood Golf and Recreation Association. These purchases were paid with city funds and as such, should have been bid in accordance with the city code.

In addition, city personnel could not locate some quotes solicited and received for purchases of water treatment plant chemicals totaling \$101,784 and aviation fuel totaling \$37,481 purchased during the year ended September 30, 2018.



City of Monroe City
Management Advisory Report - State Auditor's Findings

City Code Section 2-271, requires city officials to solicit three bids for purchases of goods and services (excluding professional services) costing between \$500 and \$1,500, and competitive (sealed) bids for purchases over \$1,500.¹ In addition to being required by the city code, the routine use of a competitive procurement process for major purchases ensures the city has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids received and justification for awarding the bid.

Professional services

The city has not established policies for the selection of vendors providing professional services. The city code also exempts "services of individuals possessing a high degree of professional skill" from bidding requirements. Professional services obtained during the year ended September 30, 2018, without a competitive selection process included audit services totaling \$6,000 and the management services for the water and sewer systems. As discussed in MAR finding number 1, the cost of this 5-year contract will be at least \$3.2 million.

Soliciting proposals for professional services is a good business practice, helps provide a range of possible choices, and allows the Board to make better informed decisions to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and/or cost into consideration.

Recommendation

The Board of Aldermen ensure city officials competitively procure major purchases in accordance with the city code and maintain documentation of decisions made and require the Mosswood Golf and Recreation Association to comply with the city's procurement rules for items the city will be reimbursing the association for. In addition, establish a policy to address the procurement of professional services.

Auditee's Response

Bidding:

- *Mosswood Golf and Recreation Association - The city will advise the Mosswood Golf and Recreation Association of the need for them to follow the city's procurement policy including soliciting bids.*
- *Treatment Plant Chemicals - The chemicals were not officially bid out and it is not known when they were last bid out. When the vendor took over the operations of the facilities, they would proceed with bidding out*

¹ As indicated in MAR finding number 11.3, ordinances were last codified in August 2009. Ordinance 1-2017, was amended by City Code Section 2-271 in January 2017. Prior to this ordinance, competitive bidding was not required unless the purchase exceeded \$1,000.



City of Monroe City
Management Advisory Report - State Auditor's Findings

chemicals once it was determined what chemicals would be utilized. Currently, there is an engineering company that is reviewing our processes and there may be process and chemical changes involved in that. Once it is determined how the city will proceed with those recommendations, there will be an opportunity to bid out the chemicals based on usages which will create better quantities for better pricing.

- *Quotes and sealed bids - The city has greatly improved its bidding processes to ensure that bids are being obtained when needed. Recently, the number of bids has been increased as well.*

Professional Services:

- *The city selects professional service vendors based on qualifications as we do engineers. For example, in selecting engineers for various projects, requests for qualifications are sent out and those that are interested in the job send in their qualifications. The qualifications are then reviewed and scored based on criteria related to the project. The vendor is selected based on their score and then price negotiations begin. If a reasonable price cannot be negotiated, then the negotiations end and the next highest vendor is approached to do business with.*
- *The city will go through a bidding process for audit services.*
- *Water and sewer management services were not bid out due to the concerns of being able to provide our citizens with water, maintain DNR compliance, etc. The selection was based on their prompt response to our situation.*

The city will review the existing procurement ordinance including professional services.

8. Fire Service Billing and Collection Procedures

The city's billing and collection procedures provided for the FPD need improvement. As discussed in MAR finding number 4, the city performs all accounting duties for the FPD. The city bills FPD property owners who live outside city limits a yearly membership fee of \$75 for most property owners. The city also bills for calls for services provided outside city limits if the citizen does not pay the annual membership fee or if the citizen does not reside in the FPD. The city charges \$250 for responding to a traffic incident; \$500 for responding to a traffic incident with a hazardous chemical spill, and \$1,500 for responding to a fire. The FPD had 196 calls for service during the year ended September 30, 2018.

8.1 Fire service fees and costs

The fee schedule used by the city for membership and service call billings has not been revised by the city and the FPD's Board in many years. In addition, the city and the FPD's Board do not have documentation supporting the basis



City of Monroe City Management Advisory Report - State Auditor's Findings

for the fees charged. To ensure the costs of providing service calls are fully recovered, city officials should work with the FPD to analyze the costs and revise the fee schedule if necessary. Such analysis and revisions should be periodically performed and documented.

8.2 Billing and collection

The city does not prepare or send bills for all billable calls. For 13 of 27 billable calls, the City Administrator could not explain why billings did not occur. The city lost an estimated \$5,750 in revenues on these calls. In addition, the city does not maintain records of outstanding billings or pursue collection of these accounts receivables. We determined the city only received payment for 5 of the 14 calls billed (\$3,750) and lost \$4,750 in revenues for the 9 unpaid calls.

Good business practices require establishment of adequate billing and collection procedures to ensure accounts are billed and collected timely and bad debts are kept to a minimum. In addition, a complete and accurate list of unpaid service call billings would allow city officials to more easily review the amounts due, take appropriate steps to ensure amounts due are collected, and determine if any amounts are uncollectible.

Recommendations

The Board of Aldermen:

- 8.1 Work with the Monroe City Area Fire Protection District Board to establish procedures to adequately track costs for providing fire services, monitor and analyze these costs on a periodic basis, and revise the fee schedule if necessary.
- 8.2 Prepare and send bills for all billable calls, and work with the Monroe City Area Fire Protection District Board to develop written policies and procedures outlining specific steps and criteria to be followed for billing and collection activities.

Auditee's Response

- 8.1 *These rates have not been modified for many years and the city realizes that a review should be done to ensure that the fees are justified, and a basis determined for the fee schedule.*
- 8.2 *The city billed based on what the FPD asked the city to bill. The city didn't determine who did or didn't get billed. Since the audit, the Fire Chief delivers paperwork after the service call to advise the City Clerk what to bill for and how much. This change should increase the fees collected and be a more accurate way of billing. When monthly paperwork is turned in, it will be reviewed to determine who was not billed and why.*



City of Monroe City
Management Advisory Report - State Auditor's Findings

9. Payroll Controls and Procedures

Payroll controls and procedures need significant improvement. The city disbursed approximately \$1.4 million in salaries and wages during the year ended September 30, 2018.

9.1 Bonuses

The Board approves year-end bonus payments to all full-time employees in violation of the Missouri Constitution. The city paid \$2,440 in year-end bonus payments in December 2018. The bonus schedule for 2018 indicates each full-time employee received \$20 for each year of service, with a \$50 minimum and a \$200 maximum. The city paid \$74,665 in year-end bonus payments between December 2000 and December 2018. These payments represent bonus compensation for services previously rendered.

Payments for services previously rendered are in violation of Article III, Section 39(3), Missouri Constitution and contrary to Attorney General's Opinion 72-1955 (June 14, 1955), which states, ". . . a government agency which derives its power and authority from the Constitution and laws of this state would be prohibited from granting extra compensation in the form of bonuses to public officers or servants after the service has been rendered."

9.2 Timesheets

Employees are not required to sign timesheets. We noted employees did not sign 6 of 16 timesheets tested during the year ended September 30, 2018. In addition, the timesheets of supervisors including the City Administrator and City Clerk are not independently reviewed or approved. Employee timesheets are signed by the employee's supervisor and supervisors sign their own timesheets to document approval of hours worked.

To ensure the accuracy of the hours worked, timesheets should be signed by the employees and reviewed and approved by the supervisor or a member of the Board. In addition, 29 CFR Section 516.2(a) of the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

Recommendations

The Board of Aldermen:

- 9.1 Discontinue paying employee bonuses.
- 9.2 Ensure timesheets are properly signed and approved.

Auditee's Response

- 9.1 *The Board will consult with legal counsel to determine the best course of action.*
- 9.2 *The City Administrator reviews all timesheets to confirm hours, totals, etc., before the payroll is processed. The City Administrator now ensures she signs off on the timesheets for managers and administration staff including the City Clerk. The City*



City of Monroe City
Management Advisory Report - State Auditor's Findings

Administrator's timesheet is copied for the Mayor for each pay period.

10. Closed Meetings

The Board did not ensure compliance with the Sunshine Law for closed meetings. The Board held 29 closed meetings between October 5, 2017, and April 18, 2019.

The Board discussed some items in closed meetings that are not allowed by law. For example, the Board discussed giving employees a cost of living raise and approved year-end bonuses (see MAR finding number 9.1) in closed meetings; however, the closed meeting minutes do not document discussion of individually identifiable personnel records, performance ratings or records pertaining to employees or applicants for employment as allowed under Section 610.021 (3), RSMo, in these meetings. Other topics the Board discussed in closed sessions that are not allowed by law included a local business's delinquent utility bill, the Police Chief's request to purchase new service pistols, an upcoming increase in employee healthcare premiums, and other issues.

In addition, the Board sometimes discussed issues other than the topics cited in the open minutes for going into a closed meeting. For example, the Board discussed a proposed contract for management of the water and sewer systems in closed session; however, the minutes did not cite Section 610.021 (12), RSMo, which allows for the discussion of documents related to a negotiated contract until the contract is executed. In addition, the Board discussed the internal control letter from its auditor; however, the minutes did not cite Section 610.021 (17), RSMo, which allows for confidential and privileged communications between the city and its auditor, including all auditor work product. Instead, the open minutes for both of these closed meetings cited legal discussions and personnel issues per Sections 610.021 (1) and (3), RSMo.

Section 610.021, RSMo, lists the topics that may be discussed in closed meetings. Section 610.022.3, RSMo, mandates that the discussion topics and actions in closed meetings must be limited to only those specifically allowed by law as announced in the justification for closing the meeting.

Recommendation

The Board of Aldermen ensure only topics allowed by state law are discussed in closed Board meetings, the specific section of law allowing the closure is announced publicly and recorded in the minutes, and discussions in closed meetings are limited to only those specific reasons cited for closing the meeting.

Auditee's Response

Since the city was also reviewed for Sunshine Law violations, city officials have attended the required training. City officials now have a much better understanding of what can and cannot be discussed in a closed session. The



City of Monroe City
Management Advisory Report - State Auditor's Findings

city will set up Sunshine Law training as the new Mayor and Aldermen come on to the Board.

11. Budgets and Ordinances

The city has not complied with state laws regarding preparing complete annual budgets. In addition, ordinance tracking needs improvement.

11.1 Budgets

The city budgets prepared for the years ended September 30, 2017, 2018, and 2019, did not include all required elements. The budget documents did not include a budget message, budget summary, and the financial activity and balances of the city's indebtedness.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting tax levies, utility rates, and informing the public about city operations and current finances.

11.2 Ordinances

The city does not maintain an up-to-date official ordinance book. City officials last codified ordinances in August 2009.

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important ordinances be current and complete.

Recommendations

The Board of Aldermen:

- 11.1 Prepare annual budgets that contain all information required by state law.
- 11.2 Ensure the city's official ordinance book is complete and updated timely.

Auditee's Response

- 11.1 *This had not been done in the past and the city did not realize this was a requirement. The city will ensure that the required information is included in budget documents.*
- 11.2 *The city realizes that the ordinance book is outdated and has included money in the current budget for updates. The City Administrator and the City Attorney are working to see that the existing ordinances are reviewed and updated as needed prior to updating the books.*



City of Monroe City
Management Advisory Report - State Auditor's Findings

12. Electronic Data Security

The Board has not established sufficient controls to reduce the risk of unauthorized access to computer systems and electronic data. As a result, city records are not adequately protected and are susceptible to unauthorized access or loss of data.

12.1 User identifications and passwords

The Administrative Assistants, City Clerk, and City Administrator share the same user identification and password for 2 shared computers used for issuing receipt slips from the accounting system. While each has access to the receipt function on assigned work computers, which have unique user identification and passwords, the City Clerk indicated receipting is done on the computers at the front counter. In addition, passwords for employees in the administrative office, police department, and fire department are not required to contain a minimum number of characters and employees in the fire department are not required to change passwords periodically.

While a user identification and password are required to authenticate access, the security of these logon credentials is dependent upon keeping them confidential and requiring users to enter their unique user identification and password when switching users. Allowing certain users to share logon credentials, not requiring passwords to contain a minimum number of characters in certain offices, and not requiring passwords to be periodically changed at the fire department, increases the risk of unauthorized access and/or changes to the system and records and does not provide assurance access is limited to only those individuals who need access to perform their job responsibilities. User identifications should be unique to each person and passwords should be confidential, contain a minimum number of characters, and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.

12.2 Security controls

Security controls are not in place to lock the City Administrator, City Clerk, Administrative Assistants, and Fire Chief's computers after a certain period of inactivity. In addition, the fire department does not have security controls in place to lock computers after a specified number of incorrect logon attempts.

Inactivity controls are necessary to reduce the risk of unauthorized individuals accessing an unattended computer and having potentially unrestricted access to programs and data files. Logon attempt controls lock the capability to access a computer after a specified number of consecutive unsuccessful logon attempts and are necessary to prevent unauthorized individuals from continually attempting to logon to a computer by guessing passwords. Without effective security controls, there is an increased risk of unauthorized access to computers and the unauthorized use, modification, or destruction of data.



City of Monroe City
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 12.1 Require each employee to have his/her own user identification and password with a minimum number of characters, that is periodically changed. In addition, stop allowing employees to share access credentials on certain computers.
- 12.2 Require city computers have security controls in place to lock each computer after a certain period of inactivity and a specified number of incorrect logon attempts.

Auditee's Response

- 12.1 *The Administrative Assistants, City Clerk, and the City Administrator's computers do have unique passwords. The city will look into addressing this situation for the shared computers that are used for issuing receipt slips. This issue will also be addressed in the police department and the fire department.*
- 12.2 *The City Administration computers do not have controls in place to lock after a certain length of time, mainly because it causes issues with our Summit software. To correct this, City Administration employees can manually lock the screen so that no one can enter their computer. However, the Administrative Assistants, City Clerk, and City Administrator's computers do become locked after 3 incorrect logon attempts. The city will work with the Fire Chief to ensure that his computer locks out after 3 incorrect logon attempts.*

City of Monroe City

Organization and Statistical Information

The City of Monroe City is located in Monroe, Marion, and Ralls Counties. The city was incorporated in 1869 and is currently a fourth-class city. The city employed 25 full-time employees and 28 part-time employees on September 30, 2018.

City operations include utility services (natural gas, electricity, water, sewer, and sanitation), public safety (fire and police), street maintenance, a municipal library, a municipal cemetery, airport services, economic development, and recreational facilities (lakes, parks, pool, and a golf course).

Mayor and Board of Aldermen

The city government consists of a mayor and 6-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at September 30, 2018, are identified below. The Mayor is paid \$600 per month and the members of the Board of Aldermen are paid \$250 per month. The compensation of these officials is established by ordinance.

John Long, Mayor
Jason Osbourne, Alderman Ward I
Jeremy Moss, Alderman Ward I
Marvin Vilorio, Alderman Ward II
Dane Foster, Alderman Ward II
Connie Painter, Alderwoman Ward III
Melissa Hays, Alderwoman Ward III

City Marshal

The City Marshal at September 30, 2018, was Tyler Wheeler and his annual compensation was \$48,000. The City Marshal is elected to a 4-year term. The City Marshal's compensation is established by ordinance.

Other Principal Officials

The City Administrator and City Clerk are appointed positions. The city's principal officials at September 30, 2018, are identified below:

Jackie Pangborn, City Administrator
Christine Ellison, City Clerk
Patrick R. Enochs, Fire Chief
Michael Williams, City Attorney

Financial Activity

Appendixes A and B present a summary of the city's financial activity for the year ended September 30, 2018. We obtained this information from the city's audited financial statement report.

CITY OF MONROE CITY, MISSOURI
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Totals</u>
<u>Revenues:</u>				
Taxes	\$ 996,704	\$ 492,362	\$ ----	\$1,489,066
Licenses and permits	13,033	99,688	----	112,721
Intergovernmental revenue	376,244	35,122	----	411,366
Charges for services	24,057	----	----	24,057
Fines and forfeits	38,114	214	----	38,328
Interest income	442	48,394	----	48,836
Miscellaneous revenues	887,569	60,620	----	948,189
<u>Total Revenues</u>	<u>\$2,336,163</u>	<u>\$ 736,400</u>	<u>\$ ----</u>	<u>\$3,072,563</u>
<u>Expenditures:</u>				
Current:				
City administration	\$ 371,617	\$ ----	\$ ----	\$ 371,617
Public safety	736,021	8,366	----	744,387
Humane officer	3,630	----	----	3,630
Inspection and zoning	7,275	----	----	7,275
Street Department	328,772	325,492	----	654,264
Culture and recreation	171,931	60,009	----	231,940
Industrial Development	----	58,849	----	58,849
Airport	29,046	----	----	29,046
Cemetery	37,392	----	----	37,392
Capital outlay	569,275	294,664	----	863,939
Debt service	----	----	179,686	179,686
<u>Total Expenditures</u>	<u>\$2,254,959</u>	<u>\$ 747,380</u>	<u>\$ 179,686</u>	<u>\$3,182,025</u>
<u>Excess of Revenues Over (Under)</u>				
<u>Expenditures</u>	<u>\$ 81,204</u>	<u>\$ (10,980)</u>	<u>\$(179,686)</u>	<u>\$ (109,462)</u>
<u>Other Financing Sources (Uses):</u>				
Operating transfers in	\$ 300,000	\$ ----	\$ 180,395	\$ 480,395
Operating transfers out	(253,272)	(104,160)	----	(357,432)
<u>Total Other Sources (Uses)</u>	<u>\$ 46,728</u>	<u>\$ (104,160)</u>	<u>\$ 180,395</u>	<u>\$ 122,963</u>
<u>Excess of Revenues and Other Sources</u>				
<u>Over (Under) Expenditures and Other</u>				
<u>Uses</u>	<u>\$ 127,932</u>	<u>\$ (115,140)</u>	<u>\$ 709</u>	<u>\$ 13,501</u>
<u>Fund Balances, October 1</u>	<u>101,417</u>	<u>1,564,313</u>	<u>(15,156)</u>	<u>1,650,574</u>
<u>Fund Balances, September 30</u>	<u>\$ 229,349</u>	<u>\$1,449,173</u>	<u>\$ (14,447)</u>	<u>\$1,664,075</u>

CITY OF MONROE CITY, MISSOURICOMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGESIN NET POSITION - ALL ENTERPRISE FUNDSFOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>
<u>Operating Revenues:</u>			
Charges for services	\$4,730,325	\$ 623,879	\$ 548,287
Other revenues	<u>7,919</u>	<u>263</u>	<u>2,052</u>
<u>Total Operating Revenues</u>	<u>\$4,738,244</u>	<u>\$ 624,142</u>	<u>\$ 550,339</u>
<u>Operating Expenses:</u>			
Administration	\$ 682,679	\$ 161,681	\$ 57,038
Utility production/treatment	7,976	284,384	198,554
Utility purchases/interconnect	3,389,537	----	----
Utility distribution/collection	270,690	125,435	95,036
Depreciation	<u>195,982</u>	<u>168,795</u>	<u>174,514</u>
<u>Total Operating Expenses</u>	<u>\$4,546,864</u>	<u>\$ 740,295</u>	<u>\$ 525,142</u>
<u>Operating Income (Loss)</u>	<u>\$ 191,380</u>	<u>\$ (116,153)</u>	<u>\$ 25,197</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest income	\$ 3,633	\$ 1,588	\$ 5,518
Pole rental income	----	----	----
Interest expense and fiscal charges	(1,041)	(722)	(114,479)
Demolish old house	<u>----</u>	<u>----</u>	<u>----</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>\$ 2,592</u>	<u>\$ 866</u>	<u>\$ (108,961)</u>
<u>Net Income (Loss) Before Other Financing Sources (Uses)</u>	<u>\$ 193,972</u>	<u>\$ (115,287)</u>	<u>\$ (83,764)</u>
<u>Other Financing Sources (Uses):</u>			
Operating transfers in	\$ 104,601	\$ 72,436	\$ ----
Operating transfers (out)	<u>(150,000)</u>	<u>----</u>	<u>----</u>
<u>Total Other Financing Sources (Uses)</u>	<u>\$ (45,399)</u>	<u>\$ 72,436</u>	<u>\$ ----</u>
<u>Net Income (Loss)</u>	<u>\$ 148,573</u>	<u>\$ (42,851)</u>	<u>\$ (83,764)</u>
<u>Net Position, October 1</u>	<u>2,789,381</u>	<u>3,874,106</u>	<u>1,596,065</u>
<u>Net Position, September 30</u>	<u>\$2,937,954</u>	<u>\$3,831,255</u>	<u>\$1,512,301</u>

Appendix B

<u>Natural Gas Department</u>	<u>Sanitation Department</u>	<u>Totals</u>
\$1,149,269	\$106,235	\$7,157,995
534	----	10,768
<u>\$1,149,803</u>	<u>\$106,235</u>	<u>\$7,168,763</u>
\$ 169,484	\$ 582	\$1,071,464
----	----	490,914
804,606	99,918	4,294,061
115,739	----	606,900
38,893	----	578,184
<u>\$1,128,722</u>	<u>\$100,500</u>	<u>\$7,041,523</u>
<u>\$ 21,081</u>	<u>\$ 5,735</u>	<u>\$ 127,240</u>
\$ 5,202	\$ 126	\$ 16,067
----	----	----
----	----	(116,242)
<u>----</u>	<u>(9,215)</u>	<u>(9,215)</u>
<u>\$ 5,202</u>	<u>\$ (9,089)</u>	<u>\$ (109,390)</u>
<u>\$ 26,283</u>	<u>\$ (3,354)</u>	<u>\$ 17,850</u>
\$ ----	\$ ----	\$ 177,037
(150,000)	----	(300,000)
<u>\$ (150,000)</u>	<u>\$ ----</u>	<u>\$ (122,963)</u>
\$ (123,717)	\$ (3,354)	\$ (105,113)
<u>1,415,433</u>	<u>13,837</u>	<u>9,688,822</u>
<u>\$1,291,716</u>	<u>\$ 10,483</u>	<u>\$9,583,709</u>



Nicole Galloway, CPA

Missouri State Auditor

Charter School Oversight

Report No. 2020-028

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Charter School Oversight

Charter School Boards	State law does not require members of the board of directors for charter schools to obtain a specific amount of training or meet certain qualifications. As a result, it is unclear whether board members are adequately prepared to oversee charter schools.
Inconsistent Oversight	Charter school sponsor oversight of schools is not consistent and sponsor representatives indicated additional information or guidance would be useful regarding their duties. No standards have been established for the frequency of charter school reviews, contents of the annual oversight report, or what sponsors monitor at charter schools.
Charter School Sponsor Funding Comparison and Use	Charter school sponsor funding methods and use of sponsor funding should be periodically evaluated. A comparison of Missouri's funding methodology to methods used by 44 states and the District of Columbia that operate charter school programs found various funding methods used by these entities. Some Missouri sponsors use part or all of their funding to provide additional programs and services to their charter schools rather than for administrative costs related to oversight duties.

Due to the nature of this report, no rating is provided.

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Charter School Oversight

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology	9

Management Advisory Report - State Auditor's Findings	
1. Charter School Boards	11
2. Inconsistent Oversight	12
3. Charter School Sponsor Funding Comparison and Use	14

Appendixes	
A Charter School Closures	17
B Charter School Sponsor Funding Methods by State	18



NICOLE GALLOWAY, CPA

Missouri State Auditor

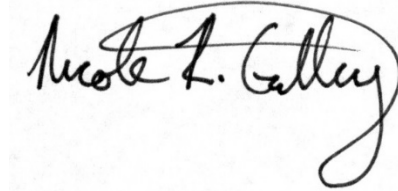
Honorable Michael L. Parson, Governor
and
Members of the General Assembly,
and
Charles Shields, State Board of Education President
and
Dr. Margie Vandeven, Commissioner
Department of Elementary and Secondary Education
Jefferson City, Missouri

We have conducted an audit of Charter School Oversight and certain information related to charter school sponsors, in fulfillment of our duties under Charter 29, RSMo. The scope of the audit included, but was not limited to, the year ended June 30, 2019. The objectives of our audit were to:

1. Evaluate internal controls over significant management and financial functions related to the oversight of charter schools.
2. Evaluate compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions related to charter school oversight.
4. Compare Missouri's charter school funding method with that of other states.
5. Evaluate potential changes needed in state laws governing charter schools and charter school sponsors.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) no significant deficiencies in management practices and procedures, (4) differences between states on how they fund charter sponsors, and (5) opportunities for improvement in the state laws governing charter schools and charter school sponsors. The accompanying Management Advisory Report presents our findings arising from our audit of Charter School Oversight.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Deborah Whitis, MBA, CPA, CIA, CFE
In-Charge Auditor:	Mackenzie J. Wooster
Audit Staff:	Albert Borde-Koufie, MBA
	Zach Andrews

Charter School Oversight

Introduction

Background

In 1998, Missouri began allowing for the formation of charter schools in St. Louis and Kansas City under Section 160.400, RSMo. This statute made Missouri the 34th state to authorize the creation of charter schools. Charter schools are separate schools that receive the same funding as public schools, but are allowed to operate free from some rules and regulations that apply to traditional public school districts. As of June 30, 2019, Missouri had 38 charter schools.

Sponsor formation

Each charter school must have an approved sponsor. An approved sponsor has the authority to open, monitor, and evaluate its charter school(s). Missouri revised state laws governing charter schools in 2012, which grandfathered in all entities sponsoring a charter school as of August 28, 2012, and established the Missouri Charter Public School Commission (MCPSC). The MCPSC is an independent sponsoring entity consisting of 9 members appointed by the Governor, with consent of the Senate.¹

Section 160.400.3, RSMo, allows the following entities to become a charter school sponsor (1) the school board of Kansas City Public Schools or St. Louis Public Schools; (2) a public 4-year college or university with an approved teacher education program; (3) a community college with the service area encompassing some portion of the district; (4) any private 4-year college or university with an enrollment of at least 1,000 students, with its primary campus in Missouri, and with an approved teacher preparation program; (5) any 2-year private vocational or technical school designated as a 501(c)(3) nonprofit organization under the Internal Revenue Code of 1986, as amended, and accredited by the Higher Learning Commission, with its primary campus in Missouri; and (6) the MCPSC.

To become a sponsor, these entities, except the MCPSC and sponsors grandfathered in by the 2012 legislation, must submit a sponsorship application to the Department of Elementary and Secondary Education (DESE) as provided under Section 160.403, RSMo. Once the entity is approved as a sponsor, the DESE executes a 6-year renewable sponsoring contract with the sponsor. The Kansas City Public Schools is the only new sponsor approved since 2012.

¹Section 160.425, RSMo, governs the creation of the MCPSC, its members, duties, and funding. No more than 5 members shall be of the same political party and no more than 2 members shall be from the same congressional district. Appointees to the MCPSC are selected by the governor as follows (1) 1 member from 3 recommended by the commissioner of education, (2) 1 member from 3 recommended by the commissioner of higher education, (3) 1 member from 3 recommended by the president pro tempore of the senate, (4) 1 member from 3 recommended by the speaker of the house of representatives, and (5) 5 additional members appointed by the governor, one of whom is selected from 3 recommended by the Missouri School Board Association.



Charter School Oversight Introduction

The following table lists all charter school sponsors since the beginning of the charter schools program in 1998. Some of the entities are no longer operating as sponsors.

Sponsor	Operating from
University of Central Missouri	1999-Present
Southeast Missouri State University	2000-Present
University of Missouri - St. Louis	2000-Present
Saint Louis Public Schools	2001-Present
Saint Louis University	2008-Present
Washington University	2009-Present
University of Missouri - Columbia	2010-Present
Kansas City Public Schools	1999-2005 ¹ 2015-Present
Missouri Charter Public School Commission	2015-Present
University of Missouri - Kansas City	1999-2019
Lindenwood University	2010-2018
Missouri University of Science and Technology	2001-2013
Missouri Baptist University	2006-2011
Harris-Stowe State University	2000-2006

¹ Sponsorship ceased for a 10-year period after closure of Westport Edison Academy in 2005.

Sponsor governance

Sections 160.400 through 160.425, and 167.349, RSMo, provide requirements for the organization and administration of charter schools. In addition, 5 CSR 20-100.250, establishes policies and procedures for the DESE to oversee and evaluate whether a sponsor is in good standing with its obligations. The DESE approves and provides oversight to sponsors who, in turn, assist in opening, monitoring, and evaluating charter schools.

According to Sections 160.400.11(3),(4), and (5), RSMo, for a sponsor to remain in good standing, it must fulfill its obligations under Sections 160.400 to 160.425, and 167.349, RSMo, including, but not limited to, negotiating contracts with its charter schools, conducting contract oversight, and implementing a process that uses comprehensive data to make renewal decisions. Each contract must clearly state the rights and responsibilities of each party regarding school autonomy, expected outcomes, measures for evaluating success or failure, consequences for poor academic performance, and other material terms. The sponsor must provide oversight that evaluates charter school performance, monitors compliance, and advises on intervention and renewal decisions, and ensures autonomy.

Under Section 160.400.17(1), RSMo, the State Board of Education (SBE) is required to evaluate sponsors every 3 years to determine if they are in compliance with established standards. The SBE completes these evaluations through the DESE. If DESE personnel determine a sponsor is in material noncompliance with its duties, Sections 160.400.17(2), (3), and (4), RSMo,



Charter School Oversight Introduction

provide procedures for remediation. Under the procedures, the DESE will notify the sponsor and give the sponsor time to complete corrective actions. If compliance issues continue, the Commissioner of Education conducts a public hearing and the SBE may recommend corrective actions, which may include withholding the sponsor's funding and suspending the sponsor's authority to sponsor a school that it currently sponsors or an additional school until the sponsor corrects the noncompliance. The SBE may also decide to remove the sponsor's authority to sponsor. The sponsor is provided an opportunity to respond to the recommendations. Final determination regarding corrective actions is determined by the SBE. If the SBE removes a sponsor's authority, the MCPSC becomes the sponsor of the suspended sponsor's charter schools.

Sponsor funding

Per Section 160.400.11, RSMo, a sponsor receives 1.5 percent of the amount of state and local funding allocated to each charter school from the DESE not to exceed \$125,000, adjusted for inflation. The DESE will continue to remit the sponsor payment as long as the sponsor fulfills its obligations set out in state law and in the sponsor's contracts with the charter schools. The MCPSC has received both the 1.5 percent allocation for each school sponsored and a state appropriation to help with the commission's operations and oversight of its sponsored charter schools. Beginning in July 2020, the MCPSC will only receive the 1.5 percent allocation from charter school funds.

Section 5 CSR 20-100.260(1)(I) requires the sponsors to submit to the DESE an annual financial accountability report that shows if the sponsor spent at least 90 percent of its funding to support charter school operations and compliance.



Charter School Oversight Introduction

Sponsors received the following funding for the 2 years ended June 30, 2019.

Sponsors	Year Ended June 30,		
	2019	2019	2018
	Charter Schools Sponsored	Payments Received	Payments Received
University of Central Missouri	8	\$760,383	\$778,852
Southeast Missouri State University	1	86,878	79,437
University of Missouri - St. Louis	7	427,921	407,285
Saint Louis University	1	32,282	118,329
Washington University	2	177,812	173,877
University of Missouri - Columbia	8	640,888	521,424
Kansas City Public Schools	2	35,295	22,394
MCPSC	9	369,728	28,724
University of Missouri - Kansas City ¹	0	336,389	671,537
Lindenwood ¹	0	75,992	148,814

¹ Sponsorship responsibilities transferred to MCPSC during the year ended June 30, 2019.

Source: Prepared by the State Auditor's Office (SAO) using data from the DESE website.

Charter school formation

Per Section 160.405.1, RSMo, when an individual or entity seeks to establish a charter school in Missouri, the person or organization must prepare and submit a proposed charter application to a potential sponsor. The potential sponsor reviews the proposal and has the option to approve or deny the application.

Section 160.405.3, RSMo, provides if a charter is approved by a sponsor, the charter application must be submitted to the SBE, along with a statement of finding by the sponsor that the application meets the requirements of Sections 160.400 to 160.425 and Section 167.349, RSMo, and a monitoring plan under which the charter sponsor will evaluate the academic performance, including annual performance reports, of students enrolled, in the charter school. The SBE must approve or deny a charter application within 60 days of receipt of the application.

The DESE provides assistance to the SBE during the application review process. DESE personnel review the charter application approved by the sponsor for state and federal compliance. The DESE then presents the charter school application with a statement of finding and a recommendation for approval or disapproval to the SBE. The SBE ultimately makes the decision on the school's establishment.

Charter school renewals

Per Section 160.405.9(2), RSMo, the sponsor's renewal process of a charter school must be based on a thorough analysis of whether (1) the charter school's annual performance report met or exceeded the district in which the



Charter School Oversight Introduction

charter school is located in 3 of the last 4 school years; (2) the charter complied with its legally binding contract with the sponsor; and (3) the charter school is organizationally and fiscally viable determining at a minimum that the school does not have a negative balance in its operating funds, a combined balance of less than 3 percent of the amount expended for such funds during the previous fiscal year; or expenditures that exceed receipts for the most recently completed fiscal year.

In the year the charter school is considered for renewal, the sponsor will submit a revised charter application to the SBE that demonstrates whether the charter school complied with the performance contract and federal and state laws. The SBE reviews the information provided and at its next regularly scheduled meeting votes on the revised charter application.

Charter school closures

The sponsors are required by Section 160.405.8, RSMo, to close or take other remedial actions if they identify the following:

- The charter school provides a high school program that fails to maintain a graduation rate of at least 70 percent in 3 of the last 4 school years unless the school has dropout recovery as its mission.
- The charter school's annual performance report results are below the district's annual performance report results based on the performance standards in 3 of the last 4 school years.
- The charter school is identified as a "persistently lowest-achieving school"² by the DESE.

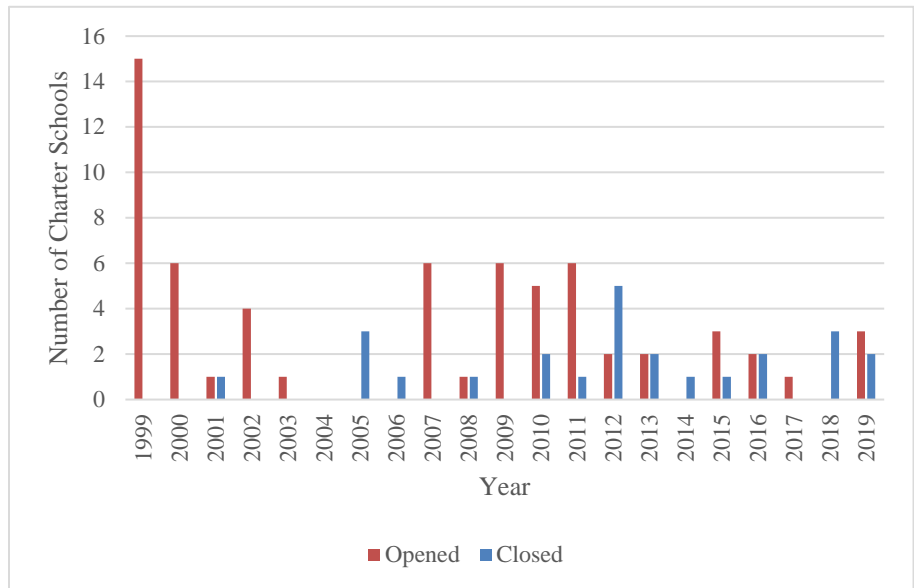
² The DESE has procedures in place to identify "persistently lowest-achieving schools" in accordance with federal law (Section 1111(c)(4)(D) of the Elementary and Secondary Education Act).



Charter School Oversight Introduction

Figure 1: Number of charter schools opened and closed by fiscal year

Figure 1 shows the number of charter schools opened and closed by fiscal year since 1999.



Source: Prepared by the SAO using data from the DESE website. See Appendix A for a list of closed charter schools.

According to the sponsors and the DESE, charter schools primarily close for one or more of the following reasons (1) financial distress, (2) low enrollment, (3) board or administration mismanagement, and (4) poor academic performance. Appendix A provides more information on charter school closures.

Scope and Methodology

Our analysis focused on the oversight of charter schools by their Boards and sponsors and the oversight of sponsors by the DESE. The scope of our audit included, but was not necessarily limited to, the year ended June 30, 2019.

We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of the legal provisions that are significant within the context of the audit objectives and assessed the risk that illegal acts, including fraud, and violations of applicable contracts or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. This work included, but was not limited to, a review of Sections 160.400 through 160.425, and 167.349, RSMo, and 5 CSR 20-100.

Our methodology also included gathering information regarding the oversight of charter schools through discussions with various representatives from the



Charter School Oversight Introduction

DESE and the 8 active sponsors. We also reviewed sponsoring and performance contracts, annual sponsor reports, sponsor policies and procedures, the DESE's evaluations of sponsors, and other pertinent documents.

To evaluate and compare Missouri's charter school sponsor funding with those of other states, we obtained and reviewed information from the National Association of Charter School Authorizers (NACSA) that compared authorizer fees and funding systems as of February 2015. We also contacted charter school officials in other states to verify the NACSA information reflected current practices.

Charter School Oversight Management Advisory Report State Auditor's Findings

1. Charter School Boards

State law does not require members of the board of directors for charter schools to obtain a specific amount of training or meet certain qualifications. As a result, it is unclear whether board members are adequately prepared to oversee charter schools. Sponsors expressed concerns during our interviews about the lack of regulations and laws governing charter school board training and qualifications.

Charter school boards are responsible for overseeing charter schools to ensure the compliance with state laws and regulations and that the schools are meeting all of the requirements set forth by the sponsor, the DESE, and state law.

Board training

State law does not require board members to obtain a specific amount of training. As provided in 5 CSR 20-100.260(4)(L), sponsors are required to ensure that charter board members are aware of and have access to adequate training to fulfill their duties. However, there are no state laws or regulations specifying what is considered an adequate amount of training and if any must be obtained. Based on our review, sponsor's training requirements for their charter school board members varied (see also MAR finding number 2).

Prior to August 2019, Section 162.203, RSMo, required public school board members to obtain 16 hours of training during their first year. As of August 2019, the statute requires 18 hours and 30 minutes of board training for newly elected public school board members plus 1 hour of refresher training annually thereafter. Charter school board members have no similar training requirement. As a result, they may not receive a similar level of training as their public school district counterparts and may not obtain the necessary training to provide appropriate oversight.

Board qualifications

State law does not provide any minimum qualifications for an individual to serve as a charter school board member. Initially, the individuals or organization that start the application process of opening a charter school select the charter school board members. Board members then appoint individuals to fill any board vacancies.

Section 162.291, RSMo, requires public school board members to be a citizen of the United States, a resident of Missouri and the school district, and at least 24 years old. In addition, school district board members are elected by the voters of the school district.

Charter school closure due to ineffective board oversight

As discussed in the Background section, charter schools primarily close for four reasons. DESE officials indicated ineffective board oversight is directly related to three of those reasons (board and administration mismanagement, financial distress, and poor academic performance). Our review of charter school closures identified 23 of the 26 schools (88 percent) closed for the primary reason of either mismanagement, financial distress, or poor academic

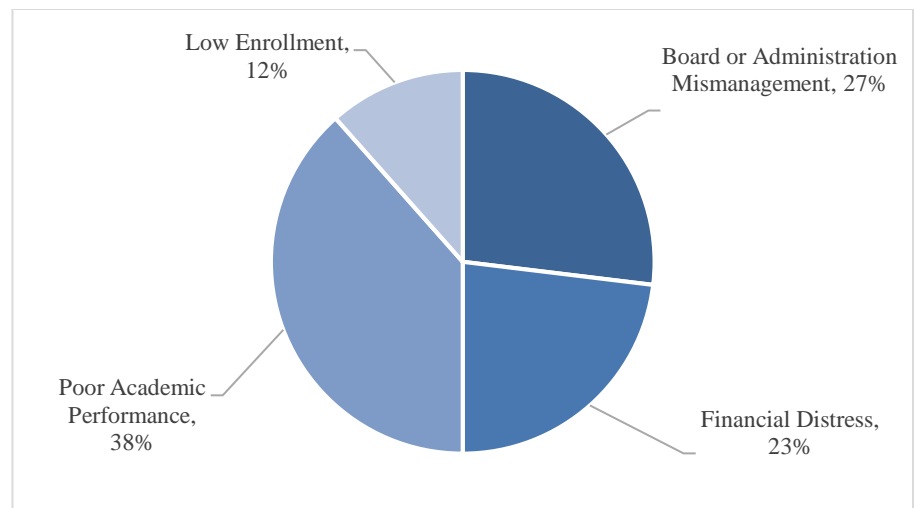


Charter School Oversight Management Advisory Report - State Auditor's Findings

performance. School closures result in displaced students who must seek enrollment elsewhere.

Figure 2 shows the percentage of schools that closed for each of the primary reasons for a charter school closure.

Figure 2: Primary reasons for charter school closures



Source: Prepared by the SAO using data obtained from the DESE.

Conclusion

Considering the duties and responsibilities of charter school board members and the impact their effectiveness has on a charter school and its students, continual board training and at least minimal qualifications are necessary to ensure board members have the skills to oversee schools and stay up-to-date with current regulations, guidance, and best practices.

Recommendation

The DESE work with sponsors to ensure charter school board members meet the same training and qualification requirements of public school board members. The DESE should also work with the General Assembly to revise charter school laws to require charter school board member training and board member applicants meet certain qualifications.

Auditee's Response

The DESE concurs with the recommendation and will work with sponsors and the General Assembly, if necessary, to ensure that members of charter governing boards are appropriately trained and qualified.

2. Inconsistent Oversight

Charter school sponsor oversight of schools is not consistent. In addition, sponsor representatives indicated additional information or guidance would be useful regarding their duties.

No set standards have been established for the frequency of charter school reviews, contents of the annual oversight report, or what sponsors monitor at charter schools. In June and July 2019, we met with representatives of the 8 active sponsors and obtained an understanding of their organization's



Charter School Oversight Management Advisory Report - State Auditor's Findings

oversight procedures. We identified the following differences in the level of oversight they provided:

- The frequency of onsite reviews varied among the sponsors. Four sponsors performed monthly reviews, three performed annual reviews, and one performed quarterly reviews of their charter schools.
- Sponsor oversight reports varied in the amount of information included and the areas of review. All sponsors reported on academic performance, financial performance, and school governance. In addition to these areas, some sponsors evaluated the school's curriculum, the culture of the school, teacher performance, and the school's community involvement.
- One sponsor did not perform reviews of attendance records used to determine the average daily attendance (ADA). Funding is distributed to charter schools based on ADA. The sponsor representative said it was not the organization's responsibility to review attendance records, but the other seven representatives said their organizations reviewed these records.
- Seven sponsors provided funding annually for charter school board members to receive board training, but only two evaluated if the board members obtained training during the year.

The inconsistencies identified suggest more guidance may be necessary. Additional resources such as guidelines or standards would help sponsors provide consistent oversight and comparable reports of charter school performance.

Recommendation

The DESE work with sponsors to determine what additional oversight resources or standards would be useful and provide that guidance.

Auditee's Response

The DESE concurs with the recommendation. In the time following the audit period, the DESE has implemented two significant initiatives that address the recommendation. First, the DESE developed a comprehensive list (assurance checklist) of statutory requirements that charter schools must meet. Sponsors have their schools affirm and sign that they are fulfilling the requirements of the law and send a copy to the DESE. This initiative provides significantly greater clarity to schools and sponsors about their responsibilities. Second, the DESE has implemented a new sponsor evaluation system. The system was developed collaboratively with sponsors and is based on standards that were updated within the last two years.



Charter School Oversight Management Advisory Report - State Auditor's Findings

3. Charter School Sponsor Funding Comparison and Use

State comparison

Charter school sponsor funding methods and use of sponsor funding should be periodically evaluated.

Section 160.400.11, RSMo, provides the expenses associated with sponsorship of charter schools shall be defrayed by the DESE retaining 1.5 percent of the amount of state and local funding allocated to the charter school. This amount is capped at an amount adjusted for inflation. In 2019 and 2018, the capped amount was \$151,984 and \$148,814, per school, respectively. The DESE pays the retained funds for each charter school to the school's sponsor. This funding method was established in 2005 under Section 160.400, RSMo, but the law excluded school districts and the SBE from receiving sponsorship funding. Revisions to the statute in 2012 removed those exclusions.

We compared Missouri's funding methodology to methods used by other states that operate charter school programs. Forty-four states and the District of Columbia (D.C.) have authorized charter school programs. We identified various funding methods used by these entities.

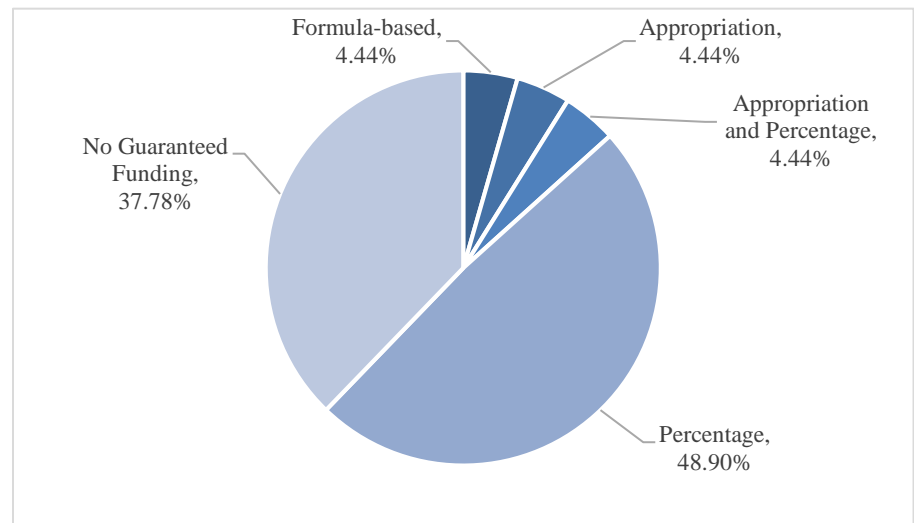
- Seventeen states do not provide any guaranteed funding.
- Two states use a formula-based variable fee methodology.
- Two states provide annual appropriations to the sponsors.
- Twenty-two states, including Missouri, provide sponsors a percentage of the state and local funds allocated to their respective charter schools (see Figure 4). Several states award a different percentage based on one or more of the following criteria (1) type of sponsor, (2) number of charter schools sponsored, (3) the number of students, (4) grade-levels the school provides, and (5) time the charter school has been open. Only Missouri and Tennessee allocate a percentage of school funding and also limit the total per school sponsor funding to a set dollar amount.
- Two states provide an appropriation and a percentage of charter school funding.



Charter School Oversight Management Advisory Report - State Auditor's Findings

Figure 3: State charter school sponsor funding by method

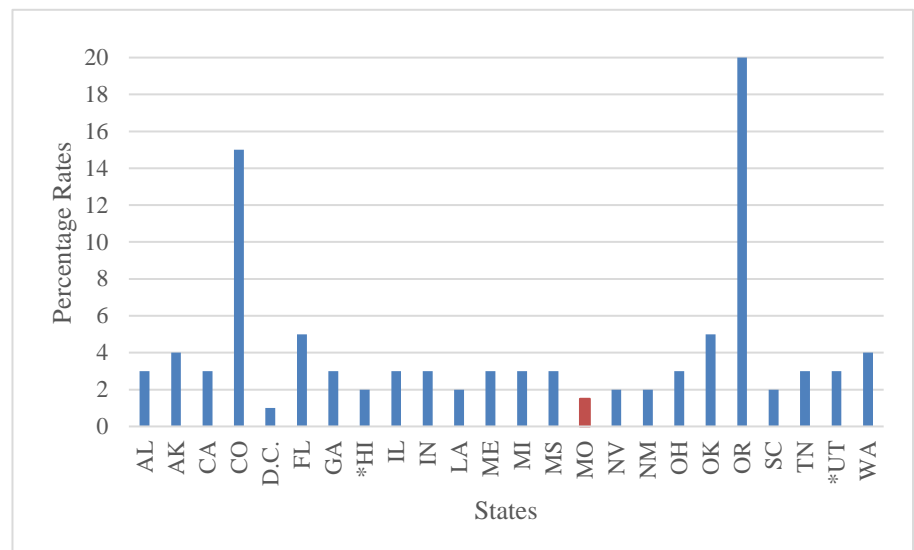
Figure 3 shows the percentage of states using the various funding methods. See Appendix B for more information on each state's funding method.



Source: Prepared by the SAO using data from the National Association of Charter School Authorizers (NACSA) and the various states.

Figure 4 shows Missouri provides the second lowest percentage of school funding of states using that method. See Appendix B for more detail on the range of other percentage rates and variables.

Figure 4: Maximum authorized rates for states using the percentage funding method



* The state uses a combination of appropriation and percentage funding methods.

Source: Prepared by the SAO using data from the NACSA and the various states.



Charter School Oversight Management Advisory Report - State Auditor's Findings

Use of funding

Some Missouri sponsors use part or all of their funding to provide additional programs and services to their charter schools rather than for administrative costs related to oversight duties. Additional programs and services include mini-grants, school improvement projects, charter school board trainings, and/or funds for continuing education for teachers. Two of the 8 active sponsors' representatives indicated they use all of their funding to provide additional resources to their charter schools. The remaining 6 sponsor representatives indicated they use a portion of the funding to provide additional programs and services to their charter schools. Sponsor representatives indicated their organizations need the funding to provide adequate oversight; however, due to limited school funding, they felt the charter schools needed the additional resources more to meet student needs.

Conclusions

Because the sponsorship funding method authorized in state law has not been revised since 2005, other states use various other sponsor funding methods, and Missouri sponsors use funding received for charter school purposes unrelated to oversight, a review of the funding methodology is necessary. Such a periodic evaluation would help determine whether the current funding is sufficient to allow sponsors to appropriately monitor their charter schools and ensure those schools meet student needs.

Recommendation

The DESE review other sponsor funding methodologies and evaluate if sponsor funding allows for appropriate oversight and meets the needs of charter school students and make any necessary recommendations to the General Assembly.

Auditee's Response

The DESE concurs with the recommendation and will collaborate with sponsors to review this topic and possibly make recommendations for change.

Appendix A

Charter School Oversight Charter School Closures

School	Sponsor at Time of Closure	Year of Closure	Primary Reason for Closure (1)
Kansas City Career Academy	University of Central Missouri	2001	Financial Distress
Thurgood Marshall Academy	University of Missouri - St. Louis	2005	Mismanagement
Westport Edison Academy	Kansas City Public Schools	2005	Mismanagement
Youthbuild St. Louis Charter	St. Louis Public Schools	2005	Low Enrollment
Southwest Charter School	University of Central Missouri	2006	Financial Distress
Academy of Kansas City	University of Missouri - Kansas City	2008	Financial Distress
CAN! Academies of St. Louis	State Board of Education	2008	Mismanagement
Ethel Hegdeman Lyle Academy	Missouri Baptist University	2010	Financial Distress
Paideia Academy	Missouri Science & Technology University	2010	Poor Academic Performance
Don Bosco Education Center	University of Central Missouri	2011	Financial Distress
Imagine Academy of Academic Success	State Board of Education	2012	Poor Academic Performance
Imagine Academy of Careers	State Board of Education	2012	Poor Academic Performance
Imagine Academy of Environmental Science	State Board of Education	2012	Poor Academic Performance
Renaissance Academy	University of Central Missouri	2012	Poor Academic Performance
Urban Community Leadership Academy	University of Central Missouri	2012	Mismanagement
Derrick Thomas Academy	University of Missouri - Kansas City	2013	Mismanagement
Shearwater Education Foundation	St. Louis University	2013	Poor Academic Performance
Hope Academy	University of Missouri - Kansas City	2014	Mismanagement
Construction Careers Center	St. Louis Public Schools	2015	Poor Academic Performance
Better Learning Communities Academy	University of Missouri - Columbia	2016	Poor Academic Performance
Jamaa Learning Center	University of Missouri - Columbia	2016	Financial Distress
Benjamin Banneker Academy	University of Central Missouri	2018	Poor Academic Performance
Preclarus Mastery Academy	University of Missouri - St. Louis	2018	Poor Academic Performance
St. Louis College Preparatory	University of Missouri - St. Louis	2018	Mismanagement
Kansas City Neighborhood Academy	Kansas City Public Schools	2019	Low Enrollment
Pathway Academy	MCPSC	2019	Low Enrollment

(1) Financial distress is the result of a lack of funding to continue to operate the school. Mismanagement represents charter school board or administration mismanagement.

Source: Prepared by SAO using information obtained from the Department of Elementary and Secondary Education.

Appendix B

Charter School Oversight

Charter School Sponsor Funding Methods by State

State (1)	Sponsor Funding Method	Funding Available by Type of Sponsor				
		Local Educational Agency (4)	State Educational Agency (SEA)	Independent Chartering Board (5)	Higher Education Institution	Not-For-Profit Organization
Alabama	Percentage	3% If Sponsor 1-3 Charter Schools 2% If Sponsor 4-5 Charter Schools 1% If Sponsor 6-10 Charter Schools	N/A	No Guaranteed Funding	N/A	N/A
Alaska (2)	Percentage	4%	4%	N/A	N/A	N/A
Arizona	Appropriation	No Guaranteed Funding	No Guaranteed Funding	Appropriation	No Guaranteed Funding	N/A
Arkansas	No Guaranteed Funding	No Guaranteed Funding	N/A	SEA Funded staff	N/A	N/A
California (2)	Percentage	1%	N/A	N/A	N/A	N/A
Colorado (2)	Percentage	3% If Sponsor Provides School Facility 5% 15% For Schools with 500 Students or Less	2%	3%	N/A	N/A
Connecticut	No Guaranteed Funding	No Guaranteed Funding	SEA Funded staff	N/A	N/A	N/A
Delaware	No Guaranteed Funding	No Guaranteed Funding	SEA Funded staff	N/A	N/A	N/A
District of Columbia (2)	Percentage	N/A	N/A	1%	N/A	N/A
Florida (2)	Percentage	5% For Schools With 250 students or Less 2% For High-performing Charter Schools 5% For Virtual schools	5% For Schools With 250 students or Less 2% For High-performing Charter Schools 5% For Virtual schools	N/A	5% For Schools With 250 students or Less 2% For High-performing Charter Schools 5% For Virtual schools	N/A
Georgia (2)	Percentage	3%	3%	3%	N/A	N/A
Hawaii (2)	Appropriation and Percentage	N/A	N/A	2%, Appropriation	No Guaranteed Funding	No Guaranteed Funding
Idaho	Formula-based	Formula-based	N/A	Formula-based	Formula-based	N/A
Illinois (2)	Percentage	No Guaranteed Funding	N/A	3%	N/A	N/A
Indiana (2)	Percentage	No Guaranteed Funding	N/A	3%	3%	3%
Iowa	No Guaranteed Funding	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A
Kansas	No Guaranteed Funding	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A
Kentucky	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A	N/A
Louisiana	Percentage	2%	2%	N/A	2%	2%
Maine (2)	Percentage	3%	N/A	3%	N/A	N/A
Maryland	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A	N/A
Massachusetts	No Guaranteed Funding	N/A	SEA Funded staff	N/A	N/A	N/A
Michigan (2)	Percentage	3%	N/A	N/A	3%	N/A
Minnesota	Formula-based	Formula-based	Formula-based	N/A	Formula-based	Formula-based
Mississippi	Percentage	N/A	N/A	3.0%	N/A	N/A
Missouri (3)	Percentage	1.5%	N/A	1.5%	1.5%	N/A
Nevada (2)	Percentage	2%	2%	2%	2%	N/A
New Hampshire	No Guaranteed Funding	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A
New Jersey	No Guaranteed Funding	N/A	SEA Funded staff	N/A	N/A	N/A
New Mexico (2)	Percentage	2%	2%	N/A	N/A	N/A
New York	Appropriation	N/A	Appropriation	N/A	Appropriation	N/A
North Carolina	No Guaranteed Funding	No Guaranteed Funding	SEA Funded staff	N/A	No Guaranteed Funding	N/A
Ohio (2)	Percentage	3%	3%	N/A	3%	3%
Oklahoma (2)	Percentage	5%	N/A	N/A	5%	N/A
Oregon	Percentage	5% For Charter High Schools 20% For Kindergarten-8th grade	N/A	N/A	N/A	N/A
Pennsylvania	No Guaranteed Funding	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A
Rhode Island	No Guaranteed Funding	No Guaranteed Funding	SEA Funded staff	N/A	N/A	N/A
South Carolina (2)	Percentage	No Guaranteed Funding	N/A	2%	No Guaranteed Funding	N/A
Tennessee (3)	Percentage	3%	N/A	3%	N/A	N/A
Texas	No Guaranteed Funding	No Guaranteed Funding	SEA Funded staff	N/A	N/A	N/A

Appendix B

Charter School Oversight

Charter School Sponsor Funding Methods by State

State (1)	Sponsor Funding Method	Funding Available by Type of Sponsor				
		Local Educational Agency (4)	State Educational Agency (SEA)	Independent Chartering Board (5)	Higher Education Institution	Not-For-Profit Organization
Utah (2)	Appropriation and Percentage	No Guaranteed Funding	N/A	Appropriation	3% First 2 years 1% Thereafter	N/A
Virginia	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A	N/A
Washington (2)	Percentage	4%	N/A	4%	N/A	N/A
Wisconsin	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	No Guaranteed Funding	N/A
Wyoming	No Guaranteed Funding	No Guaranteed Funding	N/A	N/A	N/A	N/A

(1) Includes only states with charter school programs. Montana, Nebraska, North Dakota, South Dakota, Vermont, and West Virginia do not have charter school programs.

(2) These states provide a percentage ranging up to the percentages listed in the table.

(3) Funding capped at a specific dollar amount set by state law.

(4) Local Educational Agency is an entity such as a school district.

(5) Independent Chartering Boards are established by state law like the Missouri Charter Public School Commission.

Source: Prepared by SAO using data obtained from the National Association of Charter School Authorizers and communications with personnel in these states.



Nicole Galloway, CPA

Missouri State Auditor

**St. John Crossing
Transportation Development District**

Report No. 2020-027

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of St. John Crossing Transportation Development District

Financial Status	The audit of the St. John Crossing Transportation Development District (district) indicates the financial condition of the district is such that it may be abolished.
Noncompliant Expenditures	The district paid for City of St. John (city) expenses, which is not allowed by state law, a court order, or by the agreement between the city and the district.
Delay in Rescinding Sales Tax	The district has failed to take timely action to rescind the district sales tax resulting in excess taxation to the public.

Due to the nature of this report, no rating is provided.
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St. John Crossing Transportation Development District

Table of Contents

State Auditor's Report	2
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Introduction	
Background	4
Scope and Methodology	5

Management Advisory Report - State Auditor's Findings	
1. Financial Status	6
2. Noncompliant Expenditures	6
3. Delay in Rescinding Sales Tax	7

Appendixes	
A Statement of Receipts, Disbursements, and Ending Cash Balance Cash Basis Year Ended December 31, 2019, and Month Ended January 31, 2020	8
B Statement of Revenues and Expenses Accrual Basis Year Ended December 31, 2002, through Year Ended December 31, 2018, Summarized	9
C St. John Crossing Transportation Development District Response	10



NICOLE GALLOWAY, CPA
Missouri State Auditor

John R. Morris, Chairman
and
Board of Directors
St. John Crossing Transportation Development District
St. John, Missouri

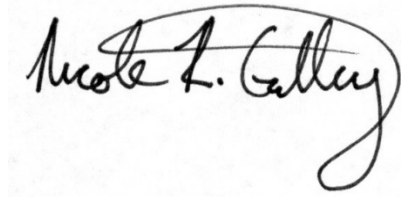
The State Auditor is required under Section 238.275, RSMo, to audit a transportation development district prior to the question of abolishment being submitted to a vote. On December 13, 2019, the Board of Directors of the St. John Crossing Transportation Development District formalized its intent to dissolve the district and requested an audit as required by statute. The State Auditor was subsequently notified of this request.

The district engaged Botz, Deal & Company, P.C., Certified Public Accountants (CPAs), to audit the district's financial statements for the year ended December 31, 2018. To minimize duplication of effort, we reviewed the report of the CPA firm. The objectives of our audit were to:

1. Evaluate the financial status of the district and determine whether it may be abolished pursuant to law.
2. Evaluate the district's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we (1) determined the Board of Directors may proceed with abolishment of the district in accordance with Section 238.275, RSMo, (2) identified noncompliance with certain legal provisions, and (3) identified deficiencies in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the St. John Crossing Transportation Development District.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The signature is written over a faint, rectangular background that appears to be a stamp or watermark.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Robert E. Showers, CPA, CGAP
Audit Manager:	Wayne T. Kauffman, MBA, CPA, CFE, CGAP
In-Charge Auditor:	Tori Riley, MBA, CFE

St. John Crossing Transportation Development District

Introduction

Background

The St. John Crossing Transportation Development District (district) is located in St. Louis County, in the City of St. John. The district was organized in June 2002 by petition of the property owner and the City of St. John filed with the Circuit Court of St. Louis County. The members of the Board of Directors consist of three City of St. John employees, a representative of the property owner, and a representative of a consulting firm. The district has a fiscal year end of December 31 and obtained independent audits annually.

In July 2002, the qualified voter¹ of the district approved a 1/4 of 1 percent sales tax on all taxable transactions within the boundaries of the district. The Board of Directors subsequently passed a resolution formally establishing the sales tax rate to be effective August 1, 2002, for 40 years unless terminated sooner. The retail establishments within the district collected and remitted the sales tax to the district until 2010. Starting in 2010, due to a change in state law, the retail establishments within the district collected and remitted the sales tax to the Missouri Department of Revenue (DOR). In turn, the DOR disbursed the sales tax monies to the district.

The district was formed for the purpose of improving St. Charles Rock Road, Bristol Avenue, and Orlando Avenue and the construction of new traffic signals, new lanes, a center median, and other road improvements in the City of St. John. A portion of the district project was intended to be merged into the state highways and transportation system. The Missouri Highways and Transportation Commission (Commission) approved this state transportation project. Additionally, a portion of the district project was not intended to be part of the state highway and transportation system. The City of St. John approved this local transportation project. The project was completed in September 2002. The Commission accepted dedication of the state transportation project in August 2005. The City of St. John accepted dedication of the local transportation project in September 2002.

The City of St. John issued a revenue bond for the district project and local tax increment financing (TIF) project in 2002 for a combined \$6,740,000, of which \$858,000 was attributable to the district. This bond was refinanced in November 2006 when the City issued a second revenue bond for \$6,405,000. The bond debt was satisfied in May 2019. Over the life of the district a total of approximately \$1,160,000 in sales tax was collected and distributed. See Appendixes A and B for district financial activity from 2002 through January 2020.

In December 2019, the district Board formalized its intent to dissolve the district. A district official subsequently advised the State Auditor's Office

¹ The only qualified voter in the district was the developer/property owner, St. John Crossings, LLC.



St. John Crossing Transportation Development District Introduction

(SAO) of this resolution and requested the SAO proceed with all necessary actions as required pursuant to Section 238.275, RSMo. That statute requires the State Auditor to audit the district to determine its financial status, and determine whether it may be abolished pursuant to law. That law also states the board shall not propose the question to abolish the district while there are outstanding claims or causes of action pending against it; if its liabilities exceed its assets; or while the district is insolvent, in receivership, or under the jurisdiction of a bankruptcy court.

Scope and Methodology

The scope of our audit included, but was not necessarily limited to, the fiscal year ended December 31, 2019 and the period from January 1 through January 31, 2020.

Our methodology included reviewing minutes of meetings, financial records, and other pertinent documents; interviewing a district official, as well as certain external parties; visually inspecting the project; and testing selected transactions. We obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

St. John Crossing Transportation Development District

Management Advisory Report

State Auditor's Findings

1. Financial Status

Our audit of the St. John Crossing Transportation Development District (district) indicates the financial condition of the district is such that it may be abolished.

The district satisfied its bond debt in May 2019. As of January 31, 2020, the cash balance of the district was \$15,499 (see Appendix A). As of March 10, 2020, all fees for legal services have been paid in full and are current and there are no pending, threatened, or unasserted claims or assessments against the district according to district legal counsel. District officials confirmed the district is not insolvent, in receivership, or under the jurisdiction of the bankruptcy court. Therefore, the district meets the abolishment criteria established in Section 238.275.3, RSMo.

Recommendation

The Board of Directors continue with the abolishment of the district.

Auditee's Response

The district's written response is included at Appendix C.

2. Noncompliant Expenditures

The district paid for City of St. John (city) expenses, which is not allowed by state law, a court order, or the agreement between the city and the district.

Based on comments from the City Attorney, after the district debt had been satisfied, the City Council authorized a firm to provide consulting services, totaling \$17,850, during the year ended December 31, 2019, and January 2020. These services included analyzing if the district could adopt another project and then petitioning the property owner of the district to adopt another project. The firm reported the results directly to the City Council. Instead of the city paying for these consulting services, the district paid for these city expenses. However, the district's Board did not authorize these consulting services and does not have the legal authority to pay for city expenses.

Section 238.235.1(1), RSMo, limits the use of the sales tax to the transportation development purposes designated in the sales tax ballot. The sales tax ballot wording limits the use of the sales tax to installation and construction of the transportation project. Additionally, the Intergovernmental Agreement between the city and the district limits the use of the district sales tax to district administrative costs and debt service payments of the district's project.

The City Attorney stated it was appropriate for the city to shift these expenses to the district because the consulting services provided an indirect benefit to the district. However, no district Board minutes show that the Board authorized these expenses. Additionally, nothing provided by the city or the district indicated how the consulting services pertained to administrative costs of the district's project or were otherwise authorized under the intergovernmental agreement with the city.



St. John Crossing Transportation Development District
Management Advisory Report - State Auditor's Findings

Recommendation

The Board of Directors ensure future expenditures are in compliance with state law and other legal documents.

Auditee's Response

The district's written response is included at Appendix C.

**3. Delay in Rescinding
Sales Tax**

The district has failed to take timely action to rescind the district sales tax resulting in excess taxation to the public.

A district official was informed in March 2019 by the bond trustee that the district's bonds would be paid in full on May 1, 2019. However, the Board waited until the annual meeting in December 2019 to approve requesting a closeout audit from the State Auditor's Office (SAO). In addition, the Board did not approve rescinding the district sales tax in the December 2019 meeting. A district official indicated the district was waiting for the SAO to conduct the audit before rescinding the sales tax; however, there is no requirement that the district wait until after the audit to rescind the tax. This information was communicated to the district official by the SAO on February 18, 2020. However, as of April 17, 2020, the district had not yet rescinded the district sales tax. The district's cash balance had increased from \$240 on May 1, 2019, to \$15,499 on January 31, 2020.

Section 238.235.6, RSMo, allows the district to repeal the sales tax as long as the repeal will not affect the district's ability to repay any liabilities of the district. Section 238.275.5(1), RSMo, requires the district to transfer all real estate and personal property, including the accumulated cash balances and revenues due, to the commission or the appropriate local transportation authority² once the majority of those voting within the district have voted to abolish and the State Auditor has determined the district may be abolished.

Recommendation

The Board of Directors rescind the district sales tax and ensure the remaining funds are disbursed to the commission and the city, as appropriate.

Auditee's Response

The district's written response is included at Appendix C.

² The commission refers to the Missouri Highways and Transportation Commission and the local transportation authority is the City of St. John.



Appendix A
St. John Crossing Transportation Development District
Statement of Receipts, Disbursements, and Ending Cash Balance - Cash Basis
Year Ended December 31, 2019, and Month Ended January 31, 2020

	Month Ended January 31, 2020	Year Ended December 31, 2019
RECEIPTS		
Sales taxes	\$ 5,086	51,703
Interest	0	106
Total Receipts	5,086	51,809
DISBURSEMENTS		
Consulting	4,499	15,851
Tax increment financing	0	10,553
Accounting and auditing	0	3,750
Debt service	0	3,644
Insurance	0	2,560
Administration	80	480
Legal	633	275
Total Disbursements	5,212	37,113
RECEIPTS OVER (UNDER) DISBURSEMENTS	(126)	14,696
BEGINNING CASH	15,625	929
ENDING CASH	\$ 15,499	15,625

Source: Prepared by the SAO using the district's checkbook ledger and bank statements.



Appendix B
St. John Crossing Transportation Development District
Statement of Revenues and Expenses - Accrual Basis
Year Ended December 31, 2002, through Year Ended December 31, 2018,
Summarized

	<u>Year Ended December 31,</u> <u>2002 through 2018</u>
REVENUES	
Sales taxes	\$ 1,124,824
Interest	16
Total Revenues	<u>1,124,840</u>
EXPENSES	
Tax increment financing	555,920
Debt service	468,987
Administration	87,591
Miscellaneous	5,784
Total Expenses	<u>1,118,282</u>
REVENUES OVER (UNDER) EXPENSES	<u>\$ 6,558</u>

Source: Compiled by the SAO using audited financial statements.



Appendix C
St. John Crossing Transportation Development District
St. John Crossing Transportation Development District Response

**ST. JOHN CROSSINGS TRANSPORTATION
DEVELOPMENT DISTRICT**

8944 St. Charles Rock Road
St. John, Missouri 63114
314-427-8700

May 29, 2020

Mr. Wayne Kauffman
Audit Manager
Missouri State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

Re: St. John Crossings Transportation Development District

Dear Mr. Kauffman:

This letter will constitute the written response of the St. John Crossings Transportation Development District ("the District") to the Missouri State Auditor's written Recommendations contained in your Management Advisory Report. The District's Responses are as follows:

1. Financial Status

Recommendation: We recommend the Board of Directors continue with the abolishment of the district.

Auditee's Response: The Board of Directors of the District is continuing with an uninterrupted course of action to effect abolishment of the District.

2. Noncompliant Expenditures

Recommendation: We recommend the Board of Directors ensure future expenditures are in compliance with state law and other legal documents.

Auditee's Response: The Board of Directors of the District will ensure that all future expenditures are in compliance with State Law and other pertinent legal documents.

3. Delay in Rescinding Sales Tax

Recommendation: The Board of Directors rescind the district sales tax and ensure the remaining funds are disbursed to the commission and the city as appropriate.

Auditee's Response: The Board of Directors of the District rescinded/repealed the District Sales Tax by Order dated May 28, 2020 (copy attached) and the Missouri Department of Revenue is being advised accordingly. Distribution of the remaining funds will be distributed as agreed to by the Commission and the City of St. John (as Local Transportation Authority).



Appendix C
St. John Crossing Transportation Development District
St. John Crossing Transportation Development District Response

Page 2

If there are any questions about the above Responses, please contact Hardy Menees, Legal Counsel, at (314)821-1111, or Julie Vetter, Executive Director/Finance Officer at (314)427-8700.

Sincerely,

A handwritten signature in black ink, reading "Hardy C. Menees". The signature is written in a cursive style with a long horizontal stroke at the end.

Hardy C. Menees
Legal Counsel

cc: John R. Morris, Chairman, Board of Directors
Robert Connell, City Manager, City of St. John



Appendix C
St. John Crossing Transportation Development District
St. John Crossing Transportation Development District Response

ORDER NUMBER 2020-01

**An Order by the St. John Crossings Transportation Development District Board
Forthwith Repealing the Sales Tax Imposed Within The District.**

BE IT ORDERED BY THE BOARD OF DIRECTORS OF THE ST JOHN CROSSINGS
TRANSPORTATION DEVELOPMENT DISTRICT, AS FOLLOWS:

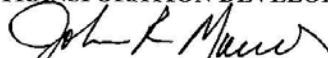
Section 1. Pursuant to Section 238.235.6(1), and further pursuant to the recommendation of the Office of Missouri State Auditor, the Board hereby repeals and holds for naught any sales tax currently imposed by or on behalf of the St. John Crossings Transportation Development District. The Board specifically finds that the repeal of said tax will not impair The District's ability to repay any liabilities which it has incurred, money which it has borrowed or revenue bonds, notes or other obligations which it has issued. The Board further finds that neither the Missouri Highway Commission nor the City of St. John, as Local Transportation Authority of The District, have issued any bonds, notes or other obligations to finance any project or projects within The District.

Section 2. A sealed copy of this Order shall be transmitted forthwith to the Missouri Department of Revenue and to any other party who is entitled to receive Notice of any Board action under any Agreement or Indenture entered into by The District or as provided in the By-Laws of The District.

Section 3. The Order shall be in full force and effect from and after its passage and approval.

Passed this 28th day of May, 2020.

**THE BOARD OF DIRECTORS OF THE ST. JOHN CROSSINGS
TRANSPORTATION DEVELOPMENT DISTRICT**



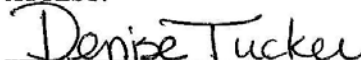
CHAIRMAN OF BOARD OF DIRECTORS
John R. Morris

NAME: *Please Print*

Dated: 5-28-2020

(SEAL)

ATTEST:



SECRETARY OF THE BOARD OF DIRECTORS
Denise Tucker

NAME: *Please Print*

Dated: 5-28-2020



Nicole Galloway, CPA

Missouri State Auditor

Clay County

Recorder of Deeds

Report No. 2020-026

June 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Clay County - Recorder of Deeds

Recorder's Preservation Fund The Recorder of Deeds authorized disbursements from the Recorder's Preservation Fund (RPF) for storage space for the Recorder of Deeds and other county offices and departments without ensuring the space was used for allowable purposes of RPF monies under state law.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Clay County Recorder of Deeds Table of Contents

State Auditor's Report	2
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Management Advisory Report - State Auditor's Finding	Recorder's Preservation Fund.....4
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Organization and Statistical Information	6
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NICOLE GALLOWAY, CPA

Missouri State Auditor

Recorder of Deeds
Clay County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit Clay County. We have audited certain operations of the Clay County Recorder of Deeds in fulfillment of our duties. The county engaged RSM US LLP to audit the county's financial statements for the year ended December 31, 2018. To minimize duplication of effort, we reviewed the firm's audit report for the year ended December 31, 2017, since the report for the year ended December 31, 2018, had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the Recorder of Deeds' internal controls over certain management and financial functions.
2. Evaluate the Recorder of Deeds' compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

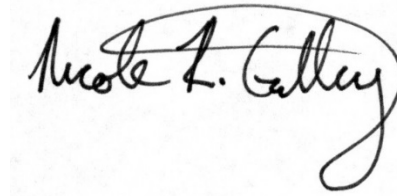
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the Recorder of Deeds and was not subjected to the procedures applied in our audit of the Recorder of Deeds.

For the areas audited, we identified (1) no significant deficiencies in internal controls, (2) no significant noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Clay County Recorder of Deeds.

Additional audit reports of various elected officials and Clay County as a whole are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly legible. The initials "R." are written between the first and last names.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Managers:	Pamela Allison, CPA, CFE
	John Lieser, CPA
In-Charge Auditor:	Robert McArthur II, CFE
Senior Auditor:	Joy Stevens, MAcc, CFE, CGAP
Audit Staff:	Rex Murdock, M.S.Acct

Clay County Recorder of Deeds Management Advisory Report - State Auditor's Finding

Recorder's Preservation Fund

The Recorder of Deeds authorized disbursements from the Recorder's Preservation Fund (RPF) for storage space for the Recorder of Deeds and other county offices and departments without ensuring the space was used for allowable purposes of RPF monies under state law.

The Recorder of Deeds collects various fees for the recording of instruments including a \$2 document recording fee that, along with other fees, is remitted to the County Treasurer for deposit into the RPF. Some of these fees are turned over to the state of Missouri monthly and some the Recorder of Deeds may use for specific purposes provided by statute. The Recorder of Deeds separately tracks receipts, disbursements, and the balance of each fee within the RPF. Excluding remittances to the state of Missouri, disbursements from the RPF totaled \$159,322 and \$106,081 during the years ended December 31, 2019, and 2018, respectively.

During the 2 years ended December 31, 2019, the Recorder of Deeds authorized disbursements totaling \$43,200 (\$1,800 per month) from the \$2 document recording fees deposited in the RPF to lease underground storage space for the Recorder of Deeds and other county offices and departments, including the Prosecuting Attorney, Public Administrator, Circuit Clerk, Judicial Information Systems, and Information Technology. The Recorder of Deeds does not have access to the storage areas used by the other officials and departments and has not obtained documentation from those officials and departments indicating how the areas are used to ensure the purpose is an allowable use of the \$2 recording fee. During a tour of the facility in February 2020, we noted surplus county office furniture stored in the open common areas.

Section 59.319.1, RSMo, requires the \$2 document recording fee be used for record storage, microfilming, and preservation. To ensure disbursements from the RPF are consistent with the purposes allowed by statute, the Recorder of Deeds should request documentation about the use of the leased spaces and ensure the use is allowable before authorizing disbursements.

Recommendation

The Recorder of Deeds ensure disbursements from the RPF are allowable by state law.

Auditee's Response

The Recorder of Deeds does not authorize disbursements to pay for storage costs for other county officials and departments; it authorizes disbursements for payment of storage for its records and allows other county officials and departments to utilize its extra storage space. This has occurred since approximately 2003 when the former Recorder of Deeds leased underground storage to ensure the preservation and safety of public records. It is essential that the records be stored in climate controlled, disaster proof storage. This results in the storage being underground in a storage cave which is a unique creature where you cannot rent the exact amount of space you need at a given



Clay County
Recorder of Deeds
Management Advisory Report - State Auditor's Findings

time. Allowing others to use the unutilized space does not require additional funds to be expended from the RPF as a smaller space is not available, and it saves money by eliminating the need for other county officials and departments to pay for a separate space of their own.

Regarding the recommendation that the Recorder of Deeds ensure disbursements from the RPF are allowable, that practice is already in place and has been since the current Recorder of Deeds took office in 2015. It has been and will continue to be the practice of the Recorder of Deeds to scrutinize each expenditure to ensure it meets RPF requirements. Storage is clearly enumerated in the RPF statute as an allowable expense to be paid from the RPF.

In response to the audit, the Recorder of Deeds has drawn up an Agreement for Use of Space to be signed by each county official or department utilizing the extra space leased by the Recorder of Deeds. This agreement indicates the use of the space is to be for record storage, microfilming, and preservation, and anything necessarily pertaining thereto, and that any other uses are prohibited and will subject said county official or department to immediate removal from the space if the agreement is violated. All county offices and departments utilizing this space have been directed to remove any items not used for record storage, microfilming and preservation, and anything necessarily pertaining thereto.

Clay County

Recorder of Deeds

Organization and Statistical Information

The Recorder of Deeds collects fees related to recording real estate deeds, subdivision plats, surveys, powers of attorney, tax liens, Uniform Commercial Code documents (real estate only), military discharges, and marriage licenses. In addition, the Recorder of Deeds also issues marriage licenses and collects fees for copies of recorded documents.

Katee Porter, Recorder of Deeds, began serving her second 4-year term effective January 1, 2019. She received a salary of \$77,106 for the year ended December 31, 2018. The Recorder of Deeds office employed 1 chief deputy recorder and 6 deputy recorders on December 31, 2018.



2019 ANNUAL REPORT

Nicole Galloway, CPA
MISSOURI STATE AUDITOR'S OFFICE



On Jan. 14, 2019, Auditor Galloway was sworn in for a second term as Missouri's 38th State Auditor.

Letter from Nicole Galloway

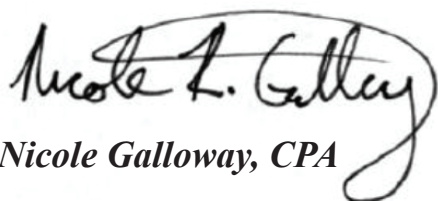
As your State Auditor, I am dedicated to being a strong, independent watchdog for all Missourians. Taxpayers deserve to get the most from their government. And each day, I bring my experience as a certified public accountant and certified fraud examiner to work for you.

We released 132 reports in 2019 that hold government at all levels accountable to you — the citizens they serve. These reports revealed evidence of theft and abuse of taxpayer dollars, highlighted inefficiencies in government and brought to light mismanagement affecting services to the public. Audits get results, and these efforts have resulted in changes to operations, more effective processes, and, at times, criminal charges brought against corrupt public officials. Our audits have identified more than \$350 million in government waste, fraud, abuse and mismanagement.

My dedicated team works each day to hold government accountable, and I am proud of our integrity and professionalism. My office has been peer reviewed or audited five times during my term as Auditor and on each occasion, we have received a clean review.

I've worked to ensure my team has the tools and expertise to expose wrongdoing. During my swearing in at the start of 2019, I announced the creation of the Public Corruption and Fraud Division. The team includes dedicated auditors and attorneys, law enforcement professionals, forensic auditing specialists and certified fraud examiners. As of the close of 2019, my audits resulted in 46 criminal charges against public officials.

It is my honor to serve as your advocate, ensuring government at all levels is efficient, effective and transparent.



Nicole L. Galloway

Nicole Galloway, CPA

Duties of the State Auditor

The State Auditor's Office is Missouri's independent watchdog for taxpayers. The Missouri Constitution and state law give the State Auditor authority to audit:

- All state agencies, boards and commissions
- Public employee retirement systems
- Public employee healthcare systems
- State court system
- School districts
- Counties that do not have a county auditor
- Other political subdivisions upon petition by the voters of those subdivisions

The State Auditor's Office works to ensure the proper use of public funds and to improve the efficiency and effectiveness of Missouri government.

Audits examine financial accountability; look for waste, abuse and fraud; and evaluate whether government organizations and programs are achieving their purposes and operating economically and efficiently. All audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

*Since 2015, more than
\$350 million
has been uncovered
in government waste,
mismanagement,
fraud & abuse.*

*46 criminal counts have
alleged corruption against
public officials.*

Each year, the State Auditor's Office receives hundreds of whistleblower tips from citizens, public employees and government officials. We encourage individuals to contact us to report potential fraud and abuse in their government.

Whistleblowers can submit information by emailing moaudit@auditor.mo.gov, calling toll-free **1-800-347-8597** or using an online reporting form at auditor.mo.gov/hotline.



Fighting Public Corruption

Missing tax payments in Madison County result in stealing charges

An audit that began with a whistleblower complaint discovered more than \$13,000 in property tax payments were missing from the Madison County Collector's Office. The tax bills were paid but then deleted from the system, and the payments were not deposited into county accounts. A lack of oversight allowed the theft to continue for more than a year. The State Auditor's Office provided information to law enforcement, and stealing charges were filed against the former deputy collector. A follow-up review found the County Commission and Collector had made progress implementing the audit's recommendations.

Misappropriation of \$286,000 in Plattsburg road district

The former bookkeeper of a northwest Missouri road district was indicted for theft after an audit showed she misappropriated more than \$286,000 over a seven-year period. The review determined the former secretary/treasurer of the Plattsburg Special Road District falsified financial statements to hide some of her misappropriations and took other steps to cover up her activities. More than \$125,000 in electronic payments from district funds was used to pay her personal credit card bills, including more than \$14,000 for travel and entertainment to vendors such as Carnival Cruise Lines, the Kansas City Royals and Silver Dollar City. Another \$131,000 was paid to the official's private company. In November, the former bookkeeper was indicted on a criminal charge of theft.

CID funds paid for private construction, including \$10,000 beer cave

Several former board members of the Black Mountain community improvement district (CID) in Van Buren used almost \$300,000 in taxpayer funds to pay business debts and for private business improvements and construction, an audit found. In 2013 and 2014, CID funds were used to make \$125,972 worth of improvements to a convenience

store owned by three of the board members, including new fuel pumps, a new canopy over the pumps and a \$10,000 walk-in beer cave. Six months after the work was completed, the convenience store was sold to new owners. Other funds were used for private business loans to purchase equipment and inventory for resale, and to provide cash flows for operational expenses. The State Auditor's Office sent the audit findings to state and federal law enforcement authorities.

Progress made in Winona in response to audits

Follow-up reviews to audits of the city of Winona and the city's municipal division showed progress being made to safeguard public resources. In the audit of the city, the State Auditor's Office had discovered missing money and suspicious activity over several years, resulting in the former city clerk being charged with receiving stolen property. The audit of the municipal court found the city owed the state of Missouri for excess traffic violation collections because officials miscalculated general operating revenue. Better oversight for greater accountability is now in place, the follow-up reports found. In July, the former city clerk received a jail sentence and will be required to pay restitution.

Miller Police Department missing firearms, other property; former chief charged

An audit of the Miller Police Department by the Public Corruption and Fraud Division discovered numerous problems: more than \$18,000 in questionable mileage reimbursements, fuel purchases and credit charges; more than \$24,000 in improper payments to the former chief's brother, who was a lieutenant on the force; and several pieces of city-owned property — including firearms and computers — in the chief's home. The former chief faces criminal charges, and the city received \$6,000 in restitution as part of the resolution of the case involving the lieutenant. A follow-up report showed the city is making progress on the recommendations from the State Auditor's Office to have better oversight of accounting and payroll.

*“It is my job to tell
Missourians who is corrupting
our government, and to hold
the powerful accountable to
the people of this state.*

*Each time we expose
corruption, it puts others on
notice that their wrongdoing
will see the light of day.”*

-Auditor Galloway



Protecting Taxpayers

Audit highlights DOR problems for 2018 returns

A 2018 audit examined problems with the timeliness of income tax refunds and found the state of Missouri was deliberately delaying paying refunds to give priority to other spending. After this audit, Auditor Galloway worked with legislators to address the disparity between the interest rate taxpayers received on late refunds, and the interest rate charged to taxpayers for late payment.

As a follow-up to that report, a second audit was released in April 2019 looking at the refunds. The audit found another problem: uncertainty and confusion related to the state's individual income tax withholding tables. The report found that changes made to withholdings were done unlawfully and would result in over-withholding for the majority of individual Missouri taxpayers. The audit found the DOR failed to adequately notify Missourians on how changes to withholdings would affect them.

Auditor seeks answers for taxpayers

Also in 2019, more than 3,000 Missourians contacted the Whistleblower Hotline about months-long delays in getting their state tax refunds. The State Auditor's Office asked for answers and action from the Department of Revenue and the Governor's Office to ensure that citizens received what was theirs.

The growing number of complaints from taxpayers to the Whistleblower Hotline showed the timeliness of refunds continued to be a problem. Missourians who were unable to get answers from the Department of Revenue contacted the State Auditor's Office; many of those asking for help were seniors, had disabilities or lower incomes.

Without satisfactory information coming from the DOR, Auditor Galloway sent letters to the Governor in July, asking him to take action to help those citizens still waiting for their tax refunds.



“Taxes are processed at the same time every year. There is no excuse for taxpayers to be experiencing this level of dysfunction.”

—Auditor Galloway

Auditor Galloway calls on administration to take responsibility for misleading Missourians on their taxes

Audit finds January 2019 withholding changes made unlawfully; will result in over-withholding for more than half of Missouri taxpayers

JEFFERSON CITY, Mo (April 2, 2019) — Missouri State Auditor Nicole Galloway today released an audit detailing uncertainty and confusion related to the state's individual income tax withholding tables. The report found that changes made to withholdings in January were done unlawfully and will result in over-withholding for the majority of individual Missouri taxpayers.

“For more than six months, this administration failed to communicate with Missourians about changes to withholdings that would affect their bank account. Then, despite our repeated requests, they attempted to downplay the issues,” Auditor Galloway said. “The lack of honesty from the administration, instead, the Department of Revenue has chosen to begin asking questions about the public's tax information in December, as a part of the audit of the time.”

“The delay of our state income tax return has caused unnecessary financial hardships on our family.”

Since last May, more than 3,000 citizens contacted the Whistleblower Hotline with concerns about their tax refunds

“Shouldn't we be treated with the same respect as any other taxpayer with the expectation that our return will be processed in a timely manner?”

—July 2019

“I am a senior citizen trying to live on Social Security. I NEED that refund. ... What's going on? Doesn't a poor old senior citizen deserve better?”

—March 2019

“The delay of our state income tax return has caused unnecessary financial hardships on our family.”

—September 2019

“I am disabled and undergoing cancer and radiation treatments. This money is desperately needed.”

—December 2019

Audits Get Results

Callaway County officials take action on audit recommendations

A 2018 audit determined the former Callaway County Collector misappropriated more than \$300,000. She was sentenced to 30 months in prison and ordered to pay nearly \$380,000 in restitution. A follow-up report from Auditor Galloway found officials in Callaway County have taken action on her recommendations to increase oversight and better protect taxpayer dollars. Following the audit recommendations, county officials worked with law enforcement on the prosecution and obtained more than \$316,000 for taxpayers through the former county collector's surety bond. The follow-up report also found that the appropriate officials were working on improving oversight measures to ensure that public resources are safeguarded and accounted for. Auditor Galloway praised the officials for implementing the recommendations and working to restore the trust of citizens.

Missourians safer as sex offender registration compliance improves

A follow-up report by Auditor Galloway found stricter enforcement and increased compliance with Missouri's sex offender registry, after a 2018 audit raised concerns about the accuracy of the public database. She said actions by law enforcement and changes to state law to follow the audit recommendations are making Missourians safer.

The 2018 audit found more than 1,200 registered sex offenders failed to follow the law requiring them to register, verify their address and other information at regular intervals, and notify law enforcement officials if they move. The report also highlighted a need to improve management of the database and weaknesses in current state laws.

Following the audit, law enforcement worked to

better locate and hold accountable sex offenders not following the law, as well as take steps to make sure information in the database is current. The number of noncompliant sex offenders decreased by 21% since the original audit report, with more than half of the decrease attributed to reductions in Jackson County and St. Louis City. The Missouri State Highway Patrol also took action to improve updates to the database. Auditor Galloway said she greatly appreciated the work of state and local law enforcement officials to keep Missourians both safe and informed to make decisions to protect themselves and their families.

Following the audit, Auditor Galloway also urged Missouri legislators to strengthen the sex offender registration law by requiring background checks for school volunteers. That bill became law in 2019.

\$90 million healthcare fraud uncovered by audit results in federal guilty plea

A nationwide billing scheme uncovered through an audit of a northern Missouri hospital resulted in the hospital's former CEO pleading guilty to a federal charge of conspiring to commit healthcare fraud. The audit found \$90 million in illegal billings were passed through the 15-bed hospital. It was the largest fraud exposed in the history of the State Auditor's Office.

"This all began with our audit of a small county-owned hospital. Our work helped expose a nationwide conspiracy that led to these federal criminal charges. Healthcare fraud impacts costs for all Missourians."

-Auditor Galloway



State Auditor Nicole Galloway welcomed officials from more than 40 Missouri municipalities for Local Government Day in Jefferson City. The annual event focuses on partnering with local governments to promote transparency and prevent issues before they happen.



During a public meeting, Auditor Galloway presented the findings from a citizen-requested audit of De Soto School District #73. The district committed to changing processes and procedures in response to the audit findings.

Increasing Government Accountability

At Auditor's urging, lawmakers pass school volunteer background check requirements

Auditor Galloway praised a change to Missouri law that she said will help protect children at their schools. The change requires school districts to ensure that volunteers undergo criminal background checks before being left alone with children. The Auditor urged legislators to add the requirement after her audit of the state's sexual offender registration program found background checks were mandatory for school employees, but not volunteers.

"I'm very pleased that legislators made this change quickly, not only as the Auditor who found the problem but also as a parent who wants my children — and all children — to be safe when they're at school," Auditor Galloway said. "School safety isn't a partisan issue, and this is an important step forward to protect our kids."

The new law requires school districts to ensure that a criminal background check is conducted for all

volunteers who may be periodically left alone with students. The bill says those volunteers include, but are not limited to, persons who regularly assist in the office or library, mentor or tutor students, coach or supervise a school-sponsored activity before or after school, or chaperone students on an overnight trip.

Auditor calls on local governments to ban self-deleting messaging apps

Saying that Missourians deserve openness and transparency from all levels of government, Auditor Galloway encouraged all local governments to prohibit the use of self-deleting applications by officials and employees while conducting public business. In a letter sent to Missouri's counties and municipalities, she said banning the use of these applications bolsters the public's trust in their government.

"As we've seen in recent years, the use of self-deleting applications allows public business to be conducted in the shadows," Auditor Galloway said.

"Banning the use of these programs isn't just good government, it's common sense."

The letter included electronic communications guidelines adopted by the State Records Commission on a bipartisan vote. The guidelines, which stipulate that use of auto-deleting applications should be prohibited by policy, were also approved by the Local Records Board.

In another letter, Auditor Galloway urged the five other statewide officials to join her in encouraging the legislature in 2020 to strengthen the Missouri Sunshine Law by banning the use of self-deleting applications for public business. The legislation was passed by the House in 2019, but died in the Senate.

Auditor continues push for transparency in state contracts

Auditor Galloway sent a letter to the Governor in June about legislation that would lead to less transparency and fairness in state contracts. The bill (which the Governor signed) shrinks the pool of competitive contracts available to Missouri businesses and individuals, reduces the number of bids required to be publicly advertised, and no longer requires state government to advertise bids publicly unless the contract is \$100,000 or greater.

In the letter, the Auditor also asked the Governor to issue an executive order that could help eliminate the problem of dark money in government contracting by requiring disclosure of connections between those who make larger donations to dark money groups, and state contracts they receive.



Above: For the third year in a row, State Auditor's Office staff supported the local chapter of Big Brothers Big Sisters by donating backpacks and school supplies. These items go to students in need as they start their school year.



Left: Auditor Galloway spoke to members of Greater Missouri Leadership Foundation at their annual conference to discuss the importance of women in leadership.

Audits in Progress

City of St. Louis

As part of the comprehensive audit requested by the City of St. Louis Board of Aldermen in 2018, the State Auditor's Office has issued audits of the Board of Aldermen, the Department of Personnel, the Supply Division, the Board of Public Service and the Information Technology Services Agency. The office also released an audit of local taxing districts in St. Louis as part of examining economic incentives in the city. Audit work is ongoing and reports will be issued on all city departments and elected offices.

St. Louis County

In May, the St. Louis County Council unanimously approved a resolution requesting that the State Auditor's Office conduct an independent review of county government. Auditor Galloway said the Public Corruption and Fraud Division of her office would ensure a full accounting of taxpayer dollars after former County Executive Steve Stenger pleaded guilty to three federal counts in a pay-to-play scheme. The audit is focusing on contracting and procurement.

Greene County

An audit of Missouri's fourth-most populous county, Greene County, is underway, after a formal request from the county commission in early 2019. Auditor Galloway asked the commission to authorize the audit after a whistleblower complaint alleged improper use of public resources in connection with a ballot issue. Auditor Galloway said the citizens of Greene County

can be assured her office will conduct this audit with the highest professional standards, as it always does.

Clay County

In 2018, citizens from Clay County, the fifth-most populous county in Missouri, presented a petition containing thousands of signatures to the State Auditor's Office, requesting a comprehensive audit the county. The audit began later that year. While audit work has continued, county officials have delayed the audit process by refusing to provide information commonly requested in audits, and by filing a legal action questioning the legal authority of the Auditor to perform the comprehensive audit. At the end of October 2019, the court dismissed the lawsuit, ruling that the Auditor's Office has the legal authority to perform the audit. In November, Auditor Galloway wrote an open letter to the citizens of Clay County to assure them of her commitment to continue and complete the audit in order to get answers for them. Audit work in the county is ongoing.

Jackson County

An audit requested by the Jackson County Legislature continues. A resolution passed by the county legislature to grant authority for the audit specifically highlighted several areas of concern including county finances and procurement processes. Auditor Galloway said the independent review will examine whether the county is operating efficiently, effectively and in a way that best serves the citizens of Jackson County, the state's second-largest county.

About the Public Corruption & Fraud Division

The Public Corruption and Fraud Division is a unit within the Missouri State Auditor's Office dedicated to rooting out fraud, waste and abuse in state, county and local government.

The division is made up of attorneys, auditors and investigators and includes forensic auditing specialists and certified fraud examiners. Under the leadership of Auditor Galloway, the team has a demonstrated history of working with local, state and federal law enforcement to pursue justice for taxpayers.

2019 State Auditor's Office Reports

Report	Date Issued	Report Number
Monthly Report on Political Subdivision Filings November 2019	December 2019	2019-132
Monthly Report on Municipal Court and Revenue Filings November 2019	December 2019	2019-131
Office of State Treasurer	December 2019	2019-130
Statewide Accounting System Internal Controls	December 2019	2019-129
Summary of 2019 Follow-Up Reports	December 2019	2019-128
City of St. Louis Board of Aldermen	December 2019	2019-127
Section 535.175 Compliance	December 2019	2019-126
Missouri State Highway Patrol's Use of Highway Funds Year Ended June 30, 2019	December 2019	2019-125
Barry County Collector and Property Tax System	December 2019	2019-124
City of Sturgeon	December 2019	2019-123
Follow-Up Report On Audit Reports Village of Ferrelview	December 2019	2019-122
Follow-Up Report On Audit Findings Madison County Collector and Property Tax System	December 2019	2019-121
2019 Property Tax Rates	December 2019	2019-120
Black Mountain Community Improvement District	December 2019	2019-119
Barry County	December 2019	2019-118
Monthly Report on Political Subdivision Filings October 2019	December 2019	2019-117
Monthly Report on Municipal Court and Revenue Filings October 2019	December 2019	2019-116
City of Bellerive Acres	November 2019	2019-115
City of St. Louis Local Taxing Districts	November 2019	2019-114
Forty-Fifth Judicial Circuit Lincoln County	November 2019	2019-113

2019 State Auditor's Office Reports

Report	Date Issued	Report Number
Follow-Up Report On Audit Findings City of Miller Police Department Disbursements and Seized Property	November 2019	2019-112
Follow-Up Report On Audit Findings City of Miller	November 2019	2019-111
Pemiscot County	November 2019	2019-110
Twenty-First Judicial Circuit City of Bel-Ridge Municipal Division	November 2019	2019-109
City of Silex	November 2019	2019-108
St. Louis College Prep Charter School	October 2019	2019-107
Monthly Report on Political Subdivision Filings September 2019	October 2019	2019-106
Monthly Report on Municipal Court and Revenue Filings September 2019	October 2019	2019-105
Insurance, Financial Institutions, And Professional Registration	October 2019	2019-104
Budget Reserve Fund	October 2019	2019-103
Howard County Financial Statements	October 2019	2019-102
Ozark County	October 2019	2019-101
Thirty-First Judicial Circuit Greene County	October 2019	2019-100
Missouri Accountability Portal	September 2019	2019-099
Grundy County Financial Statements	September 2019	2019-098
Ray County Financial Statements	September 2019	2019-097
Monthly Report on Political Subdivision Filings August 2019	September 2019	2019-096
Monthly Report on Municipal Court and Revenue Filings August 2019	September 2019	2019-095
Children's Trust Fund Board	September 2019	2019-094
Nodaway County Financial Statements	September 2019	2019-093
Harrison County Financial Statements	September 2019	2019-092

2019 State Auditor's Office Reports

Report	Date Issued	Report Number
Dunklin County Financial Statements	September 2019	2019-091
DeKalb County Financial Statements	September 2019	2019-090
Pulaski County	September 2019	2019-089
St. Louis County Fire Protection District	September 2019	2019-088
Greene County Fire Protection District	September 2019	2019-087
Follow-Up Report On Audit Findings Smithville Area Fire Protection District	September 2019	2019-086
Office of Governor	September 2019	2019-085
Phelps County Financial Statements	September 2019	2019-084
Stone County Financial Statements	September 2019	2019-083
Sixteenth Judicial Circuit City of Raytown Municipal Division	September 2019	2019-082
Ralls County Financial Statements	August 2019	2019-081
Schuyler County Financial Statements	August 2019	2019-080
Monthly Report on Political Subdivision Filings July 2019	August 2019	2019-079
Monthly Report on Municipal Court and Revenue Filings July 2019	August 2019	2019-078
Follow-Up Report On Audit Findings Kinloch Fire Protection District	August 2019	2019-077
Madison County Financial Statements	August 2019	2019-076
Marion County Financial Statements	August 2019	2019-075
Henry County Financial Statements	August 2019	2019-074
Warren County Financial Statements	August 2019	2019-073
Butler County Financial Statements	August 2019	2019-072
Monroe County Financial Statements	August 2019	2019-071

2019 State Auditor's Office Reports

Report	Date Issued	Report Number
Summary of Local Government and Court Audit Findings - Information Security Controls	August 2019	2019-070
Camden County Collector	August 2019	2019-069
Camden County	August 2019	2019-068
Department of Revenue Sales and Use Tax	August 2019	2019-067
Holt County Financial Statements	August 2019	2019-066
Missouri State Lottery Commission	August 2019	2019-065
Monthly Report on Political Subdivision Filings June 2019	August 2019	2019-064
Monthly Report on Municipal Court and Revenue Filings June 2019	August 2019	2019-063
Follow-Up Report On Audit Findings Callaway County Collector and Property Tax System	August 2019	2019-062
Department of Public Safety - Administrative Practices	July 2019	2019-061
Follow-Up Report On Audit Findings City of Seymour	July 2019	2019-060
Knox County Sheriff	July 2019	2019-059
Douglas County Financial Statement	July 2019	2019-058
Dent County	July 2019	2019-057
Follow-Up Report On Audit Findings Sex Offender Registration	July 2019	2019-056
Office of Lieutenant Governor	July 2019	2019-055
Plattsburg Special Road District	July 2019	2019-054
2018- State Auditor's Office Annual Report	July 2019	2019-053
City of New Bloomfield	July 2019	2019-052
Tenth Judicial Circuit City of Monroe City Municipal Division	July 2019	2019-051
Madison County Collector and Property Tax System	July 2019	2019-050

2019 State Auditor's Office Reports

Report	Date Issued	Report Number
Follow-Up Report On Audit Findings City of Greenville	July 2019	2019-049
City of St. Louis Department of Personnel	June 2019	2019-048
Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2018	June 2019	2019-047
Hickory County	June 2019	2019-046
Monthly Report on Political Subdivision Filings May 2019	June 2019	2019-045
Monthly Report on Municipal Court and Revenue Filings May 2019	June 2019	2019-044
Howell County	June 2019	2019-043
De Soto School District #73	June 2019	2019-042
St. Francois County Prosecuting Attorney	June 2019	2019-041
Monthly Report on Political Subdivision Filings April 2019	May 2019	2019-040
Monthly Report on Municipal Court and Revenue Filings April 2019	May 2019	2019-039
Dallas County	May 2019	2019-038
Cape Girardeau County Collector and Property Tax System	May 2019	2019-037
City of Miller Police Department Disbursements and Seized Property	May 2019	2019-036
City of Miller	May 2019	2019-035
Office of State Treasurer Period July 1, 2018 through January 3, 2019	May 2019	2019-034
Office of State Treasurer	May 2019	2019-033
Follow-Up Report On Audit Findings City of Winona	May 2019	2019-032
Monthly Report on Political Subdivision Filings March 2019	April 2019	2019-031
Monthly Report on Municipal Court and Revenue Filings March 2019	April 2019	2019-030
City of St. Louis Information Technology Services Agency	April 2019	2019-029

2019 State Auditor's Office Reports

Report	Date Issued	Report Number
Southwest I-470 Transportation Development District	April 2019	2019-028
Follow-Up Report On Audit Findings Thirty-Seventh Judicial Circuit City of Winona Municipal Division	April 2019	2019-027
City of St. Louis Board of Public Service	April 2019	2019-026
Timeliness of Income Tax Refund Issuance	April 2019	2019-025
Monthly Report on Political Subdivision Filings February 2019	April 2019	2019-024
Monthly Report on Municipal Court and Revenue Filings February 2019	April 2019	2019-023
Compilation of 2018 Federal Forfeiture Reports	March 2019	2019-022
State of Missouri Single Audit Year Ended June 30, 2018	March 2019	2019-021
Follow-Up Report On Audit Findings City of Coffey	March 2019	2019-020
Village of Ferrelview	March 2019	2019-019
City of Amoret-Utility Letter	March 2019	2019-018
Follow-Up Report On Audit Findings City of Amoret	March 2019	2019-017
Monthly Report on Political Subdivision Filings January 2019	March 2019	2019-016
Monthly Report on Municipal Court and Revenue Filings January 2019	March 2019	2019-015
Section 536.175 RSMo Compliance	March 2019	2019-014
Crawford County Collector and Property Tax System	March 2019	2019-013
Compilation of 2018 Criminal Activity Forfeiture Act Seizures	February 2019	2019-012
Interstate 470 and 350 Transportation Development District	February 2019	2019-011
Higher Education Harris-Stowe State University	February 2019	2019-010
Gasconade County	February 2019	2019-009
Unemployment Insurance System Data Security	February 2019	2019-008

2019 State Auditor's Office Reports

Report	Date Issued	Report Number
City of Hamilton	February 2019	2019-007
Monthly Report on Political Subdivision Filings December 2018	January 2019	2019-006
Monthly Report on Municipal Court and Revenue Filings December 2018	January 2019	2019-005
Working Capital Revolving Fund	January 2019	2019-004
Comprehensive Annual Financial Report / Year Ended June 30, 2018	January 2019	2019-003
Miller County	January 2019	2019-002
Missouri State Highway Patrol's Use of Highway Funds	January 2019	2019-001

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
12-31-2019	Clearwater R-I School District	\$1,275,000.00
12-30-2019	Seneca R-VII School District	\$2,035,000.00
12-26-2019	Winfield R-IV School District	\$3,240,000.00
12-23-2019	Hallsville R-IV School District	\$1,655,000.00
12-23-2019	Windsor C-1 School District	\$9,000,000.00
12-23-2019	Union R-XI School District	\$7,130,000.00
12-23-2019	Nixa Public Schools	\$12,135,000.00
12-17-2019	Osage County R-II School District	\$7,095,000.00
12-17-2019	City of Warrensburg, Neighborhood Improvement District	\$1,695,000.00
12-17-2019	Farmington R-7 School District	\$9,925,000.00
12-13-2019	School District of Riverview Gardens	\$5,400,000.00
12-10-2019	Logan-Rogersville R-VIII School District	\$5,890,000.00
12-09-2019	Brookfield R-III School District	\$1,715,000.00
12-04-2019	Caruthersville School District No. 18	\$1,025,000.00
12-04-2019	Bakersfield R-IV School District	\$1,190,000.00
12-04-2019	Robertson Fire Protection District	\$1,660,000.00
11-27-2019	Francis Howell R-III School District	\$32,225,000.00
11-27-2019	Marshfield R-I School District	\$3,950,000.00
11-26-2019	Warrensburg R-VI School District	\$5,730,000.00
11-26-2019	School District of Clayton	\$31,075,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
11-26-2019	Carl Junction R-I School District	\$5,940,000.00
11-25-2019	Union R-XI School District	\$5,995,000.00
11-22-2019	School District of the City of St. Charles	\$6,875,000.00
11-14-2019	Lake Ozark Fire Protection District	\$3,430,000.00
11-13-2019	Rockwood R-VI School District	\$31,085,000.00
11-13-2019	West County EMS and Fire Protection District	\$3,035,000.00
10-31-2019	School District of Webster Groves	\$9,500,000.00
10-31-2019	Louisiana R-II School District	\$1,000,000.00
10-31-2019	Bolivar R-I School District	\$6,000,000.00
10-25-2019	Brentwood School District	\$6,575,000.00
10-21-2019	City of Webster Groves	\$4,810,000.00
10-15-2019	Florissant Valley Fire Protection District	\$2,965,000.00
10-11-2019	Miller R-II School District	\$3,075,000.00
10-09-2019	Harrisburg R-VIII School District	\$1,970,000.00
10-09-2019	Bayless Consolidated School District	\$6,500,000.00
10-04-2019	Arcadia Valley R-II School District	\$2,315,000.00
10-04-2019	City of Belton	\$20,000,000.00
09-30-2019	Aurora R-VIII School District	\$2,180,000.00
09-30-2019	Atchison Township, Nodaway County	\$180,000.00
09-30-2019	St. James R-I School District	\$8,000,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
09-18-2019	Montgomery County R-II School District	\$7,645,000.00
09-18-2019	Cole Camp R-I School District	\$2,550,000.00
09-16-2019	Lincoln County R-III School District	\$8,465,000.00
09-16-2019	Blair Oaks R-II School District	\$9,000,000.00
09-16-2019	Maryville R-II School District	\$4,885,000.00
09-16-2019	Eldon R-I School District	\$3,970,000.00
09-16-2019	Farmington R-7 School District	\$5,670,000.00
09-12-2019	Moniteau County R-I School District	\$3,690,000.00
09-11-2019	Metro West Fire Protection District	\$6,000,000.00
09-11-2019	Central Cass County Fire Protection District	\$1,600,000.00
09-04-2019	Trenton R-IX School District	\$7,000,000.00
08-29-2019	Nixa Public Schools	\$16,765,000.00
08-27-2019	City of St. Ann	\$2,900,000.00
08-06-2019	Fort Osage Fire Protection District	\$1,910,000.00
08-05-2019	Forsyth R-III School District	\$5,000,000.00
08-05-2019	Queen City	\$75,000.00
08-01-2019	Marthasville Fire Protection District	\$1,750,000.00
07-26-2019	Pattonville Fire Protection District	\$2,755,000.00
07-24-2019	Raytown Fire Protection District	\$2,035,000.00
07-18-2019	Lebanon R-III School District	\$3,825,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
07-17-2019	Jackson Township, Nodaway County	\$150,000.00
07-17-2019	Monroe Township, Nodaway County	\$100,000.00
07-03-2019	City of Lake Winnebago	\$600,000.00
07-03-2019	Consolidated School District No. 4	\$4,000,000.00
07-03-2019	Clinton County R-III School District	\$7,000,000.00
07-03-2019	Center School District NO. 58	\$13,445,000.00
07-03-2019	Center School District NO. 58	\$38,325,000.00
07-02-2019	City of Lathrop	\$1,108,000.00
06-26-2019	Boonville R-I School District	\$9,000,000.00
06-25-2019	Cole Camp R-I School District	\$2,500,000.00
06-25-2019	Drexel R-IV School District	\$1,350,000.00
06-21-2019	Cassville R-IV School District	\$4,000,000.00
06-21-2019	Potosi R-III School District	\$4,700,000.00
06-21-2019	Lindbergh Schools	\$8,040,000.00
06-21-2019	Lindbergh Schools	\$40,000,000.00
06-21-2019	Hurley R-I School District	\$400,000.00
06-21-2019	Buchanan County R-IV School District	\$1,500,000.00
06-21-2019	Pettis County R-V School District	\$1,500,000.00
06-18-2019	Holden R-III School District	\$4,500,000.00
06-17-2019	Lafayette County C-1 School District	\$6,500,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
06-17-2019	R-V Fire Protection District	\$320,000.00
06-10-2019	Lotawana Fire Protection District	\$1,335,000.00
06-06-2019	Lincoln County R-III School District	\$14,850,000.00
06-05-2019	Steelville R-III School District	\$3,000,000.00
06-05-2019	The School District of Washington	\$26,000,000.00
06-04-2019	Strafford R-VI School District	\$7,500,000.00
06-03-2019	Farmington R-7 School District	\$10,000,000.00
06-03-2019	Southwest R-V School District	\$2,200,000.00
06-03-2019	East Prairie R-II School District	\$7,500,000.00
06-03-2019	Pleasant Hope R-VI School District	\$1,180,000.00
06-03-2019	Reorganized School District R-3	\$3,060,000.00
06-03-2019	Hannibal School District #60	\$14,500,000.00
06-03-2019	Bowling Green R-I School District	\$2,920,000.00
06-03-2019	Bowling Green R-I School District	\$3,580,000.00
05-31-2019	Webster Groves School District	\$12,500,000.00
05-31-2019	Logan-Rogersville R-VIII School District	\$8,000,000.00
05-31-2019	Raytown C-2 School District	\$10,885,000.00
05-31-2019	Raytown C-2 School District	\$27,010,000.00
05-30-2019	Springfield R-XII School District	\$148,000,000.00
05-30-2019	Benton County R-IX School District	\$6,000,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
05-30-2019	Lawson Reorganized School District No. R-XIV	\$600,000.00
05-29-2019	City of St. Peters	\$3,610,000.00
05-29-2019	Lawson Reorganized School District No. R-XIV	\$1,600,000.00
05-29-2019	Cape Girardeau School District No. 63	\$26,175,000.00
05-29-2019	Palmyra R-I School District	\$3,500,000.00
05-28-2019	Meadville R-IV School District	\$1,200,000.00
05-23-2019	Monroe City R-I School District	\$8,500,000.00
05-23-2019	Grain Valley R-V School District	\$6,000,000.00
05-22-2019	Rock Community Fire Protection District	\$6,900,000.00
05-17-2019	Higbee R-VIII School District	\$1,500,000.0
05-17-2019	Wellington-Napoleon R-IX School District	\$2,000,000.00
05-17-2019	Brunswick R-II School District	\$1,700,000.00
05-10-2019	West St. Francois County R-IV School District	\$1,800,000.00
05-10-2019	Grandview R-II School District	\$2,750,000.00
05-06-2019	Canton R-V School District	\$2,500,000.00
05-03-2019	Houston R-I School District	\$6,000,000.00
05-03-2019	Community R-VI School District	\$1,850,000.00
05-03-2019	Dexter R-XI School District	\$5,500,000.00
04-30-2019	Verona R-VIII School District	\$3,150,000.00
04-26-2019	Reorganized School District No. 4	\$50,000,000.00

Bonds Registered

Date of Registration	Bonds Issued By	Amount of Issue
04-19-2019	Green City R-I School District	\$2,000,000.00
04-17-2019	Rock Township Ambulance District	\$11,650,000.00
04-02-2019	Parkway C-2 School District	\$55,000,000.00
03-25-2019	Union R-XI School District	\$9,500,000.00
03-19-2019	The School District of Columbia	\$30,000,000.00
03-11-2019	City of Smithville	\$3,625,000.00
03-05-2019	School District of Maplewood Richmond Heights	\$3,155,000.00
03-04-2019	Pleasant Hill R-III School District	\$4,000,000.00
02-22-2019	Shawnee R-III School District	\$515,000.00
02-21-2019	Marshfield R-I School District	\$506,756.76
02-19-2019	Valley Park Fire Protection District	\$12,000,000.00
02-19-2019	Poplar Bluff R-I School District	\$1,950,000.00
02-01-2019	Fenton Fire Protection District	\$20,000,000.00
01-30-2019	City of Butterfield	\$80,000.00
01-28-2019	Grain Valley R-V School District	\$3,000,000.00
01-03-2019	Normandy Schools Collaborative	\$10,000,000.00

Initiative Petitions, Joint Resolutions, & Referendums

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
20-141	11/13/2019	Proposal Related to Chapter 192, RSMo (Apple) - The Missouri Health Insurance Cooperative	12/09/2019
20-140	11/13/2019	Proposed Constitutional Amendment - Article III (Apple) - Election Reform	12/09/2019
20-139	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 11 (Sedey) - Voting Reform	12/09/2019
20-138	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 10 (Sedey) - Voting Reform	12/09/2019
20-137	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 9 (Sedey) - Voting Reform	12/09/2019
20-136	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 8 (Sedey) - Voting Reform	12/09/2019
20-135	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 7 (Sedey) - Voting Reform	12/09/2019
20-134	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 6 (Sedey) - Voting Reform	12/09/2019
20-133	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 5 (Sedey) - Voting Reform	12/09/2019
20-132	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 4 (Sedey) - Voting Reform	12/09/2019
20-131	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 3 (Sedey) - Voting Reform	12/09/2019
20-130	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 2 (Sedey) - Voting Reform	12/09/2019
20-129	11/06/2019	Proposed Constitutional Amendment - Article VIII, version 1 (Sedey) - Voting Reform	12/09/2019
20-128	11/05/2019	Proposed Constitutional Amendment - Article XIV (Hirner) - Marijuana Legalization, Regulation, and Taxation	12/06/2019
20-127	10/29/2019	Proposed Constitutional Amendment - Article XIV (Hirner) - Marijuana Legalization, Regulation, and Taxation	11/25/2019
20-126	10/21/2019	Proposed Constitutional Amendment - Article XIV (Hirner) - Marijuana Legalization, Regulation, and Taxation	11/19/2019
20-125	10/10/2019	Proposed Constitutional Amendment - Article XIV (Hirner) - Marijuana Legalization, Regulation, and Taxation	Withdrawn by Petitioner 11/20/19
20-124	10/01/2019	Proposed Constitutional Amendment - Article VIII (Hurth) - Qualifications of Voters	Rejected by Secretary of State
20-123	09/30/2019	Proposed Constitutional Amendment - Article XIV (Hirner) - Marijuana Legalization, Regulation, and Taxation	Withdrawn by Petitioner 10/09/19
20-122	09/13/2019	Proposed Constitutional Amendment - Article IX, version 2 (Aull) - Equality of Educational Opportunity	10/11/2019

Initiative Petitions, Joint Resolutions, & Referendums

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
20-121	09/13/2019	Proposed Constitutional Amendment - Article IX, version 1 (Aull) - Equality of Educational Opportunity	10/11/2019
20-120	09/10/2019	Proposed Constitutional Amendment - Article IX, version 4 (Aull) - Equality of Educational Opportunity	10/11/2019
20-119	09/10/2019	Proposed Constitutional Amendment - Article IX, version 3 (Aull) - Equality of Educational Opportunity	10/11/2019
20-118	09/10/2019	Proposed Constitutional Amendment - Article IX, version 2 (Aull) - Equality of Educational Opportunity	10/11/2019
20-117	09/10/2019	Proposed Constitutional Amendment - Article IX, version 1 (Aull) - Equality of Educational Opportunity	10/11/2019
20-116	09/04/2019	Proposal Related to Chapter 393, RSMo, version 4 (Owen) - Missouri Renewable Energy Standards	Withdrawn by Petitioner 12/04/19
20-115	09/04/2019	Proposal Related to Chapter 393, RSMo, version 3 (Owen) - Missouri Renewable Energy Standards	Withdrawn by Petitioner 01/14/20
20-114	09/04/2019	Proposal Related to Chapter 393, RSMo, version 2 (Owen) - Missouri Renewable Energy Standards	Withdrawn by Petitioner 01/14/20
20-113	09/04/2019	Proposal Related to Chapter 393, RSMo, version 1 (Owen) - Missouri Renewable Energy Standards	Withdrawn by Petitioner 01/14/20
20-112	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 8 (Sedey) - Voting Reform	09/09/2019
20-111	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 7 (Sedey) - Voting Reform	09/09/2019
20-110	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 6 (Sedey) - Voting Reform	09/09/2019
20-109	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 5 (Sedey) - Voting Reform	09/09/2019
20-108	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 4 (Sedey) - Voting Reform	09/09/2019
20-107	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 3 (Sedey) - Voting Reform	09/09/2019
20-106	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 2 (Sedey) - Voting Reform	09/09/2019
20-105	08/09/2019	Proposed Constitutional Amendment - Article VIII, version 1 (Sedey) - Voting Reform	09/09/2019
20-104	07/31/2019	Proposed Constitutional Amendment - Article III (Apple) - Altering, Amending, or Repealing Enacted Initiative Petitions	Withdrawn by Petitioner 08/02/19
20-103	07/26/2019	Proposed Constitutional Amendment - Article III (Apple) - Altering, Amending, or Repealing Enacted Initiative Petitions	08/26/2019
20-102	07/25/2019	Proposed Constitutional Amendment - Article III (Apple) - Election Reform	08/26/2019
20-101	07/25/2019	Proposed Constitutional Amendment - Article VIII (Apple) - Election of Statewide Office Holders	08/26/2019

Initiative Petitions, Joint Resolutions, & Referendums

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
20-100	07/18/2019	Proposed Constitutional Amendment - Article VIII (Hurth) - Qualifications of Voters	Rejected by Secretary of State
20-099	07/01/2019	Proposal Related to Chapters 130 and 143, RSMo (Apple) - Public Financing for Elections	08/02/2019
20-098	06/27/2019	Proposed Constitutional Amendment - Article VIII, version 2 (Sedey) - Voting Reform	07/29/2019
20-097	06/27/2019	Proposed Constitutional Amendment - Article VIII, version 1 (Sedey) - Voting Reform	07/29/2019
20-096	06/27/2019	Proposal Related to Chapter 192, RSMo (Apple) - The Missouri Health Insurance Cooperative	07/29/2019
20-095	06/27/2019	Proposal Related to Chapters 130 and 143, RSMo (Apple) - Public Financing for Elections	Withdrawn by Petitioner 07/01/19
20-094	06/27/2019	Proposed Constitutional Amendment - Article III (Apple) - Altering, Amending, or Repealing Enacted Initiative Petitions	Rejected by Secretary of State
20-093	06/27/2019	Proposed Constitutional Amendment - Article III (Apple) - Locally Established Minimum Wage	07/29/2019
20-092	06/20/2019	Proposal Related to Chapter 558, RSMo (Hayes) - Prison Commitment Terms	07/22/2019
20-091	06/18/2019	Proposed Constitutional Amendment - Article VIII, version 4 (Sedey) - Voting Reform	Withdrawn by Petitioner 07/02/19
20-090	06/18/2019	Proposed Constitutional Amendment - Article VIII, version 3 (Sedey) - Voting Reform	Withdrawn by Petitioner 07/02/19
20-089	06/18/2019	Proposed Constitutional Amendment - Article VIII, version 2 (Sedey) - Voting Reform	07/19/2019
20-088	06/18/2019	Proposed Constitutional Amendment - Article VIII, version 1 (Sedey) - Voting Reform	07/19/2019
20-087	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 16 (Sedey) - Voting Reform	Withdrawn by Petitioner 06/18/19
20-086	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 15 (Sedey) - Voting Reform	Withdrawn by Petitioner 06/18/19
20-085	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 14 (Sedey) - Voting Reform	Withdrawn by Petitioner 06/18/19
20-084	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 13 (Sedey) - Voting Reform	Withdrawn by Petitioner 06/18/19
20-083	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 12 (Sedey) - Voting Reform	07/19/2019
20-082	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 11 (Sedey) - Voting Reform	07/19/2019
20-081	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 10 (Sedey) - Voting Reform	07/19/2019
20-080	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 9 (Sedey) - Voting Reform	07/19/2019

Initiative Petitions, Joint Resolutions, & Referendums

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
20-079	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 8 (Sedey) - Voting Reform	07/19/2019
20-078	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 7 (Sedey) - Voting Reform	07/19/2019
20-077	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 6 (Sedey) - Voting Reform	07/19/2019
20-076	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 5 (Sedey) - Voting Reform	07/19/2019
20-075	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 4 (Sedey) - Voting Reform	07/19/2019
20-074	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 3 (Sedey) - Voting Reform	07/19/2019
20-073	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 2 (Sedey) - Voting Reform	07/19/2019
20-072	06/17/2019	Proposed Constitutional Amendment - Article VIII, version 1 (Sedey) - Voting Reform	07/19/2019
20-071	06/17/2019	Proposed Constitutional Amendment - Article I (Johnson) - Abortion	Rejected by Secretary of State
20-070	06/12/2019	Proposed Constitutional Amendment - Article XIV (Pedersen) - Missouri Cannabis Restoration and Protection	07/15/2019
20-069	05/30/2019	Proposed Constitutional Amendment - Article XIV (Pedersen) - Missouri Cannabis Restoration and Protection	Rejected by Secretary of State
20-068	05/30/2019	Proposed Constitutional Amendment - Article I (Johnson) - Abortion	Rejected by Secretary of State
20-067	05/30/2019	Proposed Constitutional Amendment - Article I (Johnson) - Abortion	Rejected by Secretary of State
20-066	05/15/2019	Proposed Constitutional Amendment - Article IV (Reed) - Recall Elective State Officers	Rejected by Secretary of State
20-065	05/13/2019	Proposed Constitutional Amendment - Article VIII (Hurth) - Qualifications of Voters	Rejected by Secretary of State
20-064	05/09/2019	Proposed Constitutional Amendment - Article XIV (Pedersen) - Missouri Cannabis Restoration and Protection	Rejected by Secretary of State
20-063	05/03/2019	Proposed Constitutional Amendment - Article IV (Miller) - Changes to Missouri HealthNet Program	05/31/2019
20-062	04/26/2019	Proposed Constitutional Amendment - Article IV (Miller) - Changes to Missouri HealthNet Program	Rejected by Secretary of State
20-061	04/22/2019	Proposed Constitutional Amendment - Article IV (Reed) - Recall Elective State Officers	Rejected by Secretary of State
20-060	04/18/2019	Proposed Constitutional Amendment - Article VIII (Hurth) - Qualifications of Voters	Rejected by Secretary of State
20-059	04/12/2019	Proposed Constitutional Amendment - Article IV (Miller) - Changes to Missouri HealthNet Program	Rejected by Secretary of State

Initiative Petitions, Joint Resolutions, & Referendums

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
20-058	04/11/2019	Proposal Related to Chapter 128, RSMo (Lentz) - Change in Missouri Electoral Vote Process	Rejected by Secretary of State
20-057	04/05/2019	Proposed Constitutional Amendment - Article XIV (Pedersen) - Missouri Cannabis Restoration and Protection	Rejected by Secretary of State
20-056	04/04/2019	Proposal Related to Chapter 558, RSMo (Hayes) - Prison Commitment Terms	05/06/2019
20-055	04/04/2019	Proposed Constitutional Amendment - Article I (Reed) - Daylight Saving Time	05/06/2019
20-054	03/26/2019	Proposed Constitutional Amendment - Article VI (Pieper) - Creation of The Metropolitan City of St. Louis	Withdrawn by Petitioner 05/06/19
20-053	03/22/2019	Proposal Related to Chapter 208, RSMo (Miller) - Changes to Missouri HealthNet Program	04/22/2019
20-052	03/22/2019	Proposed Constitutional Amendment - Article IV (Miller) - Changes to Missouri HealthNet Program	Rejected by Secretary of State
20-051	03/22/2019	Proposed Constitutional Amendment - Article XVI (Pedersen) - Missouri Cannabis Restoration and Protection	Rejected by Secretary of State
20-050	03/18/2019	Proposed Constitutional Amendment (Johnson) - Honest Government Amendment	Rejected by Secretary of State
20-049	03/18/2019	Proposal Related to Chapters 286 and 143, RSMo (Apple) - The Renewable Energy Project	04/19/2019
20-048	03/08/2019	Proposal Related to Chapters 286 and 143, RSMo (Apple) - The Renewable Energy Project	04/08/2019
20-047	03/05/2019	Proposal Related to Chapters 286 and 143, RSMo (Apple) - The Renewable Energy Project	Withdrawn by Petitioner 03/04/19
20-046	02/22/2019	Proposed Constitutional Amendment - Article III, version 2 (Apple) - Election Reform	03/25/2019
20-045	02/22/2019	Proposed Constitutional Amendment - Article III, version 1 (Apple) - Election Reform	Withdrawn by Petitioner 03/11/19
20-044	02/15/2019	Proposed Constitutional Amendment - Article III, version 2 (Apple) - Election Reform	Withdrawn by Petitioner 02/22/19
20-043	02/15/2019	Proposed Constitutional Amendment - Article III, version 1 (Apple) - Election Reform	Withdrawn by Petitioner 02/22/19
20-042	02/13/2019	Proposed Constitutional Amendment - Article VI (Pieper) - Creation of The Metropolitan City of St. Louis	Withdrawn by Petitioner 03/25/19
20-041	02/01/2019	Proposed Constitutional Amendment - Article III (Apple) - Election Reform	Rejected by Secretary of State
20-040	01/31/2019	Proposed Constitutional Amendment - Article III (Apple) - Election Reform	Rejected by Secretary of State
20-039	01/29/2019	Proposed Constitutional Amendment - Article VI (Pieper) - Creation of The Metropolitan City of St. Louis	Withdrawn by Petitioner 02/08/19

Initiative Petitions, Joint Resolutions, & Referendums

Fiscal Note Number	Date Received	Fiscal Note Description	Date Submitted to Secretary of State
20-038	01/22/2019	Proposed Constitutional Amendment - Article X (Combs) - Elimination of Personal Property Tax	02/22/2019
20-037	01/11/2019	Proposed Constitutional Amendment (McRoberts) - Female Only Miranda Rights	Rejected by Secretary of State
20-036	01/10/2019	Proposed Constitutional Amendment (McRoberts) - Female Only Miranda Rights	Rejected by Secretary of State
20-035	01/08/2019	Proposed Constitutional Amendment - Article III, version 2 (Apple) - Election Reform	Rejected by Secretary of State
20-034	01/08/2019	Proposed Constitutional Amendment - Article III, version 1 (Apple) - Election Reform	Rejected by Secretary of State
20-033	01/07/2019	Proposed Statutory Amendment - Chapter 558, RSMo (Hayes) - Prison Commitment Terms	Rejected by Secretary of State
20-032	01/07/2019	Proposed Constitutional Amendment - Article III (Johnson) - Initiative Petitions	02/07/2019
20-031	01/07/2019	Proposal Related to Chapter 320, RSMo (Brown) - Fire Department Identification Numbers	Rejected by Secretary of State
20-030	01/02/2019	Proposed Constitutional Amendment - Article III (Johnson) - Initiative Petitions	01/31/2019
20-029	01/02/2019	Proposed Constitutional Amendment - Article X (Combs) - Elimination of Personal Property Tax	Rejected by Secretary of State
20-SJR 14 and 9	05/30/2019	Senate Joint Resolution Nos. 14 and 9 - Term Limitations	07/01/2019
20-R003	06/03/2019	Proposal Related to Senate Substitute for Senate Committee Substitute for House Bill No. 126, version 2 (Pearson) - Abortion	Rejected by Secretary of State
20-R002	06/03/2019	Proposal Related to Senate Substitute for Senate Committee Substitute for House Bill No. 126, version 1 (Pearson) - Abortion	Rejected by Secretary of State
20-R001	05/28/2019	Proposal Related to Senate Substitute for Senate Committee Substitute for House Bill No. 126 (Baker) - Abortion	07/23/2019



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
April 2020**

Report No. 2020-024

May 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

April 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended October 31, 2019 Reports Due April 30, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in April 2020	6
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in April 2020	7



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 54 political subdivisions required to file a financial report by April 30, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in April 2020, after their filing deadline. The filing status for these 7 entities is presented in summary on page 3 and by individual entity in Appendix B-C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

April 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 54 political subdivisions, other than cities, towns, and villages, with a fiscal year end of October 31, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 54 political subdivisions, 47 filed an annual financial report timely.

This report also includes the filing status for 7 political subdivisions, other than cities, towns, and villages, that filed their financial report in April 2020, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2020

Fiscal Year Ended October 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	PWSD 1 Adair County	Yes	March 17, 2020
Atchison	Corning Levee District 2	Yes	December 6, 2019
	Fairfax Drainage District	Yes	April 22, 2020
Buchanan	DeKalb FPD	Yes	March 16, 2020
Cape Girardeau	Little River Drainage District	Yes	April 27, 2020
Carroll	Baltimore Bend Levee District	No	
Carroll	Wakenda Township Drainage District	No	
Cass	58 Hwy Regional Market Center CID	Yes	January 21, 2020
	Belton/Raymore Interchange TDD	Yes	April 8, 2020
	Foxridge CID	Yes	April 8, 2020
	Foxwood Village Shops CID	Yes	April 8, 2020
	Highway 58 & Dean Avenue CID	Yes	April 6, 2020
	Hubach Hill Rd/North Cass Parkway CID	Yes	April 8, 2020
	Hubach Hill Rd/North Cass Parkway TDD	Yes	April 8, 2020
	Jeter Farm CID	Yes	December 31, 2019
	Raymore Galleria CID	Yes	April 8, 2020
Clay	Smithville Commons CID	Yes	April 6, 2020
Cole	Capital Mall CID	Yes	April 28, 2020
	St. Mary's Hospital CID	Yes	April 6, 2020
Dade	Dade County R-IV Rural FPD	Yes	March 4, 2020
Gentry	Grand River Regional AD	Yes	April 28, 2020
Jackson	Ditzler CID	Yes	November 14, 2019
	Highway 350 CID	Yes	April 29, 2020
	PWSD 1 Jackson County	Yes	April 16, 2020
	Raytown Crossing CID	Yes	April 30, 2020
	Raytown Highway 350 TDD	Yes	April 6, 2020
	Raytown Square CID	Yes	April 29, 2020
Jasper	1717 Market Place TDD	Yes	April 24, 2020
	510 Rangeline CID	Yes	April 30, 2020
	Centennial Railroad TDD	Yes	April 29, 2020
	Joplin Public Library District	Yes	February 24, 2020
	Northpark Lane CID	Yes	April 13, 2020
Jefferson	Auto Plaza CID	Yes	March 2, 2020
	Highway 21 TDD	Yes	April 29, 2020
	North Jefferson Ambulance District	Yes	January 14, 2020
	Valle Ambulance District	Yes	February 20, 2020
Knox	PWSD 1 Knox County	Yes	March 26, 2020
Lafayette	PWSD 1 Lafayette County	Yes	January 22, 2020
	Wellington-Napoleon FPD	No	
Lewis	Gregory Levee District	Yes	December 11, 2019
	Lewis County NHD	Yes	January 30, 2020
Macon	Callao Town & Country Volunteer FPD	No	
Montgomery	PWSD 1 Montgomery County	Yes	March 19, 2020
New Madrid	Drainage District 18 New Madrid County	Yes	December 19, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due April 30, 2020

Fiscal Year Ended October 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
New Madrid	St. John's Bayou Basin DD	Yes	November 6, 2019
Newton	Hope Valley CID	Yes	April 24, 2020
Osage	Meta Fire & Rescue FPD	Yes	December 18, 2019
Platte	Platte City Market Center CID	Yes	April 29, 2020
	PWSD 3 Platte County	No	
Ray	Ray County Memorial Hospital	No	
Ste. Genevieve	Ste. Genevieve Ambulance District	Yes	February 18, 2020
Sullivan	Sullivan County Memorial Hospital	Yes	March 2, 2020
Warren	Warrenton FPD	Yes	December 30, 2019
Wayne	East Wayne Ambulance District	No	
Total Filed		47	
Total Not Filed		7	

Acronyms:

CID	Community Improvement District
DD	Drainage District
FPD	Fire Protection District
NHD	Nursing Home District
PWSD	Public Water Supply District
TDD	Transportation Development District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due June 30, 2019
 Filed in April 2020

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Cole	Show Me PACE	Yes	April 14, 2020
Howard	Glasgow Volunteer FPD	Yes	April 27, 2020
St. Louis City	Bottle District TDD	Yes	April 29, 2020
Total Filed		3	

Acronyms:

FPD	Fire Protection District
PACE	Property Assessed Clean Energy
TDD	Transportation Development District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due March 31, 2020

Filed in April 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Boone	Downtown CID	Yes	April 22, 2020
Clinton	PWSD 3 Clinton County	Yes	April 28, 2020
St. Francois	Mineral Area CID	Yes	April 20, 2020
Washington	Washington County AD	Yes	April 20, 2020
Total Filed		4	

Acronyms:

AD	Ambulance District
CID	Special Road District
PWSD	Public Water Supply District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
April 2020**

Report No. 2020-023

May 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

April 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended October 31, 2019 Reports Due April 30, 2020	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in April 2020	6
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in April 2020	7
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in April 2020	8
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due February 29, 2020 Filed in April 2020	9
F	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due March 31, 2020 Filed in April 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by April 30, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 14 cities is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in April 2020, after their filing deadline. The filing status for these 33 cities is presented in summary on pages 4 and by individual entity in Appendixes B to F.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

April 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 14 cities with a fiscal year end of October 31, 2019, whose financial report was due by April 30, 2020. Of the 14 municipalities required to file an annual financial report, 12 filed the report timely. Of the 13 municipalities required to file an addendum, 5 filed an addendum timely. Of the 6 municipalities required to file a certification, 2 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
April 2020
Executive Summary

This report includes the filing status for 33 cities that filed at least one of the items (financial report, addendum, or certification) in April 2020, after their filing deadline. Of these municipalities, 16 filed an annual financial report, 17 filed an addendum, and 10 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2020

Fiscal Year Ended October 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	City of Raymore	Yes	April 28, 2020	No	No
Clay	City of Smithville	Yes	April 6, 2020	No	n/a
Cole	City of Jefferson City	Yes	April 28, 2020	Yes	Yes
Holt	City of Maitland	No		No	n/a
	City of Oregon	Yes	April 17, 2020	No	n/a
Jackson	City of Raytown	Yes	April 30, 2020	No	No
Jasper	City of Asbury	No		n/a	n/a
	City of Carterville	Yes	April 7, 2020	No	No
	City of Joplin	Yes	April 20, 2020	Yes	Yes
	City of Webb City	Yes	April 30, 2020	No	No
Jefferson	City of De Soto	Yes	November 18, 2020	No	n/a
Laclede	City of Conway	Yes	March 6, 2020	Yes	n/a
Linn	City of Marceline	Yes	April 29, 2020	Yes	n/a
Platte	City of Platte City	Yes	February 27, 2020	Yes	n/a
Total Filed		12		5	2
Total Not Filed		2		8	4
Total n/a		0		1	8

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in April 2020

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Carter	City of Van Buren	***	September 15, 2019	Yes	n/a
Total Filed		0		1	0

*** Filed after June 30, 2019, but before April 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in April 2020

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cooper	City of Pilot Grove	Yes	April 1, 2020	Yes	n/a
Montgomery	City of Wellsville	**	October 16, 2019	Yes	n/a
Taney	City of Hollister	**	September 6, 2019	Yes	Yes
Total Filed		1		3	1

** Filed by September 30, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in April 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Christian	City of Highlandville	**	December 19, 2019	**	Yes
Dade	City of Greenfield	**	September 25, 2019	Yes	***
Jefferson	City of Byrnes Mill	***	January 1, 2020	No	Yes
Shelby	City of Clarence	***	January 15, 2020	Yes	***
St. Louis	City of Velda City	***	March 10, 2020	Yes	**
Stoddard	City of Essex	Yes	April 7, 2020	No	n/a
Total Filed		1		3	2

** Filed by December 31, 2019.

*** Filed after December 31, 2019, but before April 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 29, 2020
Filed in April 2020

Fiscal Year Ended August 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Scott	City of Miner	**	February 12, 2020	Yes	No
Total Filed		0		1	0

** Filed by February 29, 2020.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2020
Filed in April 2020

Fiscal Year Ended September 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Andrew	City of Savannah	Yes	April 30, 2020	No	n/a
Camden	City of Camdenton	Yes	April 2, 2020	No	No
Cedar	City of El Dorado Springs	Yes	April 20, 2020	No	No
Greene	City of Strafford	**	January 31, 2020	Yes	Yes
Henry	City of Clinton	Yes	April 22, 2020	**	**
	City of Windsor	Yes	April 1, 2020	Yes	n/a
Jackson	City of Sugar Creek	**	March 27, 2020	Yes	Yes
Jefferson	City of Festus	**	March 26, 2020	Yes	n/a
Lafayette	City of Concordia	Yes	April 23, 2020	Yes	No
Macon	City of Atlanta	Yes	April 24, 2020	No	n/a
Madison	City of Fredericktown	Yes	April 20, 2020	No	No
McDonald	City of Anderson	Yes	April 2, 2020	Yes	Yes
Monroe	City of Monroe City	**	January 31, 2020	**	Yes
Platte	City of Platte Woods	Yes	April 21, 2020	No	No
Pulaski	City of Dixon	Yes	April 24, 2020	**	**
Ray	City of Richmond	**	March 23, 2020	**	Yes
Saline	City of Marshall	**	March 23, 2020	No	Yes
St. Clair	City of Appleton City	**	February 10, 2020	Yes	n/a
	City of Osceola	Yes	April 24, 2020	Yes	n/a
St. Louis	City of Clayton	Yes	April 22, 2020	**	**
	City of Greendale	Yes	April 1, 2020	No	**
Stoddard	City of Advance	**	February 24, 2020	Yes	Yes
Total Filed		14		9	7

** Filed by March 31, 2020.

n/a Entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

Howard County

Report No. 2020-022

May 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Howard County

Sunshine Law	The County Commission does not ensure minutes of all County Commission meetings are prepared, approved timely, and available for public access. In addition, the minutes did not always document votes taken, as required.
Public Administrator's Annual Settlements	The Public Administrator does not always file annual settlements or status reports timely.
County Collector's Commissions	Personal commissions paid to the County Collector for collecting property taxes for cities are not reported to the Internal Revenue Services by the county or applicable cities.
Additional Comments	Because counties are managed by several separately-elected individuals, an audit finding made with respect to one office does not necessarily apply to the operations in another office. The overall rating assigned to the county is intended to reflect the performance of the county as a whole. It does not indicate the performance of any one elected official or county office.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Howard County

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Sunshine Law	4
2. Public Administrator's Annual Settlements.....	4
3. County Collector's Commissions	5

Organization and Statistical	7
Information	



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Commission
and
Officeholders of Howard County

We have audited certain operations of Howard County in fulfillment of our duties under Section 29.230, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2019. The objectives of our audit were to:

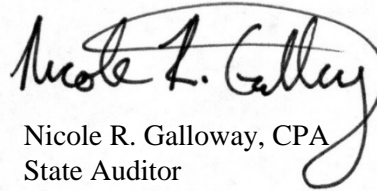
1. Evaluate the county's internal controls over significant management and financial functions.
2. Evaluate the county's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the county.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of Howard County.



Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Michelle Pummill, CFE
Audit Staff:	Sherrye Lesmes John J. Thompson

Howard County Management Advisory Report State Auditor's Findings

1. Sunshine Law

The county's procedures for complying with the Sunshine Law and maintaining minutes of meetings need improvement. The County Commission generally met 3 times a week during the year ended December 31, 2019.

The County Commission does not ensure minutes of all County Commission meetings are prepared, approved timely, and available for public access. The County was unable to provide us with signed and approved County Commission minutes for meetings held during the year ended December 31, 2019. The County Commission provided rough drafts of minutes for these meetings; however, the drafts did not contain all necessary information. The drafts did not include the date, time, and place of meetings or the members present and absent, as required by law. Also, the minutes did not always document votes taken, as required. Neither the County Clerk nor the County Commission could explain why official minutes were not prepared for the 2019 County Commission meetings.

Section 610.020.7, RSMo, requires minutes of meetings be maintained as a record of business conducted and to provide an official record of actions and decisions, including the date, time, place, members present, members absent and a record of any votes taken. The meeting minutes should be signed by the preparer and subsequently approved by the County Commission to provide an independent attestation that the minutes are a correct record of the matters discussed and actions taken during the meetings.

Recommendation

The County Commission ensure meeting minutes are prepared, include all necessary information, are approved timely, and are maintained for all meetings. In addition, the County Commission should ensure meeting minutes are signed by the preparer and the County Commission.

Auditee's Response

The County Commission minutes are going to state how each County Commissioner voted, and no longer state that the vote passed unanimously. The minutes will include members that are present and the time the meeting begins. The County Commissioners are going to turn over to the County Clerk's office notes of meetings at least weekly to be typed and made ready for public request.

2. Public Administrator's Annual Settlements

The Public Administrator does not always file annual settlements or status reports timely. The Public Administrator is the court-appointed personal representative for wards or decedent estates of the Circuit Court, Probate Division. The Public Administrator's office was responsible for 84 wards and estates during the year ended December 31, 2019.

During our review of 80 cases with annual settlements or status reports due in 2019, annual settlements or status reports were not filed timely for 19 of the cases (24 percent). Annual settlements and status reports filed (or still due)



Howard County
Management Advisory Report - State Auditor's Findings

for these 19 cases ranged from 2 to 113 days after the due date, as of our review on March 12, 2020. The Public Administrator records the due dates for the annual settlements and status reports in her case management software. In addition, the Circuit Court, Probate Division Clerk sends a notice to the Public Administrator when an annual settlement or status report is due. Even with these procedures, the Public Administrator said the annual settlements and status reports are not filed timely because of staff turnover and other personal responsibilities.

Sections 473.540 and 475.270, RSMo, require the Public Administrator to file an annual settlement or status report with the court for each ward or estate. Timely filing of settlements and status reports is necessary for the court to properly oversee the administration of cases and to reduce the possibility that errors, loss, theft, or misuse of funds will occur and go undetected.

Recommendation

The Public Administrator file annual settlements and status reports timely.

Auditee's Response

The Public Administrator kept the Probate Judge informed of the status of each case and the difficulties of completing tasks timely due to staff turnover. The Public Administrator will make every effort to complete and file the annual settlements and status reports timely going forward. Now that there is a reliable and permanent staff member, the Public Administrator should have more time to dedicate to annual settlements and status reports.

**3. County Collector's
Commissions**

Personal commissions paid to the County Collector for collecting property taxes for cities are not reported to the Internal Revenue Services (IRS) by the county or applicable cities. The County Collector processed property tax collections totaling approximately \$9.5 million during the year ended February 29, 2020.

The County Collector was personally paid commissions for the collection of city taxes totaling \$8,310 each year for the years ended February 28, 2019, and February 29, 2020. Since these payments were not processed through the county payroll system, they were not reported on the County Collector's W-2 forms, appropriate payroll taxes were not withheld, and the employer's share of payroll taxes was not paid. IRS regulations require individuals treated as employees to have all compensation reported on W-2 forms.

To ensure all compensation is properly reported and taxed, all compensation should be paid through the normal county payroll process. The failure to properly report and tax all wages could result in penalty and interest charges assessed against the county.

Recommendation

The County Collector ensure all compensation is paid through the county's normal payroll process, properly taxed, and reported to the Internal Revenue Service.



Howard County
Management Advisory Report - State Auditor's Findings

Auditee's Response

The County Commission and County Collector have decided to include city commissions through the regular county payroll process to ensure it is properly taxed. The County Collector will turn over the city commissions collected to the County Treasurer monthly and the city commissions will be included in the County Collector's monthly paycheck.

Howard County

Organization and Statistical Information

Howard County is a county-organized, third-class county. The county seat is Fayette.

Howard County's government is composed of a three-member county commission and separate elected officials performing various tasks. All elected officials serve 4-year terms. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining county roads and bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens. In addition to elected officials, the county employed 56 full-time employees and 21 part-time employees on December 31, 2019.

In addition, county operations include the County Health Department, the Senate Bill 40 Board, and 4 levee districts.

Elected Officials

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below:

Officeholder	2020	2019
Jerimiah Johnmeyer, Presiding Commissioner	\$	29,588
Richard Conrow, Associate Commissioner		27,588
Howard McMillan, Associate Commissioner		27,588
Charles J Flaspohler, Circuit Clerk and Ex Officio Recorder of Deeds (1)		
Shelly R. Howell, County Clerk		41,800
Deborah Riekhof, Prosecuting Attorney		49,500
Mike Neal, Sheriff		46,200
Susan Keyton, County Treasurer		41,800
Frank Flaspohler, County Coroner		12,100
Lisa Asbury, Public Administrator		41,800
Jinger Felten, County Collector (2), year ended February 29,	50,110	
John (Woody) McCutcheon, County Assessor, year ended August 31,		41,800

(1) Compensation is paid by the state.

(2) Includes \$8,310 of commissions earned for collecting city property taxes.



Nicole Galloway, CPA

Missouri State Auditor

City of St. Louis

Office of the Comptroller

Report No. 2020-021

May 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of City of St. Louis Office of the Comptroller

Accounting Controls and Procedures	Comptroller's office personnel do not record all monies received on prenumbered receipt slips or in a log and do not always restrictively endorse checks or money orders immediately upon receipt. Comptroller's office personnel do not adequately review disbursement vouchers submitted by county offices (Circuit Attorney, Treasurer, Sheriff, etc.) prior to processing payments. The Comptroller's office has not established procedures to ensure new vendors not associated with a city contract are adequately validated prior to being included in the accounting system.
Fire Insurance Recovery Procedures	The Comptroller's office has not established adequate procedures to ensure fire insurance recovery monies held in escrow are properly handled and disbursed as required. In addition, a listing of recovery monies held is not reconciled to the Fire Insurance Recoveries Fund balance periodically.
Capital Assets	Records and procedures to account for city property are not adequate.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of St. Louis - Office of the Comptroller

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	
Findings	
1. Accounting Controls and Procedures	4
2. Fire Insurance Recovery Procedures	7
3. Capital Assets	8

Organization and Statistical	11
Information	



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Comptroller
City of St. Louis, Missouri

We have audited certain operations of the City of St. Louis Office of the Comptroller in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of the City of St. Louis in response to a formal request from the Board of Aldermen. The city engaged KPMG LLP, Certified Public Accountants (CPAs), to audit the city's financial statements for the years ended June 30, 2019, and 2018. To minimize duplication of effort, we reviewed the CPA firm's reports. The scope of our audit included, but was not limited to the year ended June 30, 2018. The objectives of our audit were to:

1. Evaluate the office's internal controls over significant management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

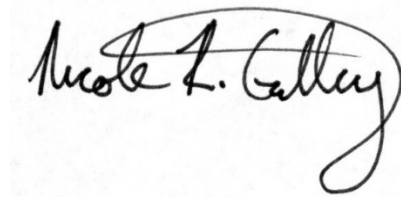
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the office, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the agency's management and was not subjected to the procedures applied in our audit of the Office of the Comptroller.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of St. Louis Office of the Comptroller.

Additional audits of various officials and departments of the City of St. Louis are in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Manager:	Heather R. Stiles, MBA, CPA, CFE
In-Charge Auditor:	Erin N. Dierksen
Audit Staff:	Rachel Cline, M.S. Acct., CPA
	Ryan P. Tierney, MAcc
	Satyam Shah

City of St. Louis Office of the Comptroller

Management Advisory Report

State Auditor's Findings

1. Accounting Controls and Procedures

The Comptroller's office has not established sufficient controls or procedures for receipting, recording, reconciling, and transmitting monies. In addition, the office does not have adequate procedures in place to ensure disbursement vouchers are sufficiently reviewed prior to processing and new vendors are properly verified.

1.1 Receipting, recording, and transmitting

Comptroller's office personnel do not record all monies received on prenumbered receipt slips or in a log and do not always restrictively endorse checks or money orders immediately upon receipt. In addition, monies received are not always transmitted timely to the Treasurer's office and Comptroller's office personnel do not consistently and timely reconcile receipt logs to receipt transmittals to ensure all monies received are transmitted for deposit.

The Accounting Services section of the Comptroller's office directly receives most payments made to the Comptroller's office. Checks and money orders received are entered into a receipt log maintained by the section's personnel and restrictively endorsed upon receipt, and forwarded to the Financial Reporting section for coding and transmittal to the Treasurer. However, in other office sections, personnel do not always issue a prenumbered receipt slip or enter the receipt in a receipt log, and checks and money orders are not always restrictively endorsed immediately upon receipt. For example, personnel in the office's Real Estate section do not issue prenumbered receipt slips or log monies when received. Instead, money received is forwarded to the Accounting Services section to be logged and restrictively endorsed.

During our review of monies received and logged by the Accounting Services section between January 29, 2018, and February 2, 2018, we noted 6 checks totaling \$72,522, associated with the Real Estate section, were received on February 1, 2018, and not coded by the Financial Reporting section until February 9, 2018 and transmitted to the Treasurer's office until February 12, 2018 (7 business days later). In addition, office personnel only reconciled 6 of the 49 checks recorded in the receipt log during this period to a receipt transmittal timely.

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk that loss, theft, or misuse of monies received will go undetected and accounting records will contain errors. To adequately account for collections and reduce the risk of loss or misuse of monies, all monies received should be recorded on either official prenumbered receipt slips or a log and restrictively endorsed immediately upon receipt and the receipt records should be reconciled to the transmittal to the Treasurer's office by someone independent of the receipting and collection functions.

1.2 Expenditure review

Comptroller's office personnel do not adequately review disbursement vouchers submitted by county offices (Circuit Attorney, Treasurer, Sheriff,



City of St. Louis Office of the Comptroller
Management Advisory Report - State Auditor's Findings

etc.) prior to processing payments. They indicated if a disbursement voucher submitted by a county office is missing required information (contract number, purchase order number, bid documentation, etc.), the voucher is processed without attempting to obtain that information as is done for any incomplete city office disbursement voucher. Comptroller's office personnel indicated they do not believe they have the authority to question county expenditures if the funds have been budgeted. Our review of expenditures noted 2 of 6 disbursement vouchers received from county offices did not have all required information. Comptroller's office personnel indicated they completely rely on the county officials' approval to ensure the expenditure is appropriate.

Adequate, consistent review and approval of all city expenditures is necessary to ensure transactions are accounted for properly and assets are adequately safeguarded.

1.3 Vendor verification

The Comptroller's office has not established procedures to ensure new vendors not associated with a city contract are adequately validated prior to being included in the accounting system. To establish a new vendor for a contract, the Contract Administration section requires documentation of business legitimacy including licensure and tax compliance. Comptroller's office personnel do not perform similar verification for new vendors not associated with a contract.

Unverified vendor information increases the risk that false vendors could be established resulting in the loss, theft, or misuse of city funds going undetected.

Recommendations

The Comptroller's office:

- 1.1 Ensure all monies received are immediately recorded on an official prenumbered receipt slip or receipt log that is reconciled to monies transmitted to the Treasurer's office by someone independent of the receipting and collection function. The Comptroller should also transmit all monies timely and restrictively endorse checks and money orders immediately upon receipt.
- 1.2 Ensure all information required to process a payment voucher is properly documented before processing the payment.
- 1.3 Ensure procedures are in place to review and approve all new vendors prior to adding them to the accounting system.

Auditee's Response

- 1.1 *The Comptroller's office will improve its procedures and require all checks to be mailed to a central location - the Accounting Services section in city hall room 311 - in order to ensure proper controls for*



City of St. Louis Office of the Comptroller
Management Advisory Report - State Auditor's Findings

logging and restrictively endorsing the checks received. The improvements will ensure the receipts will be transmitted to the Treasurer's office for deposit timely. If there is a question regarding the coding of the check, a note will be documented in the comment section of the check log. Reconciliation of the check log will be completed on a weekly basis. Any questions regarding the reconciliation will be brought to the Financial Reporting Manager's attention immediately.

The processing of checks received shall be further improved with the implementation of the new accounting system.

- 1.2 *The Comptroller's office has comprehensive policies and procedures in place for the review and approval of all city expenditures. The Comptroller's office requires all offices, including county offices, to provide detailed documentation when submitting expenditures for approval. However, county expenditures are ultimately approved by the county office and are regulated and controlled exclusively by state law. The Comptroller's office can be challenged regarding authority to suspend or otherwise delay the processing of expenditures approved and submitted by a county office.*

The Missouri Supreme Court affirmed this principle in City of St. Louis v. Doss, 807 S.W.2d 61 (Mo. 1991):

Subjecting county officials to the regulation of the diverse public entities for whom they perform services would soon lead to chaos. So long as the License Collector performs functions which are those identified with a county office, and so long as that office is elected in the state election as are other county offices, it remains a county office and subject to legislative control.

The Comptroller's office will seek a legal opinion to further clarify the documentation requirements for county offices going forward. Further improvements will also be encouraged with the implementation of the new accounting system in the near future. In the meantime, the Comptroller's office will continue to process all expenditures with accurate documentation as required.

- 1.3 *Procedures for vendor files will be updated to properly review and approve new vendors prior to being added to the accounting system. The new accounting system will improve the vendor review processes.*



2. Fire Insurance Recovery Procedures

The Comptroller's office has not established adequate procedures to ensure fire insurance recovery monies held in escrow are properly handled and disbursed as required. In addition, a listing of recovery monies held is not reconciled to Fire Insurance Recoveries Fund balance periodically. As of February 28, 2019, the Fire Insurance Recoveries Fund had a balance of \$3,887,307.

According to Chapter 25.66 of the City Code, insurance carriers must pay 25 percent of the insurance proceeds to the Comptroller when a payment on a claim made for damage to a building or structure due to fire, explosion, or other casualty loss exceeds 50 percent of the face value of the policy on the building or structure. The Comptroller must hold the money in an interest bearing account. If the owner repairs or demolishes a building without cost to the city, the insurance proceeds are refunded to the insured party.

If the city incurs costs to repair or demolish the property, the Comptroller's office is authorized to issue a special bill against the property for certified costs and requires the bill to be paid from the money held by the Comptroller, with any excess to be paid to the insured party. If a property is transferred to the Land Reutilization Authority, Saint Louis Development Corporation or any other city agency, department, or division, city code allows the bill to be waived.

Funds not disbursed

As of February 28, 2019, the Comptroller held fire insurance recovery monies in escrow for 202 properties. Twenty-five of these properties had an escrow balance of at least \$10,000 that had initially been received by the Comptroller's office in 2010 or earlier. Structures on 8 of these 25 properties had been demolished with the lots vacant as of 2010. However, Comptroller's office personnel have not returned remaining recovery monies associated with these 8 properties to the insured party and could not explain why this had not occurred. The amount held totaled \$113,050.

Escrow listing

The Comptroller's office does not reconcile the fire insurance recoveries database to the fund balance of the Fire Insurance Recoveries Fund and ensure all monies are accounted for and records are complete. Detailed information about money held and the related properties is documented in the Fire Insurance Recoveries database. We obtained a list of properties recorded in the database as of February 28, 2019. According to the listing, the Comptroller's office held \$3,640,692 in recovery money at that time. However, the fund balance for the Fire Insurance Recoveries Fund was \$3,887,307, \$246,615 more than database records indicated. We requested an updated listing from the database and the fund balance as of January 31, 2020. The fund balance, \$3,527,485, still exceeded the amount listed in the database as held, \$3,388,448, by \$139,037 indicating database records may be incomplete and missing information on some properties.



City of St. Louis Office of the Comptroller
Management Advisory Report - State Auditor's Findings

Conclusion

Fire insurance recoveries monies held in escrow are restricted funds held for property owners until remediation is complete. Periodic follow-up on properties with a balance is necessary to ensure holdings are properly disbursed, and any balance remaining is returned to the owner or disbursed as otherwise provided by state law.¹ In addition, a monthly reconciliation between the list of properties with balances to monies held in the Fire Insurance Recoveries Fund is necessary to ensure proper accountability, records are complete, and monies are sufficient to meet liabilities.

Recommendation

The Comptroller's office should establish procedures to ensure Fire Insurance Recoveries monies held in escrow are properly handled and disbursed as required. In addition, monthly lists of properties with escrow balances should be reconciled to the Fire Insurance Recoveries Fund balance. Unidentified differences should be promptly investigated and resolved.

Auditee's Response

The Comptroller's office is updating policies and procedures in an effort to limit the number of employees who receive checks. All payments will be required to be mailed to one central location - the Accounting Services section - and backup information will be provided to the other sections as needed. The improvements will assure that proper internal controls are in place to ensure all checks received are restrictively endorsed and properly recorded in the collection log immediately upon receipt.

The Real Estate section will improve its follow-up on properties with departments and owners to ensure monies held are properly disbursed timely according to state law.

Additionally, a monthly reconciliation will be performed to reconcile the escrow balances in the Fire Insurance Recoveries Fund to the internal database of listed properties by the Real Estate section and be submitted to the supervisor for review and approval. A final reconciliation between the Accounting Services section and the Real Estate section will be performed annually, along with an annual review performed by the Internal Audit section.

3. Capital Assets

Records and procedures to account for city property are not adequate. As a result, assets are more susceptible to theft or misuse and capital asset records are incomplete and inaccurate.

According to the Fixed Asset Management System (FAMS) policy and procedure manual, the Comptroller's office is responsible for maintaining a

¹ Section 447.532, RSMo, provides that intangible personal property held for an owner by a political subdivision that remains unclaimed for more than three years is deemed abandoned and shall be turned over to the State Treasurer's Unclaimed Property Division.



City of St. Louis Office of the Comptroller
Management Advisory Report - State Auditor's Findings

complete detailed record of all city property, coordinating the annual physical inventory of all city property, and having the Internal Audit section conduct periodic physical inventories.

Each city department is required to conduct an annual physical inventory of all of that department's property, reconcile the inventory to the capital asset listing provided by the Comptroller's office, and notify the Comptroller's office of capital asset additions, retirements, transfers, and adjustments or corrections necessary to ensure city records are accurate and complete.

We identified the following concerns during our review of capital assets.

- The FAMS manual has not been updated to reflect current practices.
- Capital asset additions, retirements, and transfers between offices are not consistently reported to the Comptroller's office for input into the FAMS.
- City personnel are not required to tag, number, or otherwise identify capital assets.
- Annual physical inventories of some city assets are not conducted or reconciled to the capital asset listing.

Adequate capital asset records and updated policies and procedures are necessary to provide controls over city property; safeguard city assets that are susceptible to loss, theft, or misuse; and provide a basis for proper financial reporting and insurance coverage. In addition, property control tags should be affixed to all property items to help improve accountability and ensure assets are properly identified as belonging to the city.

Recommendation

The Comptroller's office ensure complete and detailed capital asset records are maintained and capital asset policies are updated. In addition, the Comptroller's office should require city personnel properly tag, number, or otherwise identify all applicable city property, and conduct and document an annual inventory.

Auditee's Response

The Comptroller's office has comprehensive fixed asset policies and procedures in place to ensure accurate accounting and reporting of all city assets. In our policy and procedures manual, known as the FAMS manual, all city departments are required to notify the Comptroller's office promptly of any additions or deletions to their inventory. In addition, department coordinators are also required to maintain a separate internal listing of fixed assets in their department and perform a yearly physical inventory count to ensure accuracy. Finally, departments are required to perform an annual reconciliation of the internal listing to the master listing and general ledger maintained by the Comptroller's office. In addition to these requirements and



City of St. Louis Office of the Comptroller
Management Advisory Report - State Auditor's Findings

among others, the Internal Audit section performs upwards of 10 fixed asset audits annually of various city departments.

As we move forward, the fixed asset department of the Comptroller's office, in conjunction with all city department asset coordinators, will begin tagging all fixed assets as "Property of the City of St. Louis." Additionally, the fixed asset department will begin requiring all department coordinators to report the results of their annual physical inventory to our office by September 1st of each year. This will ensure the procedures put forward by the Comptroller's office are being followed.

The Comptroller's office, working through the fixed asset department, will continue to require city departments follow all procedures found in the FAMS manual. We will update the FAMS manual as needed and continue to work with department coordinators to ensure these efforts are clearly carried out.

City of St. Louis - Comptroller's Office

Organization and Statistical Information

The Comptroller is responsible for all city fiscal affairs including the city's property, assets, and claims. The Comptroller is the Chief Financial Officer for the city, serves on various city boards and commissions, and is one of three members of the Board of Estimate and Apportionment. Darlene Green was first appointed Comptroller in October 1995 and first elected Comptroller in August 1996. She was reelected to her current 4-year term in April 2017. At June 30, 2018, the Office of the Comptroller employed approximately 93 full-time employees.

The Office of the Comptroller has 10 sections including Accounting Services, Asset Management, Contract Administration, Federal Grants, Finance and Development, Financial Reporting, Gateway Transportation Center, Internal Audit, Payroll Services, and Tax Increment Financing.

The Accounting Services section is responsible for all of the city's accounting activities. This section reviews and processes accounts payable, manages and balances the city's accounting and financial records, supervises payroll, updates the Central Business Index business tax and license records, assists in decisions for risk to insure or self-insure, and administers the citywide travel policy.

The Asset Management section includes the municipal garage, real estate, records retention, and telecommunications. This section installs and maintains city telephone systems, handles the purchase or sale of real estate, leases and collects rent on city and port property leases, manages the fire insurance escrow recovery monies, operates the municipal garage, provides pool vehicles for city departments, and supervises the microfilm and archival library.

The Contract Administration section is responsible for processing and tracking city contracts with city vendors. This section reviews contracts to ensure compliance with applicable laws and policies, such as tax and license compliance, proper departmental approval, ordinance authority, insurance required, and amount encumbered.

The Federal Grants section is responsible for administering the disbursement of federal and state grant funds and the city's Single Audit. This section reviews grant funded contracts (with the exception of the Community Development Administration), grant reimbursement requests, and accounts for grant receipts.

The Finance and Development section is responsible for the management of the city's financing arrangements, administration of debt issuances, and the city's debt policies. This section assists with financing decisions for economic development and special projects that are dedicated to improving the city's economic condition. This section ensures compliance with debt covenants, applicable laws, and disclosure compliance guidelines.



City of St. Louis - Comptroller's Office Organization and Statistical Information

The Financial Reporting section is responsible for the city's financial reporting. This section prepares internal financial and revenue reports including the Comprehensive Annual Financial Report, Cash Basis Report, and Monthly Revenue and Fund Status reports. Additionally, the Financial Reporting section is responsible for reviewing and tracking bank reconciliations, tracking investment and financing arrangements, and administration of the lateral sewer program.

The Gateway Transportation Center section manages all transportation and other vendor contracts for the Gateway Transportation Center. The center is a multimodal transportation hub for passenger train, long distance bus, public light rail, and public bus service.

The Internal Audit section provides independent assurance and consulting services to virtually all city departments. This section performs payroll reviews, contract audits, and other various internal audits and reviews to support the assurance that applicable laws, policies, and procedures are being followed. The city's fraud hotline is also administered by this section.

Payroll Services is responsible for the processing of payroll checks and ensuring all classified service employees receive the proper pay and have the appropriate payroll deductions.

The Tax Increment Financing (TIF) section is responsible for financial reporting and debt payment of tax increment financing projects approved by the TIF Commission. The TIF section is also responsible for financial reports and reimbursement of special development projects financed by the city's general revenue.



Nicole Galloway, CPA

Missouri State Auditor

**Seventh Judicial Circuit
City of Excelsior Springs
Municipal Division**

Report No. 2020-020

April 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of the Seventh Judicial Circuit, City of Excelsior Springs Municipal Division

Prosecuting Attorney's Approval	The Prosecuting Attorney does not always sign tickets processed by the municipal division.
Electronic Data Security	Controls over municipal division computers are not sufficient. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or loss of data.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Seventh Judicial Circuit

City of Excelsior Springs Municipal Division

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory	
Report - State Auditor's	1. Prosecuting Attorney's Approval.....4
Findings	2. Electronic Data Security.....4

Organization and Statistical	6
Information	



NICOLE GALLOWAY, CPA
Missouri State Auditor

Presiding Judge
Seventh Judicial Circuit
and
Municipal Judge
and
Honorable Mayor
and
Members of the City Council
Excelsior Springs, Missouri

We have audited certain operations of the City of Excelsior Springs Municipal Division of the Seventh Judicial Circuit in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the year ended September 30, 2019. The objectives of our audit were to:

1. Evaluate the municipal division's internal controls over significant financial functions.
2. Evaluate the municipal division's and city's compliance with certain legal provisions.
3. Evaluate the municipal division's compliance with certain court rules.
4. Evaluate the city's compliance with state laws restricting the amount of certain court revenues that may be retained.

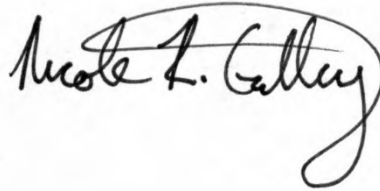
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the municipal division, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the municipal division's management and was not subjected to the procedures applied in our audit of the division.

For the areas audited, we identified (1) deficiencies in internal controls, (2) no significant noncompliance with legal provisions, (3) noncompliance with court rules, and (4) no noncompliance with state laws restricting the amount of certain court revenues that may be retained. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Excelsior Springs Municipal Division of the Seventh Judicial Circuit.

A petition audit of the City of Excelsior Springs, fulfilling our obligations under Section 29.230, RSMo, is still in process, and any additional findings and recommendations will be included in the subsequent report.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tessa Rusatsi, CPA
Audit Staff:	Amanda G. Flanigan, MAcc

Seventh Judicial Circuit

City of Excelsior Springs Municipal Division

Management Advisory Report - State Auditor's Findings

1. Prosecuting Attorney's Approval

The Prosecuting Attorney does not always sign tickets processed by the municipal division. We noted 2 of the 60 tickets we reviewed were not signed. Both of these tickets were issued during October 2018, so we reviewed an additional 10 tickets issued during the same month. Six of those tickets were also not signed by the Prosecuting Attorney. Neither the Prosecuting Attorney nor the Court Administrator could explain why some tickets were not signed.

Missouri Supreme Court Rule 37.35 provides that all citations shall be in writing and signed by the prosecutor and filed with the municipal division. The Prosecuting Attorney's review, documented with his signature, is needed to provide assurance proper cases and charges are filed with the municipal division.

Recommendation

The City of Excelsior Springs Municipal Division ensure the Prosecuting Attorney signs all tickets.

Auditee's Response

We agree. We have no explanation as to how these tickets were overlooked. All tickets are now being signed and we anticipate this problem being resolved by the end of 2020 as the police department moves forward with e-ticketing.

2. Electronic Data Security

Controls over municipal division computers are not sufficient. As a result, municipal division records are not adequately protected and are susceptible to unauthorized access or loss of data.

The municipal division has not established adequate password controls to reduce the risk of unauthorized access to computers and data. The Court Administrator and the Deputy Court Clerk share the same user identification and password for the primary computer, which powers the printer, and must be logged on for the Deputy Court Clerk's computer and courtroom computer to print receipt slips. All computers are used to receipt and record payments to the case management system. In addition, the Court Administrator and Deputy Court Clerk are not required to change passwords periodically, and passwords are not required to log into the case management system.

Passwords are necessary to authenticate access to computers. The security of computer user identification and passwords is dependent upon keeping them confidential and requiring users to enter passwords when using computers. However, since passwords (1) are not used to access the case management system, (2) do not have to be periodically changed, and (3) are shared among employees, along with user identifications, there is less assurance they are effectively limiting access to computers and data files to only those individuals who need access to perform their job responsibilities. User identifications and passwords should be unique and passwords should be confidential and changed periodically to reduce the risk of a compromised password and unauthorized access to and use of computers and data.



Seventh Judicial Circuit
City of Excelsior Springs Municipal Division
Management Advisory Report - State Auditor's Findings

Recommendation

The City of Excelsior Springs Municipal Division require unique user identifications for each employee. In addition, passwords should remain confidential and be periodically changed to prevent unauthorized access to computers.

Auditee's Response

We agree. This finding has already been resolved.

Seventh Judicial Circuit

City of Excelsior Springs Municipal Division

Organization and Statistical Information

The City of Excelsior Springs Municipal Division is in the Seventh Judicial Circuit, which consists of Clay County. The Honorable Shane T. Alexander serves as Presiding Judge.

The municipal division is governed by Chapter 479, RSMo, and by Supreme Court Rule No. 37. Supreme Court Rule No. 37.49 provides that each municipal division may establish a violation bureau in which fines and court costs are collected at times other than during court and transmitted to the city treasury. The municipal division does not utilize the Office of State Court Administrator's statewide automated case management system known as JIS. Instead, the municipal division utilizes Incode, an automated case management system provided by Tyler Technologies, which has been approved for use in municipal divisions by the State Judicial Records Committee.

Personnel

At September 30, 2019, the municipal division employees were as follows:

Title	Name
Municipal Judge	Shawn L. Blair
Court Administrator	Taran Svoboda
Prosecuting Attorney	Peter W. Schloss
Deputy Court Clerk	Juanita Hughes

Financial and Caseload Information

	Year Ended September 30, 2019
Receipts	\$356,992
Number of cases filed	3,736

Court Costs, Surcharges, and Fees

Type	Amount
Court Costs (Clerk Fee)	\$ 11.00
Crime Victims' Compensation	7.50
Law Enforcement Training	2.00
Peace Officer Standards and Training	1.00
Domestic Violence Shelter	2.00
Sheriff's Retirement	3.00
Judicial Education	1.00
Inmate Security (Biometric Verification)	2.00



Nicole Galloway, CPA

Missouri State Auditor

City of Otterville

Report No. 2020-019

April 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of City of Otterville

Oversight, Segregation of Duties, and Annual Audits	The Board of Aldermen has not established adequate oversight or adequate segregation of duties over the various financial accounting functions performed by the City Clerk. The city does not obtain annual audits of its waterworks and sewerage systems as required.
Accounting Controls and Procedures	The city officials did not prepare and maintain accurate financial statements or publish financial statements as required. The city budget prepared for the year ended December 31, 2018, did not contain all required elements. The City Clerk did not timely prepare, and the Board did not timely approve, budget amendments for the year ended December 31, 2018. The city's procedures for receipting, recording, and depositing monies need improvement. The city's procurement procedures do not always comply with city code, and professional services are obtained without the benefit of a competitive selection process. The city does not maintain fuel logs to reconcile fuel used to fuel purchased. The City Clerk did not prepare and file 1099-MISC forms with the Internal Revenue Service, as required. The city does not have a written policy regarding proper and improper use of city credit cards.
Payroll and Related Matters	Timesheets were not prepared for the Police Chief and were not signed by the Police Chief or a supervisor documenting approval of time worked and leave used. Overtime hours are not consistently documented on timesheets for employees. Leave records maintained are inaccurate and do not adequately track the number of hours of vacation, sick, or compensatory time earned and used, and any remaining balances. The city does not have written personnel policies that address compensatory time and overtime. The City Clerk did not properly monitor employee health insurance incentives and failed to report employee income.
Ordinances	Ordinances are not comprehensive or maintained in an organized manner, and the city has not always established ordinances as appropriate.
Capital Assets	The city does not maintain adequate records of capital assets, including buildings, vehicles, equipment, and other property. Additionally, city personnel do not tag, number, or otherwise identify assets or perform adequate annual physical inventories.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

City of Otterville

Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Findings	1. Oversight, Segregation of Duties, and Annual Audits4 2. Accounting Controls and Procedures5 3. Payroll and Related Matters10 4. Ordinances.....13 5. Capital Assets13
---	--

Organization and Statistical Information	15
---	----



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Honorable Mayor
and
Members of the Board of Aldermen
City of Otterville, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit the City of Otterville. We have audited certain operations of the city in fulfillment of our duties. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

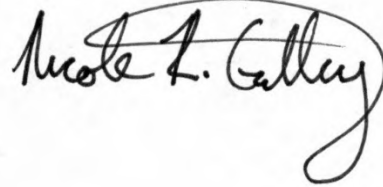
1. Evaluate the city's internal controls over significant management and financial functions.
2. Evaluate the city's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the city, as well as certain external parties; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the city's management and was not subjected to the procedures applied in our audit of the city.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the City of Otterville.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with the first name "Nicole" and last name "Galloway" clearly distinguishable.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Lori Melton, M.Acct., CPA
In-Charge Auditor:	Steven J. Barton
Audit Staff:	Terese Summers, MSAS, CPA

City of Otterville

Management Advisory Report

State Auditor's Findings

1. Oversight, Segregation of Duties, and Annual Audits

The Board of Aldermen has not provided adequate oversight of the City Clerk/City Administrator,¹ established adequate segregation of duties, or obtained annual audits as required by state law.

1.1 Oversight and segregation of duties

The Board has not established adequate oversight or segregation of duties over the various financial accounting functions performed by the City Clerk.

The City Clerk is responsible for the record-keeping duties of the city including posting transactions into the accounting system, preparing invoices for payment, receipting, maintaining payroll records, preparing and distributing payroll and disbursement checks, preparing monthly bank reconciliations, transferring monies between bank accounts, preparing financial reports for Board meetings, and preparing budgets and financial statements. In addition, several checks issued during the year ended December 31, 2018, were only signed by the City Clerk.

Proper segregation of duties helps ensure all transactions are accounted for properly and assets are adequately safeguarded. If proper segregation of duties cannot be achieved, documented independent or supervisory reviews of accounting and bank records should be performed. Good management practices require extensive and detailed oversight by the Board. According to City Code Section 130.110, transactions over \$250 require authorization by the Board including co-signature by the Mayor. Dual authorized signatures help provide assurance that checks represent payment for legitimate city disbursements. Failure to require dual signatures on all checks is a significant control weakness and could allow for improper checks and overpayments to occur.

1.2 Annual audits

The city does not obtain annual audits of its waterworks and sewerage systems as required. The last audit of the city finances was completed on October 16, 2019, for the year ended December 31, 2015. The city has contracted for audits of the subsequent years, but the audits were not completed as of February 29, 2020.

Section 250.150, RSMo, requires the city to obtain annual audits of the combined waterworks and sewerage system, and the cost of the audit is to be paid from the revenues received from the system. The city is also required to obtain annual audits as a condition of its bond covenants.

¹ The city refers to the City Clerk as City Administrator. For report purposes, the title City Clerk is used.



City of Otterville
Management Advisory Report - State Auditor's Findings

Recommendations

The Board of Aldermen:

- 1.1 Segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should require dual signatures on all checks.
- 1.2 Ensure statutorily-required annual audits of the waterworks and sewerage system are obtained timely.

Auditee's Response

- 1.1 *An administration policy, Mayor Responsibilities to Ensure Duty Separation, was adopted on December 11, 2019. Although the procedures were in place prior to this date, the city did not have a written policy. Of the 283 checks written in 2018, 11 had only one signature. The invoices for these 11 checks were approved during Board meetings. Not signing prior to issuing the check was an oversight by the Mayor.*
- 1.2 *The annual audits have been behind since 2011. With the completion of several major infrastructure projects, the City Clerk's time available for annual audits is limited. We are planning on working with a CPA firm to complete 2 audits per year until we are current. This process will take a minimum of 2 years. The city has set a goal for the City Clerk to ensure completion of all outstanding audits by April 30, 2022.*

2. Accounting Controls and Procedures

Accounting controls and procedures need improvements.

2.1 Financial statements

The city officials did not prepare and maintain accurate financial statements or publish financial statements as required. The semiannual financial statements prepared by the City Clerk did not include activity related to the Otterville Community Betterment Society Fund and the Property Management Fund. For example, revenues earned from a property sale placed in the Property Management Fund were not reported on the published financial statements, and the sale was not documented timely in the city's accounting system. City officials indicated they entered a transaction to record the sale from the Property Management Fund in the system after getting guidance from the CPA firm contracted to perform their audit. In addition, the financial statements were not always published in the city's newspaper semiannually as required by statute. The semiannual financial statements were published annually in the newspaper and semiannually posted in the city at the bank, post office, and city hall.



City of Otterville
Management Advisory Report - State Auditor's Findings

To be of maximum assistance to the Board and to adequately inform the public, the city's financial statements should accurately report financial activity and account balances. Section 79.160, RSMo, requires the Board to publish financial statements semiannually that include a full and detailed account and statement of the receipts, disbursements, and indebtedness of the city.

2.2 Budget

The city budget prepared for the year ended December 31, 2018, did not contain all required elements. The budget document did not include a budget message, actual or budgeted amounts for the 2 preceding years, the actual beginning and estimated ending cash balance for any funds, or a budget summary.

Section 67.010, RSMo, requires the budget present a complete financial plan for the ensuing budget year and sets specific guidelines for the information to be included in the budget. A complete and well-planned budget, in addition to meeting statutory requirements, can serve as a useful management tool by establishing specific financial expectations for each area of city operations. It also assists in setting the tax levy, utility rates, and informing the public about city operations and current finances.

2.3 Budget amendments

The City Clerk did not timely prepare, and the Board did not timely approve, budget amendments for the year ended December 31, 2018. The Board amended the budget on November 14, 2018, only after disbursements exceeded the total amount budgeted. After the amendment, the city still overspent the General Fund and the Sewer/Water Fund.

Section 67.040, RSMo, requires political subdivisions to keep disbursements within amounts budgeted and allows for budget increases, after the governing body officially adopts a resolution setting forth the facts and reasons. To ensure compliance with state law, the Board should properly monitor actual disbursements compared to budgeted amounts and formally amend the budgets before the related disbursements are incurred.

2.4 Receipting, recording, and depositing

The city's procedures for receipting, recording, and depositing monies need improvement.

- The City Clerk did not issue receipt slips for most monies received. The City Clerk only issued receipt slips when an individual was paying a utility bill and did not submit the bill with payment.
- The City Clerk did not always properly indicate the methods of payment in the computer system, and did not reconcile the composition of the payments recorded in the computer system to the composition of the deposits.



City of Otterville
Management Advisory Report - State Auditor's Findings

- The Mayor did not document that he had reviewed deposits prior to depositing them at the bank.

Failure to implement adequate receipting, recording, and depositing procedures increases the risk that loss, theft, or misuse of funds will go undetected.

2.5 Procurement procedures and contracts

The city's procurement procedures do not always comply with city code, and professional services are obtained without the benefit of a competitive selection process.

During the year ended December 31, 2018, the city did not solicit bids or proposals for professional services including grant writing services totaling approximately \$25,000. Additionally, a written contract was not obtained for auditing services or for water used by the Fire Department during the year ended December 31, 2018.

City Code Sections 130.170 and 130.180 authorize the Board to receive bids for the performance of services or work or both. In addition to being authorized by city code, the routine use of a competitive procurement process for major purchases ensures the city has made every effort to receive the best and lowest price and all interested parties are given an equal opportunity to participate in city business. Complete documentation should be maintained of all bids received and justification for awarding the bid. Also, periodically soliciting proposals for professional services helps ensure all parties are given an equal opportunity to participate in city business, helps provide a range of possible choices, and allows the Board to make better informed decisions to ensure necessary services are obtained from the best qualified provider, taking expertise, experience, and/or cost into consideration. In addition, Section 432.070, RSMo, requires contracts for political subdivisions to be in writing.

2.6 Fuel use

The city does not maintain fuel logs to reconcile fuel used to fuel purchased. As a result, fuel used is not accounted for, invoices for fuel purchased are not verified as correct, and misuse cannot be detected promptly. The city purchased \$7,111 in automobile and diesel fuel for the Police Chief and the maintenance employee during the year ended December 31, 2018.

Procedures for reviewing fuel used and reconciling use to fuel purchases are necessary to ensure the reasonableness and propriety of fuel use and disbursements.

2.7 1099-MISC forms

The City Clerk did not prepare and file 1099-MISC forms with the Internal Revenue Service (IRS), as required, for applicable individuals or non-incorporated businesses. At least one individual received payments from the city meeting the criteria requiring preparation of these forms.



City of Otterville
Management Advisory Report - State Auditor's Findings

Sections 6041 through 6050W of the Internal Revenue Code require non-wage payments of at least \$600 in one year for professional services or for services performed as a trade or business by non-employees (other than corporations, except for medical and legal services), be reported to the federal government on 1099-MISC forms. To ensure compliance with IRS requirements, the city should ensure 1099-MISC forms are issued in all applicable instances.

2.8 Credit card use

The city does not have a written policy regarding proper and improper use of city credit cards. One of the city's credit cards was used to make purchases exceeding the city's purchasing ordinance that requires 2 signatures for any purchase exceeding \$250. For example, an adjustable standing desk was purchased on January 25, 2018, for \$495. This credit card was also used to make other purchases without obtaining the Board's approval. In addition, a city employee used the credit card to make personal purchases. For example, the credit card was used to make a purchase from Walmart totaling approximately \$200. The city employee repaid the city for personal items purchased. Additionally, some credit card invoices were paid late, resulting in the accrual of late fees and interest.

Credit card purchases are inherently more risky than other purchases because these purchases are or can be made prior to proper approval. That risk and the potential for fraud or misuse increases even more when internal controls and proper procedures are lacking. Credit card policies and procedures are necessary to ensure all credit card purchases are appropriate and in compliance with city purchasing policies, and to reduce the risk of unauthorized purchases occurring.

Recommendations

The Board of Aldermen:

- 2.1 Ensure financial statements include all activities of the city and are published semiannually.
- 2.2 Prepare annual budgets that contain all information as required by state law.
- 2.3 Prepare and approve budget amendments prior to incurring the related disbursements.
- 2.4 Require issuance of receipt slips for all monies received, record the composition of receipts in the city's accounting system, and reconcile the composition of receipts to the composition of deposits. In addition, documented reviews of deposits should be performed prior to depositing.



City of Otterville
Management Advisory Report - State Auditor's Findings

- 2.5 Follow formal bidding policies and procedures, periodically solicit proposals for professional services, and enter into written contracts for such services.
- 2.6 Ensure a documented periodic reconciliation of fuel purchased to fuel used is performed with any significant differences investigated.
- 2.7 Ensure payments totaling greater than \$600 to non-employees and businesses are properly reported to the IRS. The city should file amended 1099-MISC forms for past years.
- 2.8 Establish a written policy regarding proper and improper use of city credit cards and ensure compliance with the policy.

Auditee's Response

- 2.1 *Semiannual financial statements will be published in the city paper semiannually instead of just posting at the bank, post office, and city hall going forward. For the semiannual financial statement ending June 30, 2020, the City Clerk will work with the CPA firm to ensure accuracy.*
- 2.2 *Prior to 2019, budgets were prepared reflecting only one year of history information. The budget worksheet for the 2019 budget and going forward was and will be prepared using 2 years of actual numbers. For the 2021 budget, debt and asset amounts will be included along with the additional information required by state law.*
- 2.3 *The needed budget amendments were due to major city projects. Although all 5 major projects were voted on and approved by the Board, budget resolutions were not passed. Going forward any approved project will have a budget resolution for the monies spent. The current year revenue and expenditure budget, excluding the major projects, came in very close to expectations. If a project is voted upon and approved by the Board, a budget resolution must be also voted upon.*
- 2.4 *The majority of utility payments are made by check and received in the mail. The canceled check serves as the customer receipt slip. Approximately 8 percent are cash payments. The customer, if paying in person, receives the customer portion of the bill stamped paid. The city portion of the bill is retained and attached to the list of items deposited. For payments received in the mail, the Mayor and the City Clerk open the mail together and receipt the payments in the accounting system. The City Clerk will make a more conscious effort to indicate the correct method of payment in the computer so the composition of receipts can be reconciled to the composition of the deposit. Although the Mayor does 99 percent of the banking tasks and*



City of Otterville
Management Advisory Report - State Auditor's Findings

always has, he had not initialed every deposit slip. The Administrative Policy, Banking, was adopted on September 4, 2019. This policy requires all deposits be initialed by the Mayor and taken to the bank by the Mayor or the Police Chief.

- 2.5 *A bid was solicited for grant writing in 2016 for the 2017 sewer collection system project. The lowest bidder was selected. In order to continue forward progress, an additional \$3,000 discount was given to the city by the vendor for the 2017 application for the 2018 street project. If the city was required to start from scratch, the city would not have made the deadline for the 2018 project. The city will ensure that all contracts/agreements entered into are written.*
- 2.6 *The city has changed our fuel purchases to a fleet account. Purchases are now separated by driver and require the odometer reading of the vehicle. The fleet account was set up in November 2019. Fuel use and fleet charges will be reviewed and reconciled monthly and irregularities will be immediately resolved.*
- 2.7 *The City Clerk did not clarify if the vendor was incorporated and did not file a 1099-MISC form. This will not happen again.*
- 2.8 *The Administrative Policy, City Credit Account Charges, was adopted November 13, 2019. Purchases are not paid until approved at the next Board meeting. The policy requires any charge deemed not of legitimate business use must be personally paid immediately by the person authorizing the charge. The adjustable desk was purchased to accommodate a work area as a requirement of the American Disabilities Act. The purchase at Walmart was made in error by a family member who had the City Clerk's wallet and was immediately reimbursed. Credit card late fees occur when the Board does not meet and approve expenses in a short time frame, which causes a late fee. The city now pays the credit card in multiple payments throughout the month instead of paying once later in the month to avoid late fees.*

3. Payroll and Related Matters

Controls and procedures over payroll and related matters need improvement. The city disbursed approximately \$99,000 in wages during the year ended December 31, 2018.

3.1 Timesheets and leave records

Improvement is needed with timesheets and leave records.

Timesheets

Timesheets were not prepared for the Police Chief and were not signed by the Police Chief or a supervisor documenting approval of time worked and leave



City of Otterville
Management Advisory Report - State Auditor's Findings

used. In addition, overtime hours are not consistently documented on timesheets for employees.

Leave records

Leave records maintained are inaccurate and do not adequately track the number of hours of vacation, sick, or compensatory time earned and used, and any remaining balances. The report generated from the city's accounting system does not show accurate leave accruals or uses for employees. The City Clerk indicated she had to manually change compensatory time balances due to improperly calculating the balances and not properly entering them into the accounting system. We reviewed the changes and identified errors including compensatory time earned and not recorded in the accounting system, compensatory time not granted at time and a half, and system records not showing compensatory time used as stated on timesheets.

Conclusion

Without adequate timesheets or a record of leave taken, the city cannot ensure hours worked and leave earned and taken by employees are properly documented. To ensure the accuracy of the hours worked and leave taken, timesheets should be signed by the employees and reviewed and approved by the supervisor. Leave records also aid in determining final compensation for employees leaving city employment. In addition, the Fair Labor Standards Act (FLSA) requires employers maintain accurate records of actual time worked by employees.

3.2 Personnel policies

The city does not have written personnel policies that address compensatory time and overtime.

The city does not have a written policy allowing the accrual and use of compensatory time. The city also does not have a written policy for overtime to address the hours (nonworking time) to be considered when calculating overtime.

Written personnel policies and strict compliance with those policies is necessary to ensure equitable treatment of employees, prevent misunderstandings, and ensure employees are properly compensated.

3.3 Health incentives

The City Clerk did not properly monitor employee health insurance incentives and failed to report employee income. The city provided health insurance incentives to employees that totaled \$7,800 for the year ended December 31, 2018. The compensation is tax free pursuant to the employees purchasing their own insurance and providing documentation to show the cost of the health insurance purchased was more than the incentive received. The incentive was provided instead of increasing wages. The city failed to obtain documentation from the City Clerk and the maintenance employee regarding their premium costs. When we requested the documentation, the insurance for the maintenance employee was less than the incentive received from the



City of Otterville
Management Advisory Report - State Auditor's Findings

city. The difference was not included on the employee's W-2 form, resulting in wages being understated.

To ensure incentives are handled properly, the city should require employees to provide documentation of their insurance premiums to determine if any amounts should be reported as income on W-2 forms. The failure to properly report payroll for employees makes the city potentially subject to additional tax liabilities along with penalties and interest.

Recommendations

The Board of Aldermen:

- 3.1 Ensure timesheets are adequately prepared, and properly signed and approved; employee leave balances are properly tracked and monitored; and reviews of timesheets are performed to ensure the propriety of payroll payments.
- 3.2 Establish a written personnel policy and ensure compliance with the policy.
- 3.3 Ensure health insurance incentives are properly documented and reported and subjected to proper withholdings. In addition, the Board should ensure previous years' W-2 forms are amended, as appropriate.

Auditee's Response

- 3.1 *Timesheets – The Police Chief will turn in signed timesheets for the Mayor to review and sign. The maintenance employee and the City Clerk's timesheets have always been reviewed and signed by the Mayor. The Police Chief began recording time in August 2019.*

Leave records – Going forward all compensatory time hours will be logged monthly at the rate of 1.5 hours per hour, rather than the 1 hour written on the time log.

- 3.2 *The city plans to write a personnel manual.*
- 3.3 *The City Clerk did not obtain proof of health insurance cost from the maintenance employee. Once the taxable portion of the health insurance was identified, an adjustment was made to payroll to make 100 percent of health insurance stipends taxable until the shortfall was covered, as recommended by the city's CPA firm. Going forward, anyone with a health stipend will be required to yearly provide proof of cost.*



City of Otterville
Management Advisory Report - State Auditor's Findings

4. Ordinances

Ordinances are not comprehensive or maintained in an organized manner, and the city has not always established ordinances as appropriate.

- Ordinances are poorly maintained. The City Clerk maintains multiple ordinance books, ordinances are not maintained in numeric order, and many ordinances are old and not updated. In addition, an index of all ordinances passed and rescinded by the city is not maintained, making it difficult to determine which ordinances remain in effect.
- The city has not adopted an ordinance to establish the current commercial water fees.

Because ordinances passed by the Board to govern the city and its residents have the force and effect of law, it is important ordinances be complete and organized.

Recommendation

The Board of Aldermen ensure ordinances are maintained in a complete and well-organized manner, establish an index of all ordinances passed and rescinded, and ensure an ordinance for commercial water fees is established.

Auditee's Response

The city agrees the last complete review of ordinances was in 1999. For the past several years a complete ordinance review and updates have been discussed. With an estimated cost of \$15,000 and time pressures of the City Clerk, it has been delayed to the next year for several years. Updating the Municipal Code is on the City Clerk and Mayor's to-do list. Current ordinances and resolutions passed between 2014 to current are in number and date order in a separate binder. A commercial water charge of \$3 had been billed for decades. After lengthy search, no ordinance was ever located. At the August 2019 Board meeting a motion was made to immediately remove the commercial charge of \$3. No additional commercial rate was approved.

5. Capital Assets

The city does not maintain adequate records of capital assets, including buildings, vehicles, equipment, and other property. Additionally, city personnel do not tag, number, or otherwise identify assets or perform adequate annual physical inventories.

The Mayor and the maintenance employee annually perform a physical inventory and prepare a handwritten capital asset inventory list for insurance records. The city does not use the previous year's list when creating the current list. The most recent list did not include the cost of items, some items of significant value did not appear on the list, and some items of insignificant value were included. For example, the city's computer used by the City Clerk was not included on the list. In addition, the city does not update the list for purchases made during the year. No items were tagged by the city; however, all large equipment and vehicles' serial numbers were documented on the asset listing.



City of Otterville
Management Advisory Report - State Auditor's Findings

Adequate capital asset records and procedures are necessary to provide controls over city property; to safeguard city assets that are susceptible to loss, theft, or misuse; and to provide a basis for proper financial reporting and insurance coverage.

Recommendation

The Board of Aldermen ensure complete and detailed capital asset records are maintained that include all pertinent information for each asset such as tag number, description, cost, acquisition date, location, and subsequent disposition. The Board should also ensure city personnel properly tag, number, or otherwise identify all applicable city property and conduct and document an adequate annual inventory that documents all capital assets with the pertinent information.

Auditee's Response

The Mayor and maintenance employee do the inventory yearly. The City Clerk's responsibility is to ensure that large assets are reported to insurance with legal description, such as Vehicle Identification Number (VIN) or serial number, and covered on the city's insurance. Going forward, a tag system will be implemented. The tag number and description will need to be entered into the inventory spreadsheet. Prior to the 2020 inventory and yearly going forward the list can be printed and updated with additions and deletions.

City of Otterville

Organization and Statistical Information

The City of Otterville is located in Cooper County. The city was incorporated in 1878 and is currently a fourth-class city. The city employed 3 full-time employees and 1 part-time employee on December 31, 2018.

City operations include utility services (water, sewer, and trash), police, parks, and maintenance of streets.

Mayor and Board of Aldermen

The city government consists of a mayor and 4-member board of aldermen. The members are elected for 2-year terms. The mayor is elected for a 2-year term, presides over the board of aldermen, and votes only in the case of a tie. The Mayor and Board of Aldermen, at December 31, 2018, are identified below. The Mayor and Board of Aldermen receive no compensation.

Jon Hibbs, Mayor
Cara Conner, Alderwoman
Richard Mulvey, Alderman (1)
Tyler Johnson, Alderman (2)
Vacant (3)

(1) Replaced by Julie May, who was elected in April 2019.

(2) Vacated seat March 2020, and seat is currently vacant.

(3) Vacant seat filled by Tim Gish, who was elected in April 2019.

Other Principal Officials

The City Clerk/City Administrator and Police Chief are appointed positions. The city's principal officials at December 31, 2018, are identified below:

Judy Bailey, City Clerk/City Administrator
Bill Smith, Police Chief

Financial Activity

A summary of the city's financial activity, prepared using the city's bank statements, for the year ended December 31, 2018, follows:

City of Otterville
Schedule of Receipts, Disbursements, and Changes in Cash Balances
Year Ended December 31, 2018

	General Fund	Sewer/ Water Fund	Sewer Grant Fund	General Savings Fund	Street Savings Fund	Water Tower Savings Fund	Replacement Extension Sewer Savings Fund	Well Pump Fund
(1) RECEIPTS	\$ 225,039	469,125	595,820	92	60,045	1	87	45
(1) DISBURSEMENTS	201,171	476,941	609,671	0	60,000	0	17,472	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	23,868	(7,816)	(13,851)	92	45	1	(17,385)	45
CASH BALANCE, JANUARY 1, 2018	19,778	22,225	13,851	36,924	61,705	113	47,882	18,145
CASH BALANCE, DECEMBER 31, 2018	\$ 43,646	14,409	0	37,016	61,750	114	30,497	18,190

	Property Management Fund	Police Fund	Police Training Fund	Nichols Memorial Park Fund	Otterville Community Betterment Society (OCBS) Fund	OCBS Street Fair Fund	Construction Fund	Street Bond Fund	Total (all funds)
(1) RECEIPTS	\$ 351	8	9	1	74,722	28,789	2,639	570,796	2,027,569
(1) DISBURSEMENTS	283	0	0	0	75,101	22,964	1,098	446,566	1,911,267
RECEIPTS OVER (UNDER) DISBURSEMENTS	68	8	9	1	(379)	5,825	1,541	124,230	116,302
CASH BALANCE, JANUARY 1, 2018	24,505	3,174	3,597	2,174	1,456	16,886	2	0	272,417
CASH BALANCE, DECEMBER 31, 2018	\$ 24,573	3,182	3,606	2,175	1,077	22,711	1,543	124,230	388,719

(1) Receipts and disbursements presented include transfers between funds.



Nicole Galloway, CPA

Missouri State Auditor

Clay County

County Clerk

Report No. 2020-018

April 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of Clay County - County Clerk

Accounting Controls and Procedures

The County Clerk's office accounting controls and procedures for receipting, recording, and transmitting fees need improvement. The County Clerk's office does not account for the numerical sequence of cash register receipt slips and does not retain receipt slips produced by the cash register for non-sale transactions or voided transactions. The County Clerk's office did not always transmit receipts timely to the County Treasurer and personnel do not restrictively endorse checks immediately upon receipt.

In the areas audited, the overall performance of this entity was **Good**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Clay County County Clerk Table of Contents

State Auditor's Report	2
------------------------	---

Management Advisory Report - State Auditor's Finding	Accounting Controls and Procedures4
--	---

Organization and Statistical Information	6
---	---



NICOLE GALLOWAY, CPA

Missouri State Auditor

County Clerk
Clay County, Missouri

The State Auditor was petitioned under Section 29.230, RSMo, to audit Clay County. We have audited certain operations of the Clay County Clerk in fulfillment of our duties. The county engaged RSM US LLP to audit the county's financial statements for the year ended December 31, 2018. To minimize duplication of effort, we reviewed the firm's audit report for the year ended December 31, 2017, since the report for the year ended December 31, 2018, had not been completed. The scope of our audit included, but was not necessarily limited to, the year ended December 31, 2018. The objectives of our audit were to:

1. Evaluate the County Clerk's internal controls over certain management and financial functions.
2. Evaluate the County Clerk's compliance with certain legal provisions.

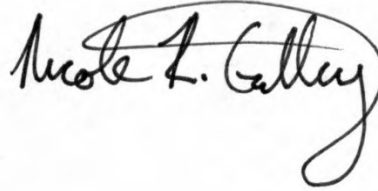
Our methodology included reviewing written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county; and testing selected transactions. We obtained an understanding of internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the County Clerk and was not subjected to the procedures applied in our audit of the County Clerk.

For the areas audited, we identified (1) deficiencies in internal controls and (2) no significant noncompliance with legal provisions. The accompanying Management Advisory Report presents our findings arising from our audit of the Clay County Clerk.

Additional audit reports of various elected officials and Clay County as a whole are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Audit Managers:	Pamela Allison, CPA, CFE
	John Lieser, CPA
In-Charge Auditor:	Robert McArthur II, CFE
Senior Auditors:	Joy Stevens, MAcc, CFE, CGAP
Audit Staff:	Rex Murdock, M.S.Acct

Clay County County Clerk Management Advisory Report - State Auditor's Finding

Accounting Controls and Procedures

The County Clerk's office accounting controls and procedures for receipting, recording, and transmitting fees need improvement.

The County Clerk's office collects fees for various permits and applications for notary public commissions. Office personnel record receipts in a computerized system and periodically transmit receipts to the County Treasurer. Before recording notary fees in the computerized system, office personnel record the fees upon receipt in a cash register that assigns a sequential number to each cash register transaction.

Fees collected by the County Clerk's office totaled approximately \$303,000 and \$435,000 during the years ended December 31, 2018, and 2019, respectively. Included in those totals are notary fees, which averaged approximately \$4,600 annually during this 2-year period.

Accounting for receipts

The County Clerk's office does not account for the numerical sequence of cash register receipt slips and does not retain receipt slips produced by the cash register for non-sale transactions or voided transactions. Non-sale transactions often occur when office personnel use the cash register drawer to hold monies received for permit fees that are not receipted through the cash register. During our January 7, 2020, cash count, 1 cash register receipt slip could not be accounted for, and 21 of 54 (39 percent) cash register receipt slips tested from June 4 through June 19, 2019, could not be accounted for.

Untimely transmittal

The County Clerk's office did not always transmit receipts timely to the County Treasurer. For 3 transmittals tested from June 7 to June 21, 2019, totaling \$37,388, receipts totaling \$6,147 were held more than one week before transmittal to the County Treasurer. An official from the County Clerk's office stated the delays may have been due to the office being short-staffed during that period.

Endorsement of checks

County Clerk's office personnel do not restrictively endorse checks immediately upon receipt. During our January 7, 2020, cash count, we noted 7 checks received between December 31, 2019, and January 6, 2020, totaling \$564, had not been endorsed. While the County Clerk's office maintains an endorsement stamp, office personnel indicated they do not endorse checks until transmitting the checks to the County Treasurer for deposit.

Conclusion

Failure to implement adequate receipting, recording, and transmitting procedures increases the risk that loss, theft, or misuse of monies could occur and go undetected. To reduce this risk, procedures should be established to ensure all monies are properly and promptly receipted, recorded and accounted for, and transmitted. In addition, checks should be restrictively endorsed upon receipt.



Clay County
County Clerk
Management Advisory Report - State Auditor's Findings

Recommendation

The County Clerk ensure the numerical sequence of cash register receipt slips is accounted for properly, transmit receipts timely to the County Treasurer, and restrictively endorse all checks upon receipt.

Auditee's Response

The County Clerk's Office has already adopted these additional preventive measures to further reduce the chance of something negative happening in the office. We thank the State Auditor and her team for their recommendations and look forward to assisting them in completing the citizen-mandated audit of Clay County.

Clay County

County Clerk

Organization and Statistical Information

The County Clerk collects fees related to the 1) issuance of licenses for liquor, amusement and fireworks, auctioneer, and wrecking and towing, and 2) processing of applications for notary public commissions. In addition, the County Clerk processes accounts payable for Clay County, bills railroad and utility companies, maintains records of the Clay County Commission, and performs secretarial duties for the Board of Equalization.

Megan Thompson, County Clerk, began serving her second 4-year term effective January 1, 2019. She received a salary of \$77,106 for the year ended December 31, 2018. The County Clerk's office employed 2 deputy clerks on December 31, 2018, and hired a third deputy clerk in March 2019 to help with 2019 Board of Equalization property tax assessment appeals.



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
March 2020**

Report No. 2020-017

April 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

March 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended September 30, 2019 Reports Due March 31, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in March 2020	7
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in March 2020	8
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due January 31, 2020 Filed in March 2020	9
E	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due February 29, 2020 Filed in March 2020	10



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 90 political subdivisions required to file a financial report by March 31, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in March 2020, after their filing deadline. The filing status for these 8 entities is presented in summary on page 3 and by individual entity in Appendix B-E.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

March 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 90 political subdivisions, other than cities, towns, and villages, with a fiscal year end of September 30, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 90 political subdivisions, 77 filed an annual financial report timely.

This report also includes the filing status for 8 political subdivisions, other than cities, towns, and villages, that filed their financial report in March 2020, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County Ambulance District	Yes	March 31, 2020
Andrew	PWSD 4 Andrew County	Yes	October 11, 2019
Boone	Business Loop CID	Yes	October 17, 2019
	Downtown CID	No	
	North 763 CID	Yes	January 10, 2020
Butler	Drainage District 7 Butler County	Yes	December 2, 2019
Callaway	Millersburg FPD	No	
Camden	Camdenton SRD Camden County	Yes	October 2, 2019
Carroll	Cherry Valley Levee District	No	
Cass	211th Street CID	Yes	March 9, 2020
	PWSD 2 Cass County	Yes	November 13, 2019
	West Peculiar FPD	Yes	December 11, 2019
Chariton	PWSD 3 Chariton-Linn County	Yes	March 5, 2020
Clay	Downtown Excelsior Springs CID	Yes	February 28, 2020
	Elms Hotel CID	Yes	January 13, 2020
	North K.C. Missouri Light Rail TDD	Yes	October 31, 2019
	North K.C. Destination Developers CID	Yes	March 5, 2020
	PWSD 3 Clay County	No	
	PWSD 9 Clay County	Yes	March 27, 2020
	Vintage Plaza CID	Yes	February 3, 2020
Clinton	PWSD 3 Clinton County	No	
Cole	Cole Junction Levee District	Yes	October 24, 2019
Daviess	PWSD 2 Daviess County	Yes	January 7, 2020
Franklin	Pacific FPD	Yes	December 11, 2019
	Phoenix Center II CID	Yes	March 19, 2020
	Sullivan Marketplace CID	Yes	December 5, 2019
	Washington FPD	Yes	November 14, 2019
Howell	PWSD 2 Howell-Oregon County	Yes	November 25, 2019
Jackson	Adams Dairy Landing CID	Yes	March 5, 2020
	Adams Farm TDD	Yes	March 12, 2020
	Central Jackson County FPD	Yes	February 24, 2020
	Coronado Drive TDD	Yes	March 12, 2020
	Fall Creek CID	Yes	January 9, 2020
	Fort Osage FPD	Yes	January 10, 2020
	Grandview Village CID	Yes	March 31, 2020
	Little Blue Valley Sewer District	Yes	February 10, 2020
	Oaks at Woods Chapel CID	Yes	March 11, 2020
	Raytown FPD	Yes	March 31, 2020
	Sunrise Farms CID	Yes	January 6, 2020
	Sunset Plaza CID	Yes	March 11, 2020
	Truman's Marketplace CID	Yes	March 24, 2020
	Truman's Marketplace TDD	Yes	March 24, 2020
	White Oak CID	Yes	March 11, 2020
Jasper	Levee District 1 Jasper County	Yes	October 3, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jefferson	Antonia FPD	Yes	December 2, 2019
	Glaize Creek Sewer District	Yes	March 2, 2020
	High Ridge FPD	Yes	November 6, 2019
	Rock Community FPD	Yes	November 13, 2019
	Truman Village CID	Yes	December 5, 2019
Lafayette	Sni Valley FPD	Yes	January 29, 2020
Madison	Madison Memorial Hospital District	Yes	December 6, 2019
	PWSD 1 Madison County	Yes	March 16, 2020
Miller	Miller County NHD	Yes	February 26, 2020
Moniteau	Mid Mo Ambulance District	Yes	January 13, 2020
Monroe	Clarence Cannon Water Commission	Yes	December 31, 2019
	Monroe City Ambulance District	No	
	Monroe City Area FPD	Yes	January 31, 2020
	PWSD 2 Monroe County	Yes	November 5, 2019
Newton	Big Spring Plaza CID	Yes	December 4, 2019
Nodaway	Mary Mart CID	Yes	December 31, 2019
	Maryville Public Library District	Yes	March 30, 2020
Pemiscot	Consolidated PWSD 1 Pemiscot County	Yes	February 5, 2020
Phelps	Forum Plaza CID	Yes	March 3, 2020
	Move Rolla TDD	Yes	March 25, 2020
Pike	PWSD 1 Pike County	Yes	December 17, 2019
Platte	Consolidated PWSD 1 Platte County	Yes	February 25, 2020
	Farley Beverly Drainage District	Yes	February 24, 2020
Ralls	Cannon PWSD 1 Ralls County	Yes	December 20, 2019
Ray	PWSD 3 Ray County	Yes	December 13, 2019
Ripley	Doniphan-Ripley County PLD	Yes	March 18, 2020
	Ripley County Ambulance District	Yes	February 12, 2020
Schuyler	Schuyler County NHD	No	
Shelby	PWSD 1 Shelby County	Yes	December 31, 2019
St. Charles	Mountain Farm CID	Yes	January 23, 2020
	Shoppes of Mid Rivers CID	Yes	January 20, 2020
	St. Peters Hotel CID	Yes	January 30, 2020
	Suemandy Drive One CID	Yes	December 27, 2019
	Suemandy Drive Two CID	Yes	December 27, 2019
	Suemandy/Mid-Rivers CID	Yes	March 23, 2020
	Farmington Land ABG CID	Yes	December 19, 2019
St. Francois	GPMVLC CID	Yes	January 29, 2020
	Maple Valley Plaza CID	Yes	December 20, 2019
	Mineral Area CID	No	
St. Louis	25 North Central CID	Yes	February 17, 2020
	Daniele CID	No	
St. Louis City	St. Louis County PID 1	No	
	St. Louis Public Library Districts	Yes	March 23, 2020

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due March 31, 2020

Fiscal Year Ended September 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Washington	PWSD 2 Washington County	No	
	Washington County AD	No	
Wayne	Clearwater Ambulance District	No	
Total Filed		77	
Total Not Filed		13	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
FPD	Fire Protection District
NHD	Nursing Home District
PID	Port Improvement District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due June 30, 2019
 Filed in March 2020

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Levee District 14 Holt County	Yes	March 1, 2020
Total Filed		1	

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due December 31, 2019
 Filed in March 2020

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Platte	Riverside Gateway Crossing CID	Yes	March 3, 2020
	Tracy Highlands TDD	Yes	March 10, 2020
Total Filed		2	

Acronyms:

CID	Special Road District
TDD	Transportation Development District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due January 31, 2020
 Filed in March 2020

Fiscal Year Ended July 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Lafayette	Alma FPD	Yes	March 2, 2020
Total Filed		1	

Acronyms:

FPD Fire Protection District

Appendix E
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due February 29, 2020
 Filed in March 2020

Fiscal Year Ended August 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County NHD	Yes	March 10, 2020
Carroll	Brunswick Levee District	Yes	March 11, 2020
Pemiscot	St. Francis Levee District	Yes	March 13, 2020
Ripley	Ripley County Memorial Hospital	Yes	March 13, 2020
Total Filed		4	

Acronyms:

NHD Nursing Home District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
March 2020**

Report No. 2020-016

April 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

March 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended September 30, 2019 Reports Due March 31, 2020	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in March 2020	7
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in March 2020	8
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due October 31, 2019 Filed in March 2020	9
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due November 30, 2019 Filed in March 2020	10
F	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in March 2020	11
G	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due February 29, 2020 Filed in March 2020	12



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by March 31, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 63 cities and 2 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in March 2020, after their filing deadline. The filing status for these 28 cities, 1 town, and 3 villages is presented in summary on pages 4 and by individual entity in Appendixes B to G.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name of the State Auditor.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

March 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 63 cities and 2 villages with a fiscal year end of September 30, 2019, whose financial report was due by March 31, 2020. Of the 65 municipalities required to file an annual financial report, 50 filed the report timely and 1 filed a financial report for a portion of the fiscal year. Of the 62 municipalities required to file an addendum, 35 filed an addendum timely. Of the 43 municipalities required to file a certification, 27 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
March 2020
Executive Summary

This report includes the filing status for 28 cities, 1 town, and 3 villages that filed at least one of the items (financial report, addendum, or certification) in March 2020, after their filing deadline. Of these municipalities, 7 filed an annual financial report, 26 filed an addendum, and 7 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2020

Fiscal Year Ended September 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Andrew	City of Savannah	Yes	February 21, 2020	No	n/a
Audrain	City of Farber	Yes	January 10, 2020	No	n/a
	City of Mexico	Yes	February 12, 2020	Yes	Yes
Barry	City of Exeter	Yes	October 11, 2019	No	No
Boone	City of Columbia	Yes	February 4, 2020	Yes	Yes
Camden	City of Camdenton	Yes	October 2, 2019	No	No
Cass	City of Peculiar	Yes	March 17, 2020	Yes	Yes
Cedar	City of El Dorado Springs	No		No	No
	City of Stockton	Yes	March 17, 2020	Yes	n/a
Clay	City of Excelsior Springs	Yes	March 13, 2020	Yes	Yes
	City of North Kansas City	Yes	March 19, 2020	Yes	Yes
	Village of Oakwood	Yes	February 24, 2020	n/a	n/a
Clinton	City of Cameron	Yes	March 20, 2020	Yes	Yes
Dallas	City of Buffalo	Yes	March 23, 2020	No	n/a
Franklin	City of Sullivan	Yes	January 16, 2020	Yes	Yes
	City of Washington	Yes	March 18, 2020	Yes	n/a
Greene	City of Strafford	Yes	February 6, 2020	No	No
Henry	City of Clinton	No		Yes	Yes
	City of Montrose	Yes	October 11, 2019	Yes	n/a
	City of Urich	No		No	n/a
	City of Windsor	No		No	n/a
Jackson	City of Blue Springs	Yes	March 11, 2020	Yes	Yes
	City of Buckner	Yes	March 25, 2020	Yes	No
	City of Grandview	Yes	March 25, 2020	Yes	Yes
	City of Sugar Creek	Yes	March 27, 2020	No	No
Jasper	City of Duquesne	Yes	January 27, 2020	No	No
Jefferson	City of Festus	Yes	March 26, 2020	No	n/a
Johnson	City of Warrensburg	Yes	March 26, 2020	Yes	Yes
Lafayette	City of Concordia	No		No	No
	City of Higginsville	Yes	January 27, 2020	Yes	Yes
	City of Lake Lafayette	No		Yes	n/a
Linn	City of Brookfield	Yes	March 24, 2020	No	n/a
	City of Purdin	Yes	October 9, 2019	n/a	n/a
Macon	City of Atlanta	No		No	n/a
Madison	City of Fredericktown	No		No	No
McDonald	City of Anderson	No		No	No
Moniteau	City of Tipton	Yes	December 13, 2019	Yes	Yes
Monroe	City of Monroe City	Yes	January 31, 2020	Yes	No
Newton	City of Neosho	Yes	March 6, 2020	Yes	Yes
Nodaway	City of Maryville	Yes	February 25, 2020	Yes	Yes
Ozark	City of Gainesville	Yes	December 10, 2019	No	n/a
	Village of Theodosia	Yes	March 10, 2020	No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2020

Fiscal Year Ended September 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Phelps	City of Rolla	Yes	February 25, 2020	Yes	Yes
Pike	City of Bowling Green	Yes	February 4, 2020	Yes	n/a
Platte	City of Platte Woods	No		No	No
Pulaski	City of Dixon	Partial	April 24, 2019	Yes	Yes
Ray	City of Richmond	Yes	March 23, 2020	Yes	No
Saline	City of Marshall	Yes	March 23, 2020	No	No
Shelby	City of Hunnewell	Yes	November 4, 2019	n/a	n/a
St. Charles	City of St. Peters	Yes	February 27, 2020	Yes	Yes
	City of Weldon Spring	Yes	March 9, 2020	Yes	Yes
St. Clair	City of Appleton City	Yes	February 10, 2020	No	n/a
	City of Osceola	No		No	n/a
St. Francois	City of Bonne Terre	Yes	March 30, 2020	No	Yes
	City of Farmington	Yes	March 27, 2020	Yes	Yes
	City of Park Hills	Yes	November 19, 2019	Yes	Yes
St. Louis	City of Clayton	No		Yes	Yes
	City of Cool Valley	No		No	Yes
	City of Greendale	No		No	Yes
	City of Normandy	Yes	March 25, 2020	Yes	Yes
	City of Pagedale	Yes	March 30, 2020	Yes	Yes
Ste. Genevieve	City of St. Mary	Yes	January 14, 2020	Yes	n/a
	City of Ste. Genevieve	Yes	February 10, 2020	Yes	n/a
Stoddard	City of Advance	Yes	February 24, 2020	No	No
Stone	City of Branson West	Yes	March 25, 2020	Yes	No
Total Filed		50		35	27
Total Partially Filed		1		0	0
Total Not Filed		14		27	16
Total n/a		0		3	22

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in March 2020

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
New Madrid	City of Marston	**	February 14, 2019	Yes	***
Perry	Village of Longtown	Yes	March 25, 2020	No	No
Schuyler	City of Lancaster	**	June 25, 2019	Yes	n/a
Shannon	City of Eminence	**	March 25, 2019	Yes	n/a
Total Filed		1		3	0

** Filed by June 30, 2019.

*** Filed after June 30, 2019, but before March 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in March 2020

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Camden	Village of Sunrise Beach	**	July 19, 2019	Yes	Yes
Montgomery	City of Jonesburg	**	July 22, 2019	Yes	n/a
Total Filed		0		2	1

** Filed by September 30, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2019
Filed in March 2020

Fiscal Year Ended April 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Ralls	City of Perry	**	October 24, 2019	Yes	n/a
Total Filed		0		1	0

** Filed by October 31, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix E
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due November 30, 2019
 Filed in March 2020

Fiscal Year Ended May 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Pettis	City of La Monte	**	October 31, 2019	Yes	Yes
Total Filed		0		1	1

** Filed by November 30, 2019.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in March 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Audrain	City of Laddonia	***	February 3, 2020	Yes	n/a
Butler	City of Fisk	Yes	March 16, 2020	Yes	n/a
Caldwell	City of Hamilton	**	December 13, 2019	Yes	n/a
Cass	City of Archie	**	December 12, 2019	Yes	n/a
Cedar	Village of Jerico Springs	**	September 21, 2019	Yes	n/a
Christian	City of Clever	**	November 21, 2019	Yes	**
Cole	City of St. Thomas	Yes	March 25, 2020	n/a	n/a
Dunklin	City of Holcomb	**	December 31, 2019	No	Yes
	City of Kennett	**	December 30, 2019	Yes	***
Gasconade	City of Gasconade	**	December 23, 2019	Yes	n/a
Holt	City of Mound City	**	December 17, 2019	Yes	n/a
Howard	City of New Franklin	**	June 27, 2019	Yes	n/a
Howell	City of Mountain View	Yes	March 11, 2020	**	**
Jackson	City of Lake Tapawingo	***	January 6, 2020	Yes	n/a
Johnson	City of Holden	***	February 12, 2020	Yes	n/a
Pemiscot	Town of Cooter	**	August 26, 2019	Yes	Yes
Pike	City of Frankford	**	July 5, 2019	Yes	Yes
Pulaski	City of Crocker	**	November 11, 2019	Yes	Yes
Ralls	City of New London	Yes	March 11, 2020	Yes	n/a
Ray	City of Wood Heights	**	December 10, 2019	Yes	n/a
St. Francois	City of Bismarck	**	November 6, 2019	Yes	Yes
St. Louis	City of Kinloch	**	December 1, 2019	Yes	n/a
	City of Velda City	Yes	March 10, 2020	No	**
Total Filed		5		19	5

** Filed by December 31, 2019.

*** Filed after December 31, 2019, but before March 2020.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix G
 Status of Cities, Towns, and Villages Required to File Annual Financial Reports
 Reports Due February 29, 2020
 Filed in March 2020

Fiscal Year Ended August 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Shannon	City of Eminence	Yes	March 2, 2020	**	**
Total Filed		1		0	0

** Filed by February 29, 2020.



Nicole Galloway, CPA

Missouri State Auditor

Jackson County

**Community Backed Anti-Crime Tax
(COMBAT) Fund**

Report No. 2020-015

April 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund

Funding and Monitoring	<p>The percentages of COMBAT estimated revenues allocated to the various county departments or outside entities established by Resolution 10950 have not been updated since 1995. While the percentages established by the resolution are not required to be followed, the County Legislature has chosen to use those same percentages for over 20 years. Resolution 10950 does not address the additional significant funding provided to programs or departments from the COMBAT Fund's available fund balance that has increased to approximately \$11.9 million as of December 31, 2018. The county has not developed a plan for ensuring that performance evaluations of the programs funded by COMBAT are performed annually as required by county code.</p>
MyArts Building	<p>The county sold the MyArts building in 2017 for \$10 to the Independence School District without an independent appraisal or cost-benefit analysis. After purchasing the building in 2010 for \$1 from the City of Independence, the county spent over \$1 million of COMBAT funds to renovate the building. The COMBAT program operating out of this building ended and the building was vacant by January 2017. A partnership with the Independence School District was attempted but was unsuccessful. Potential uses for the building by other county departments were presented to the County Legislature. However, documentation indicating the County Legislature considered and discussed those options for the building, or how the sales price was determined, was not provided.</p>
Agency Funding	<p>The County Legislature appropriates COMBAT funds to outside agencies, without going through the comprehensive process the COMBAT unit follows in awarding similar contracts to agencies. The contracts awarded to one outside agency by the County Legislature, totaling \$120,000 during 2017 and 2018, were a questionable use of COMBAT monies. The COMBAT unit does not always monitor and enforce contract terms for agencies awarded treatment, prevention, or anti-violence contracts paid from the COMBAT Fund, and has not determined if the county's goals for minority hiring and employment has been met for any new jobs created through contracts with agencies receiving funding. One agency funded by the COMBAT unit did not submit any documentation to support how a \$5,000 advance received in September 2016 was used for COMBAT purposes. Approximately 75 agencies receive funding annually, but a system for tracking which of these agencies have received site visits has not been established. Site visits are not performed of all agencies receiving funding from the COMBAT each year, and documentation to support the site visits actually performed was not adequate.</p>
Disbursements	<p>Documentation was not submitted or was inadequate to support some disbursements made from the COMBAT Fund.</p>

Payroll	The Prosecuting Attorney's administrative control of the COMBAT Fund started on December 28, 2017, when the County Legislature overrode the County Executive's veto of ordinance 5061 that, in part, updated County Code by transferring supervision of the day-to-day administration of the COMBAT tax and COMBAT Commission to the Prosecuting Attorney. Approval from the Prosecuting Attorney was not obtained before processing 7 employee change authorization forms affecting payroll allocations to the COMBAT Fund in January 2018. The county has no documentation to support some allocation of salaries to the COMBAT Fund.
Vehicle Allowances	The county does not have documentation to support how vehicle allowance amounts paid from the COMBAT Fund are reasonable and necessary.

In the areas audited, the overall performance of this entity was **Fair**.*

*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.

Jackson County

Community Backed Anti-Crime Tax (COMBAT) Fund

Table of Contents

State Auditor's Report	2
------------------------	---

Introduction	
Background	4
Scope and Methodology.....	5

Management Advisory	
Report - State Auditor's	
Findings	
1. Funding and Monitoring.....	6
2. MyArts Building.....	11
3. Agency Funding	13
4. Disbursements	17
5. Payroll	18
6. Vehicle Allowances.....	21

Organization and Statistical	23
Information	

Appendixes

A	Statement of Revenues, Expenditures, and Changes in Fund	
	Balance	25
B	Anti-Drug Sales Tax Fund Expense Budget by Department.....	26
C	Resolution Requesting Audit.....	27
D	Auditee Response - County Legislature	30
E	Auditee Response - County Executive	31
F	Auditee Response - Prosecuting Attorney.....	34



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Chairman of the Jackson County Legislature
and

Members of the Jackson County Legislature
and

Frank White, Jr., Jackson County Executive
and

Jean Peters Baker, Jackson County Prosecuting Attorney
Jackson County, Missouri

We have audited certain operations of the Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund, in fulfillment of our duties under Section 29.200.3, RSMo. The State Auditor initiated audits of Jackson County in response to a formal request from the Jackson County Legislature. The county engaged BKD LLP, Certified Public Accountants (CPAs), to audit the county's financial statements for the years ended December 31, 2018, and 2017. To minimize duplication of effort, we reviewed the CPA firm's reports. The county also engaged the CPA firm to perform forensic accounting and data analytic services in connection with the activities of the COMBAT program. The scope of our audit included, but was not necessarily limited to, the 2 years ended December 31, 2018. The objectives of our audit were to:

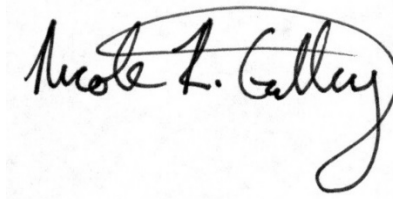
1. Evaluate the county's internal controls over significant management and financial functions of the COMBAT Fund.
2. Evaluate the county's compliance with certain legal provisions related to the COMBAT Fund.
3. Evaluate the economy and efficiency of certain management practices and procedures of the COMBAT Fund, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

The accompanying Organization and Statistical Information is presented for informational purposes. This information was obtained from the county's management and was not subjected to the procedures applied in our audit of the COMBAT Fund.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund.

Additional audit reports of various activities and departments of Jackson County are still in process, and any additional findings and recommendations will be included in subsequent reports.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Randall Gordon, M.Acct., CPA, CGAP
Audit Manager:	Todd M. Schuler, CPA
In-Charge Auditor:	Tessa Rusatsi, CPA
Audit Staff:	Amanda G. Flanigan, MAcc
	John-Henry T. Jarwood, MBA
	Philip V. Osadchuk, MAcc

Jackson County

Community Backed Anti-Crime Tax (COMBAT) Fund

Introduction

Background

The State Auditor was requested on February 26, 2018, by the Jackson County Legislature under Section 29.200.3, RSMo, to conduct a performance audit of Jackson County. The resolution requesting the audit is included at Appendix C.

In 1989, Jackson County voters approved a countywide sales tax at the rate of 1/4 of 1 percent "for the purpose of investigation and prosecution of drug and drug related offenses, and the incarceration, rehabilitation, treatment, and judicial processing of adult and juvenile violators of drug and drug related offenses." Voters have extended this sales tax 4 times, and the 2009 extension added violence prevention to the ballot language. The last extension of this sales tax, in 2016, is effective until March 2027. Per the 2016 ballot, this sales tax is "for the purpose of promoting and providing public safety within Jackson County, including the prevention and treatment of drug abuse and addiction and the prevention, investigation, prosecution, and detention of violent criminals and drug dealers."

The COMBAT Commission consists of 9 members appointed by the County Executive who serve in an advisory capacity. One member is appointed from each of the 6 legislative districts and 3 members are appointed from the county at large. The COMBAT Commission is responsible for establishing goals and making recommendations on all funding requests by outside agencies. The COMBAT Commission meets at least quarterly.

Sales tax revenues are allocated to the Prosecuting Attorney's office, Circuit Court, Drug Task Force, Corrections department, Legislative Auditor's office, and the Kansas City Police Department. Jackson County also has a COMBAT unit with staff responsible for, among other things, evaluating funding requests and recommending funding levels for outside entities that provide drug and violence treatment and prevention programs.

The County Executive had administrative control of the COMBAT Fund from 2008 until December 11, 2017, when ordinance 5061 was adopted by the County Legislature. This ordinance transferred administrative control to the Prosecuting Attorney. The County Executive vetoed the ordinance on December 21, 2017, but the County Legislature approved the ordinance by overriding the veto on December 28, 2017. Disputes over the County Legislature's authority to transfer control of the COMBAT Fund led to the County Legislature filing a lawsuit against the County Executive. On January 19, 2018, a court order issued by the Jackson County Circuit Court required the County Executive to refrain from any management activities or take actions to interfere with ordinance 5061. On August 31, 2018, the circuit court issued a final judgment upholding the County Legislature's action to transfer administrative control of the COMBAT Fund to the Prosecuting Attorney.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Introduction

On January 3, 2018, the County Executive made a recommendation to the County Legislature to request a comprehensive audit of the county's fiscal and procurement process by the State Auditor's Office (SAO). The County Legislature agreed with this recommendation and passed Resolution 19745 on February 26, 2018, requesting the State Auditor perform an audit of the county (see Appendix C). This request was accepted by the SAO and audit fieldwork started in December 2018. This is the first of several audit reports that will be issued as part of the audit of Jackson County.

Scope and Methodology

The scope of this audit included evaluating (1) internal controls, (2) policies and procedures, and (3) other management functions and compliance requirements in place during the 2 years ended December 31, 2018.

Our methodology included reviewing minutes of meetings, written policies and procedures, financial records, and other pertinent documents; interviewing various personnel of the county, as well as certain external parties; and testing selected transactions. To gain an understanding of legal requirements governing COMBAT, we reviewed applicable state laws; the county charter, county code, and written policies and procedures; and interviewed various individuals.

We obtained an understanding of the applicable controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violation of contract or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to these provisions.

Jackson County

Community Backed Anti-Crime Tax (COMBAT) Fund

Management Advisory Report - State Auditor's Findings

1. Funding and Monitoring

The percentages of COMBAT estimated revenues allocated to the various county departments and outside entities have not been updated since 1995. COMBAT monies are spent on programs not included in the funding allocation and are provided to departments for spending in addition to their COMBAT allocation. Also, the county does not perform annual audits and evaluations of programs funded by the COMBAT even though money is allocated for that purpose and the county code requires an annual performance evaluation of such programs.

1.1 Allocation of estimated revenues

The county has not updated the percentages of the estimated COMBAT revenues allocated to the various county departments and outside entities receiving COMBAT monies. The County Legislature allocates budgeted revenues for the COMBAT Fund annually through the budget process. The percentages allocated are based on resolution 10950, approved by the County Legislature in September 1995. While the percentages established in that resolution are not required to be followed, the County Legislature has chosen to use those same percentages for over 20 years. The percentages were used as a guide in 2017 and 2018 to determine the allocations, although the amount allocated to the COMBAT unit for prevention, treatment, grant match, and Drug Abuse Resistance Education (D.A.R.E.) programs in 2018 was approximately \$64,000 less than suggested by the resolution.

The resolution also indicates not less than 3/4 of 1 percent of the budgeted revenues be expended for an annual audit and evaluation of the programs supported by the tax. This amount has historically been appropriated to the Legislative Auditor's office and subtracted from the estimated revenues before allocating the remaining revenues as shown in the following table. This information is presented on the COMBAT unit website under the funding distribution section.

Agency/Purpose	Annual Percentage Distribution
Kansas City Police Department	9.50
Jackson County Drug Task Force	9.50
Prosecuting Attorney's office:	
Criminal prosecution	9.50
Deferred prosecution (1)	6.00
Prevention	7.50
Treatment	15.00
Grant match	10.00
D.A.R.E.	6.00
Circuit Court	12.00
Corrections department	15.00
Total	100.00

(1) The COMBAT unit website refers to this program as drug court.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

After removing the allocation for the Legislative Auditor's office each year, the amount of COMBAT revenue available for allocation for 2017 and 2018 was \$22,987,294 and \$23,446,820, respectively. These amounts were used, with the suggested percentages from the resolution when preparing the COMBAT budgets for the years ended December 31, 2017 and 2018, as indicated in the following table. However, as shown, for the year ended December 31, 2018, the total budgeted allocations were \$64,543 less than the amount available for allocation, with the programs administered through the COMBAT unit not receiving their full allocation.

	Year Ended December 31,			
	2017		2018	
	Budgeted Allocations	Percentage Allocated	Budgeted Allocations	Percentage Allocated
Kansas City Police Department	\$ 2,183,793	9.50%	\$ 2,227,448	9.50%
Jackson County Drug Task Force	2,183,793	9.50%	2,227,448	9.50%
Prosecuting Attorney's office				
Criminal prosecution	2,183,793	9.50%	2,227,448	9.50%
Deferred prosecution	1,379,238	6.00%	1,406,809	6.00%
COMBAT unit				
Administration (1)	1,057,795	4.60%	961,518	4.10%
Prevention	1,517,777	6.60%	1,558,430	6.65%
Treatment	3,035,554	13.21%	3,116,859	13.29%
Grant match (2)				
COMBAT unit	1,092,799	4.75%	1,122,069	4.79%
Prosecuting Attorney's office	930,903	4.05%	955,837	4.08%
D.A.R.E.	1,215,279	5.29%	1,247,770	5.32%
Total COMBAT unit	8,850,107	38.50%	8,962,483	38.22%
Circuit Court	2,758,476	12.00%	2,813,618	12.00%
Corrections department	3,448,094	15.00%	3,517,023	15.00%
Total (3)	\$ 22,987,294	100.00%	\$ 23,382,277	99.72%

(1) Funded by a portion of the allocation for Prevention, Treatment, Grant Match, and D.A.R.E.

(2) Grant match is split between the COMBAT unit (54 percent) and Prosecuting Attorney's office (46 percent).

(3) The percentage allocated in 2018 is less than 100% due to a lower allocation for the COMBAT unit.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

The county also provides funding to various other programs through the COMBAT Fund that are not part of the allocation formula (see section 1.2), but are budgeted to be spent from the available fund balance of the COMBAT Fund. This fund balance was approximately \$11.9 million as of December 31, 2018. The fund balance has been increasing each year due to actual sales tax revenues exceeding budgeted amounts and various departments and entities spending less than the amounts budgeted. From 2016 through 2018, the fund balance increased by more than \$1 million each year.

The County Legislature also has not developed any policies or procedures requiring the various departments and outside entities receiving COMBAT monies to justify their use of these monies or the effectiveness of their programs.

To ensure COMBAT monies are used efficiently and anti-crime programs are adequately funded, periodic reviews and updates to the allocation percentages should be performed and entities should be appropriated the full amount of their allocations. An assessment and analysis of how funds were spent by each department or outside entity would allow the COMBAT Commission and the County Legislature to better determine if the allocated funds are being spent appropriately and effectively and if funding changes are necessary.

1.2 Spending outside the revenue allocation

Resolution 10950 does not address the additional significant funding provided to programs or departments from the COMBAT Fund's available fund balance. The resolution calls for the allocation to be based on the current year estimated COMBAT revenues and does not consider the available fund balance of the COMBAT Fund.

The county budgeted \$1 million annually for both 2017 and 2018 from the COMBAT Fund's available fund balance for the Prosecuting Attorney's anti-violence program. As shown in Appendix B (department 1200 for 2017 and department 4406 for 2018), approximately \$160,000 was budgeted each year for the prescription drug monitoring program.

The budget for the COMBAT Fund also includes a non-departmental section, with a total budget of approximately \$1.7 million in 2017 (including department 1200) and approximately \$2.35 million in 2018 (see Appendix B). The largest item budgeted is the Non Departmental-Anti-Drug Fund, which had appropriations during 2017 and 2018 of approximately \$1.3 million and \$800,000, respectively. This budget item is intended to account for spending not directly associated with a particular department, such as fringe benefits and payroll taxes, but is also utilized to fund various disbursements for departments already receiving an allocation from COMBAT revenues. For example, \$265,235 was paid from this budget category to repair jail cell doors for the Corrections department. In addition, \$185,000 was budgeted for both 2017 and 2018 for an allowance for outside



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

agencies (see MAR finding number 3.1). Other items were also budgeted in 2017 and 2018.

The following chart obtained from the county's finance department shows the actual spending from the monies outside the allocation formula.

Department	Year Ended December 31,	
	2017	2018
Non-departmental		
Employee benefits	\$ 479,158	493,490
Other professional services and contracts	465,807	439,167
Buildings and other equipment	1,022,721	22,000
Outside agencies (1)	60,000	60,000
Operating transfers out	114,663	216,759
Total Non-departmental	2,142,349	1,231,416
Sheriff department	78,476	77,248
Prescription drug monitoring program	95,194	98,022
Prosecuting Attorney anti-violence	1,026,185	999,813
Total Disbursements	\$ 3,342,204	2,406,499

(1) Outside agencies had a total budget of \$185,000. The other \$125,000 was budgeted to the COMBAT unit and disbursed through prevention and treatment programs.

Funding for department-specific programs or other spending should be subject to the allocation percentages established by resolution and budgeted under the department receiving the appropriations. Allocating estimated COMBAT revenues to fund certain programs and using the fund balance to fund other programs allows some departments/offices to receive funding in excess of the percentages established by the resolution. The County Legislature, with input from the COMBAT Commission, should perform a comprehensive review of how anti-crime funding is allocated and ensure all permanent programs are included in the allocation formula establishing the percentages to be allocated. Future allocations should include estimated revenues and some of the COMBAT Fund's available fund balance.

All funding provided from the COMBAT Fund should be authorized in an updated resolution or ordinance setting the funding percentages for each department so that no department receives more funding than authorized.

1.3 Program evaluations

The county has not developed a plan for ensuring that performance evaluations of the programs funded by COMBAT are performed annually as required by county code. While the COMBAT Fund is included in the



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

county's comprehensive annual financial report (CAFR), the audit of the CAFR does not involve a review of the programs funded by the tax. In addition, resolution 10950 calls for an annual audit and evaluation of the programs supported by the tax as provided for by county resolution.

A review of the COMBAT unit was performed for the year ended December 31, 2014, but only covered the Jackson County Drug Task Force and the programs administered by the COMBAT unit, which are treatment, prevention, D.A.R.E., and grant match. This review represented approximately \$9.2 million (47 percent) of the COMBAT funds administered, but did not include an actual evaluation of the various programs reviewed. In 2015, the County Legislature entered into a multi-year contract for \$148,270 with a company to provide an evaluation of the anti-violence program and prevention program recipients funded by COMBAT. This review was more comprehensive and resulted in the issuance of several reports regarding performance by agencies providing services under these programs. Personnel from the Prosecuting Attorney's office indicated no other reviews have been performed. Considering the size and scope of the programs funded through COMBAT, completing an evaluation of each program every year may not be feasible. However, establishing a cycle or interval by which the programs are reviewed and evaluated should be addressed to ensure compliance with county code.

Chapter 93, Section 9307¹ of the County Code states the county, in consultation with the Prosecuting Attorney, shall annually provide for a performance evaluation of programs funded by the COMBAT, to be conducted by an independent firm or agency. In addition, Resolution 10950 states not less than 3/4 of 1 percent of the anti-crime sales tax be expended for an annual audit and evaluation of the programs supported by this tax. The funds intended to pay for these program evaluations are allocated to the Legislative Auditor's office, but that office did not perform these functions during our audit scope. An annual audit, including evaluating each program funded by COMBAT, would provide assurance that COMBAT funds are being used efficiently and the programs are effective in addressing anti-crime treatment and prevention.

Recommendations

The County Legislature, County Executive, and Prosecuting Attorney:

- 1.1 Work with the COMBAT Commission to perform a comprehensive review of the sales tax allocation percentages to determine the appropriateness of funding currently being provided and to determine if any changes are necessary to the allocation percentages. In

¹ This requirement was moved to section 9308 when Chapter 93 was updated in December 2018.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

addition, ensure each entity's annual appropriation from the COMBAT Fund is equal to its share of the allocation.

- 1.2 Ensure all programs and activities budgeted through the COMBAT Fund are included in the allocation percentages. In addition, work with the COMBAT Commission to establish the total amount of COMBAT funds to be allocated each year.
- 1.3 Determine the amount of annual funding to provide for evaluations of the programs funded by the COMBAT and ensure evaluations are performed in accordance with county code.

Auditee's Response

The County Legislature provided a written response. See Appendix D.

The County Executive provided a written response. See Appendix E.

The Prosecuting Attorney provided a written response. See Appendix F.

2. MyArts Building

The county sold the MyArts building for \$10 to the Independence School District without an independent appraisal or cost-benefit analysis. The Assessment department estimated the market value of the building to be at least \$560,000.

The county purchased the MyArts building in December 2010 for \$1 from the City of Independence to house the MyArts program, a drug prevention program operated by an outside agency through the Prosecuting Attorney's office. Federal grant funding supported the program. The county spent COMBAT funds exceeding \$1 million to renovate the building. The MyArts program moved into this building in 2013.

The building was vacant by January 2017 because the federal funding used for the program ended in 2016. During May, June, and July 2017, personnel in the Prosecuting Attorney's and County Executive's offices attempted to negotiate a partnership between the county and the Independence School District to use the building for student educational needs. The school district notified the county by email on July 19, 2017, that the district did not want to enter into a partnership with the county. On August 7, 2017, the County Legislature approved resolution 19545 transferring ownership of the building to the school district for \$10. The resolution indicated the best way for the County Legislature to ensure the building was used as originally intended was to convey the property to the school district. However, there is no documentation the building was to be used for any certain purpose when initially purchased. In addition, county officials could not provide documentation indicating the County Legislature considered and discussed other options for the building, or how the sales price was determined.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

The County Executive indicated the building could have been used for other county needs since the county is paying rent on other buildings for employee workspace. In the August 7, 2017, meeting of the Finance and Audit Committee of the County Legislature, the Deputy Chief Operating Officer (COO) addressed the County Legislature on behalf of the County Executive and informed the members that the county owned the building and there was a need for employee workspace. The Deputy COO informed the County Legislature that court employees had toured the property and expressed interest in the building. He indicated leased workspace for court employees was costing \$48,000 per year and the Assessment department also needed additional workspace. Resolution 19545 transferring ownership to the school district was approved by the County Legislature later that day.

An independent appraisal was not performed on this building prior to its sale. The Assessment department provided 2 estimates of market value to members of the County Executive's staff in June 2017. The cost approach valuation method valued the building at approximately \$560,000 and the income method valued the building at approximately \$450,000. An email written by the Deputy COO to a school official on July 19, 2017, stated, "In conversations with the Assessment Department, the rental rate for this type and size of building could be around \$8 per square feet. Based on the square footage of 16,782, if the County marketed this building for rent, approximately \$1.6 million a year would go back to the COMBAT Fund." It is not known if this information was shared with the County Legislature. No documentation was provided to indicate the County Legislature was aware of this information or sought to determine the value of the building prior to its sale.

It would have been fiscally responsible for county officials to analyze and consider all available options for repurposing, renting, or selling this building. Since the County Legislature did not document an analysis considering all available options prior to this sale, there is less assurance this decision was in the county's best interest.

Recommendation

The County Legislature, County Executive, and Prosecuting Attorney ensure an evaluation of other options for county property, such as repurposing the building for use by other departments, and a cost-benefit analysis of available options is performed prior to its sale. If a sale is determined to be the best option, an independent appraisal should be obtained to help determine the value of the property prior to the sale.

Auditee's Response

The County Legislature provided a written response. See Appendix D.

The County Executive provided a written response. See Appendix E.

The Prosecuting Attorney provided a written response. See Appendix F.



3. Agency Funding

The process for funding agencies from the COMBAT Fund to provide treatment, prevention, and anti-violence services, and monitoring contracts with these agencies need improvement. The COMBAT unit and County Legislature use separate processes for awarding funding to these agencies. During the 2 years ended December 31, 2018, agencies applying for funding through the COMBAT unit, which are generally not-for-profit organizations, were awarded approximately \$12.3 million, while the County Legislature directly awarded approximately \$370,000 to agencies providing these services.

3.1 Legislative funding

The County Legislature appropriates COMBAT funds to agencies, referred to as "outside agencies," without going through the comprehensive process the COMBAT unit follows in awarding similar contracts to agencies. The County Legislature appropriated \$185,000, in both 2017 and 2018, to 4 outside agencies. No one could provide documentation of any type of evaluation of the proposals submitted to receive this funding and it is unclear if they were evaluated prior to the County Legislature's funding approval.

In both 2017 and 2018, one agency was awarded and paid \$60,000 directly by the County Legislature (see section 3.2). The other 3 agencies received the remaining \$125,000 awarded each year by the County Legislature. Payments were originally paid out of the non-departmental section of the COMBAT Fund's budget, but were subsequently transferred to the COMBAT - Crime Prevention line of the COMBAT budget. This part of the budget is administered by the COMBAT unit. County personnel indicated these 3 agencies had already been awarded contracts through the COMBAT unit, so the actual payments and monitoring of the contracts awarded by the County Legislature was also transferred to the COMBAT unit. The COMBAT unit already has a process for soliciting proposals, selection and awarding of contracts, and monitoring the distribution of funds and compliance with county rules for outside agency funding. It is unclear why the County Legislature provides direct funding to some outside agencies instead of funding them through the COMBAT unit. The awards made by the County Legislature to outside agencies are not approved by the COMBAT Commission or the Prosecuting Attorney, who approves the outside agencies' funding through the COMBAT unit.

The funding of the non-departmental portion of the COMBAT budget is also not part of the funding formula allocation, as discussed in MAR finding number 1.2. The County Legislature awarding funding to outside agencies and not through the COMBAT unit does not provide assurance COMBAT funds are awarded fairly. Additionally, having 2 separate processes creates confusion and allows outside agencies not eligible for funding to be awarded contracts (see section 3.2). Controls should be developed to ensure all outside agencies awarded contracts from COMBAT monies go through the same process and go through the COMBAT unit. These actions are necessary to



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

ensure the consistency and appropriateness of the processes for awarding funds to outside agencies.

3.2 Legislative oversight

The contracts awarded to one outside agency by the County Legislature, totaling \$120,000 during 2017 and 2018, were not in accordance with the purposes indicated when the sales tax was passed and are a questionable use of COMBAT monies. We identified several concerns with the handling of these contracts. This agency has received \$450,000 in COMBAT monies directly through the County Legislature from 2008 to 2018.

The County Legislature budgeted the funding for this agency from the non-departmental section of the COMBAT Fund prior to receiving the applications. The County Legislature changed to an online application process for outside agency funding in 2016, but the county still accepted paper applications submitted by the agency in 2017 and 2018. This agency received funding for both years even though agency officials did not submit the majority of the required compliance documentation for 2016 or 2017. The COMBAT unit did not perform compliance monitoring either year because these contracts was not turned over to the department (see section 3.1) for monitoring.

For both 2017 and 2018, the agency received the entire contract amount awarded in one payment, rather than in installments based on documented expenditures. In addition, the agency did not submit documentation to support the COMBAT-related use of the awarded funds and it is unclear how these expenditures were a proper use of COMBAT funding. The County Legislature declined to provide funding to this organization in 2019.

It is questionable these expenditures were a proper use of COMBAT monies due to the lack of documentation and unknown use of the funding. Closely monitoring contractor performance and compliance with contract terms is important to ensure COMBAT resources and assets are used wisely.

3.3 Contract compliance

The COMBAT unit does not always monitor and enforce contract terms for agencies awarded treatment, prevention, or anti-violence contracts paid from the COMBAT Fund. Our review of contract payments made to 6 agencies provided funding from 2016 to 2018 identified the following concerns:

- The COMBAT unit did not require supporting documentation be submitted timely as required by the contracts. The contracts state that documentation supporting how the COMBAT monies were spent must be submitted by the 20th of the following month. Supporting documentation was not submitted timely in 41 of 99 payments (41 percent) reviewed.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

- Six monthly reimbursements to an agency during 2016 and 2017 included charges for a leased printer, totaling \$733, although reimbursements for equipment were not allowable per the contract.
- Agencies were paid more than the monthly payment allowed in 36 of 99 payments (36 percent) reviewed, although none of the agencies tested received more than the total contract amount for the year. The contracts only allow the outside agencies to claim 1/12 of the amount awarded each month.

Closely monitoring contractor performance and compliance with contract terms is important to ensure COMBAT resources and assets are used wisely and that expectations of the county and the public are met.

3.4 Monitoring of goals

The COMBAT unit has not determined if the county's goals for minority hiring and employment have been met for any new jobs created through contracts with agencies receiving funding. The county has established a goal for minority hiring and employment by contracted agencies funded through the COMBAT, and the application for funding utilized by the COMBAT unit requests data on minority hiring and employment; however, this requirement is not monitored by the COMBAT unit.

Chapter 93, Section 9304² of the County Code regarding COMBAT indicates, "Any proceeds from the anti-crime sales tax creating jobs and employment shall have a twenty percent goal for minority hiring and employment." The applications for funding completed by agencies applying for funding with the COMBAT unit state, "since this is a specific requirement for COMBAT, it is required during the application period, and will be monitored." In order to ensure compliance with county code, monitoring procedures should be developed for this requirement.

3.5 Advances

One agency funded by the COMBAT unit did not submit any documentation to support how a \$5,000 advance received in September 2016 was used for COMBAT purposes. This agency did not request the remainder of its \$20,000 in funding for that contract period. The COMBAT unit did not take any action to recoup these monies. Currently up to 3 months advance payments are allowed to contracted agencies to provide programs or services related to the COMBAT.

To ensure COMBAT Fund disbursements are appropriate and demonstrate compliance with the contracts, the county should discontinue advances and require adequate documentation to support all transactions prior to making any payments.

² This requirement was moved to Section 9305 when Chapter 93 was updated in December 2018.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

3.6 Site visits

The COMBAT unit's oversight of agencies provided funding needs improvement. Approximately 75 agencies receive funding annually, but a system for tracking which of these agencies have received site visits has not been established. The COMBAT unit and the Legislative Auditor's office each complete site visits of agencies receiving COMBAT funding. However, personnel in the COMBAT unit indicated the Legislative Auditor's office and the COMBAT unit do not work together to coordinate all planned site visits. The Legislative Auditor indicated her office has helped the COMBAT unit with site visits in the past due to limited availability of COMBAT staff.

The Legislative Auditor's office and the COMBAT unit use different forms to document site visits. The forms used by COMBAT staff have fields allowing personnel to document program objectives and outcomes. However, these forms do not allow for tracking client participation or a review of client files for completeness. The forms used by the Legislative Auditor's office are more detailed and include specific questions related to activities described in the agencies proposal. Consolidating the most useful aspects of both form and ensuring that information related to program outcomes and contract compliance is consistently documented for each site visit would help ensure site visits are effective in monitoring the programs offered by the agencies.

Site visits are not performed of all agencies receiving funding from the COMBAT each year. COMBAT personnel indicated they performed 17 site visits in 2017 and 12 in 2018. However, a complete listing of site visits is not maintained. The Legislative Auditor provided a listing of 22 site visits performed during 2018, while no site visits were performed in 2017. We requested documentation of any site visits performed by the COMBAT staff from 2016 to 2018 for 6 agencies selected for testing, and received only 1 form, from a 2016 site visit. This form documented serious concerns regarding lack of documentation from the provider to show a program related to COMBAT initiatives had been established. The form indicated a follow-up email was sent requesting documentation but there is no documentation a response was received. COMBAT personnel indicated the problems with this agency were remedied and subsequent site visits performed. However, we received no documentation of any additional site visits. This agency received \$27,000 in both 2016 and 2017 for prevention services and no funding in 2018.

For another agency tested, we were given pictures taken during a site visit, but the pictures were not dated or labeled to document when the pictures were taken or what agency was visited. No other site visit documentation was provided for the agencies tested although COMBAT personnel indicated they performed at least one site visit at each of those agencies. Site visits of funded agencies are not specifically required by any established county rules or policies. In June 2019, the COMBAT Director provided a draft copy of a new policies and procedures manual that, if approved, will require an unannounced site visit by the COMBAT program manager to each prevention and treatment agency at least once per year.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

The lack of a coordinated effort by the COMBAT unit and the Legislative Auditor's office to plan and execute site visits of each agency increases the likelihood of duplicate work or an agency not receiving a site visit. Ensuring a detailed site visit checklist form, designed to document important outcomes pledged in the applications for funding and to document compliance with requirements, is used for all site visits performed will increase the likelihood that underperforming agencies are identified and problems are followed up on and corrected. In addition, keeping detailed records of all site visits performed and ensuring documentation for each site visit performed is maintained will provide information to help determine if funding for each agency should continue, and at what amounts.

Recommendations

The County Legislature, County Executive, and Prosecuting Attorney:

- 3.1 Ensure all agencies applying for funding from the COMBAT Fund go through the selection process utilized by the COMBAT unit.
- 3.2 Ensure all uses of COMBAT monies are appropriate and supported by adequate documentation. In addition, payments to outside agencies should only be made after there is assurance the entities are in compliance with contract requirements.
- 3.3 Ensure payments are only made for invoices submitted timely, amounts paid on contracts are allowable per contract terms, and payments are limited to the monthly allowable amount.
- 3.4 Establish procedures to monitor the minority hiring and employment percentages proposed by agencies in their funding applications.
- 3.5 Discontinue providing advances.
- 3.6 Ensure site visits are performed periodically to determine if agencies are accomplishing outcomes established in their contracts and ensure documentation of each site visit is maintained.

Auditee's Response

The County Legislature provided a written response. See Appendix D.

The County Executive provided a written response. See Appendix E.

The Prosecuting Attorney provided a written response. See Appendix F.

4. Disbursements

The county's controls over disbursements from the COMBAT Fund need improvement. We selected 23 disbursements, totaling \$746,454, for testing and identified the following concerns:



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

- COMBAT funds totaling \$4,869 were used when purchasing a county vehicle for use by a member of the County Executive's staff. This funding came from the non-departmental section of the COMBAT Fund's budget. The county used other funding sources to pay for the remainder of the vehicle's cost. Documentation was not maintained to support how this purchase related to the COMBAT programs, making it unclear if this expenditure was a proper use of COMBAT funding.
- A hotel invoice for 5 nights, totaling \$559, in Florida was charged to the COMBAT Fund. No documentation was provided to show the business reason for this expense, who participated in the trip, and how the expenditure related to COMBAT. After we asked about this disbursement, we received documentation indicating an employee of the Jackson County Drug Task Force attended an undercover drug enforcement conference in Florida.
- An invoice submitted for performing drug testing, totaling \$21,175, was not sufficient. The number and type of drug tests performed was not documented. Thus, COMBAT unit personnel could not determine compliance with the contract rates for each type of test. The invoice only indicated monthly testing with a total amount due.

To ensure disbursements are reasonable, necessary, and a proper use of COMBAT monies, detailed invoices or other documentation should be available to support all disbursements.

Recommendation

The County Legislature, County Executive, and Prosecuting Attorney ensure all purchases are a reasonable and appropriate use of COMBAT monies and adequate documentation is obtained to support all disbursements. In addition, officials should determine if the COMBAT Fund should be repaid from another funding source for the amount paid for the vehicle.

Auditee's Response

The County Legislature provided a written response. See Appendix D.

The County Executive provided a written response. See Appendix E.

The Prosecuting Attorney provided a written response. See Appendix F.

5. Payroll

The county's system for approval and allocations of payroll related to the COMBAT Fund need improvement.

5.1 Approval

Approval from the Prosecuting Attorney was not obtained before processing 7 employee change authorization (ECA) forms to enter payroll changes affecting allocations to the COMBAT Fund in January 2018. As a result, salary costs totaling \$2,960 for 7 employees on the County Executive's staff



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

were inappropriately charged to the COMBAT administration line item and paid from the COMBAT Fund in 2018.

The Prosecuting Attorney's administrative control of the COMBAT Fund started on December 28, 2017, when the County Legislature overrode the County Executive's veto of ordinance 5061 that, in part, updated section 9306³ of the County Code by transferring supervision of the day-to-day administration of the COMBAT tax and COMBAT Commission, and authority for the selection of the COMBAT Director to the Prosecuting Attorney. The Prosecuting Attorney was not consulted by the County Executive to obtain approval for any of the ECA forms dated December 29, 2017, submitted by the County Executive, for payroll allocation changes to several funds, including a line item within the COMBAT Fund no longer under his control. In addition, another form was submitted by the County Executive to allocate a portion of his salary to the COMBAT administration line item in the COMBAT Fund. These forms were submitted to the Finance department for entry into the payroll system with the changes effective for these employees as of January 1, 2018.

Finance department employees performing payroll functions did not enter the majority of the ECA form changes in the system due to the lack of approval and contacted the Prosecuting Attorney. The changes on one form were apparently entered because the allocation charged to the COMBAT Fund was unchanged from the previous year and the changes affected allocations to other funds not under the Prosecuting Attorney's control. The Prosecuting Attorney emailed various county officials/personnel to remind them of the new ordinance related to the COMBAT Fund approval authority and that no allocations of County Executive's staff were to be made from the COMBAT Fund without her approval. However, documentation on several of the forms indicates the Director of Human Resources directed the county's payroll services software provider to process the forms, with the exception of the County Executive's form, as that ECA form was apparently withdrawn. The changes were made in the system to allocate these salaries to the COMBAT administration line item in the COMBAT Fund.

As a result of disputes over the validity of Ordinance 5061 and administrative control of the COMBAT Fund, the County Legislature filed a lawsuit against the County Executive and members of his staff on January 16, 2018. The allocations of the County Executive's staff salaries to the COMBAT Fund were stopped on January 19, 2018, when a Circuit Judge issued a preliminary order for the County Executive to "refrain. . . from exercising the day-to-day supervision of the administration of the COMBAT and COMBAT

³This requirement was moved to section 9307 when Chapter 93 was updated in December 2018.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

Commission and. . . from taking affirmative actions to interfere with and impede the County Prosecutor from fulfilling her duties imposed on her office by Ordinance 5061." As a result, on January 22, 2018, the Prosecuting Attorney approved ECA forms to discontinue these employees' salary allocations from the COMBAT Fund. Subsequently, beginning in March 2018, personnel in the Finance Department made journal entries to remove the salaries and fringe benefits for the affected employees, totaling \$3,122, from the COMBAT Fund. In August 2018, the Circuit Judge issued a final judgment in favor of the County Legislature that affirmed the validity of the ordinance.

Payroll changes are normally processed by the employees within the payroll function of the Finance department. Processing payroll does not fall within the duties of the Director of Human Resources as defined in Chapter 7, Section 752 of the County Code. Chapter 93, Section 9306 of the County Code states the administration of the COMBAT tax and COMBAT Commission shall be under the day-to-day supervision of the Prosecuting Attorney. The authority to determine allowable charges incurred for the administration of the COMBAT tax lies with the Prosecuting Attorney. As such, allocations of personnel costs to line items in the COMBAT Fund under the administrative control of the Prosecuting Attorney should not be performed without her documented approval. Allowing unapproved allocations increases the likelihood that employees' salaries are not properly charged to the correct fund.

5.2 Allocation

The county has no documentation to support some allocation of salaries to the COMBAT Fund. During 2017 and 2018, there were 158 and 155 employees, respectively, whose entire salaries, totaling over \$5 million each year, were charged to the COMBAT Fund. The majority of those employees worked in the court, the jail, or the Prosecuting Attorney's office. Another 101 and 114 employees, respectively, had a percentage of their salaries, ranging from less than 1 percent to 98 percent, charged to the COMBAT Fund. During 2017 and 2018, the amount of salaries partially allocated to the COMBAT Fund totaled approximately \$1.9 million and \$2.5 million, respectively. Most of the salaries allocated partially to the COMBAT Fund were for employees in the same offices/departments as those employees fully paid from the COMBAT Fund. A few allocations were made for employees in other departments/offices, such as the Legislative Auditor's office and the Communications department. Support for how the salary allocation amounts were determined or which employees were fully allocated versus partially allocated were not maintained for any of the offices or departments allocating salaries to the COMBAT Fund.

To ensure restricted funds are used for their intended purposes, the allocation of salaries to the COMBAT Fund should be based on specific criteria, such as the number of hours worked by each employee, if possible, or by determining a reasonable basis to allocate costs. Allocating salaries to the



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

COMBAT Fund that are not directly related to the administration of the tax reduces the funds available for anti-crime programs and is not an appropriate use of COMBAT monies.

Recommendations

The County Legislature, County Executive, and Prosecuting Attorney:

- 5.1 Ensure all uses of COMBAT funds are appropriate and any allocations made to the COMBAT Fund are approved by the responsible official.
- 5.2 Allocate salary expenses to the COMBAT Fund based upon specific criteria, retain documentation to support the allocations made, and ensure all salaries paid are an appropriate use of COMBAT monies.

Auditee's Response

The County Legislature provided a written response. See Appendix D.

The County Executive provided a written response. See Appendix E.

The Prosecuting Attorney provided a written response. See Appendix F.

6. Vehicle Allowances

The county does not have documentation to support how vehicle allowance amounts paid from the COMBAT Fund are reasonable and necessary. Vehicle allowances, ranging from \$20 to \$9,600 annually, were paid to employees from the COMBAT Fund for use of their personal vehicles. Due to the lack of records, it is not clear if any business miles incurred by these employees related to the COMBAT Fund.

The following table includes vehicle allowance payments, totaling \$55,009, made to 15 employees from the COMBAT Fund during the 2 years ended December 31, 2018.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Management Advisory Report - State Auditor's Findings

Job Title	Year Ended December 31,		
	2017	2018	Total
Director of Corrections	\$ 9,600	5,000	14,600
Deputy Director, COMBAT	3,450	3,900	7,350
Chief Deputy Auditor, Legislative Auditor's office	1,650	3,300	4,950
Director of Communications, Prosecuting Attorney's office	2,760	2,760	5,520
Program Manager, COMBAT	2,200	2,600	4,800
Legislative Auditor	2,208	2,208	4,416
Chief of Operations, Prosecuting Attorney's office	1,200	1,860	3,060
Legislative Aide	204	204	408
Assistant Auditor, Legislative Auditor's office	135	135	270
Chief of Health Services	630	52	683
Assistant to the County Executive	60	20	80
COMBAT Director	3,600	0	3,600
Program Administrator, COMBAT	2,900	0	2,900
Communications Liaison	2,119	0	2,119
Assistant Auditor, Legislative Auditor's office	254	0	254
Total	\$ 32,970	22,039	55,009

The vehicle allowances paid to these employees from the COMBAT Fund were determined based on the percentage of their salary paid from the COMBAT Fund. The amount of vehicle usage by these employees related to COMBAT activities or functions is not considered when determining the allocations. Due to the lack of adequate records supporting how the amounts were determined, it is unclear if these amounts are reasonable.

To ensure restricted funds are used for their intended purposes, the county should periodically review the reasonableness of the vehicle allowances paid from the COMBAT Fund. Vehicle allowances should be based on a reasonable estimate of miles driven for purposes related to the COMBAT.

Recommendation

The County Legislature, County Executive, and Prosecuting Attorney review vehicle allowances paid from the COMBAT Fund, ensure adequate support for the allowances is maintained, and ensure the allowances relate to COMBAT Fund activities.

Auditee's Response

The County Legislature provided a written response. See Appendix D.

The County Executive provided a written response. See Appendix E.

The Prosecuting Attorney provided a written response. See Appendix F.

Jackson County

Community Backed Anti-Crime Tax (COMBAT) Fund

Organization and Statistical Information

The COMBAT Commission is charged with the responsibility of establishing the priorities of the COMBAT unit and making recommendations to the County Legislature for the funding of various initiatives that support its mission.

On November 6, 2018, county voters approved amendments to the Jackson County Charter effective January 1, 2019. These amendments included, among other things, providing term limits for the Sheriff and Prosecuting Attorney, and granting the (1) Sheriff the duty and authority to operate the county detention center and other detention facilities, and (2) Prosecuting Attorney authority over the county anti-crime sales tax.

Elected Officials

The elected county officials who played a role in the administration of the COMBAT and their term and compensation paid for the year ended December 31, 2018 (except as noted), are indicated below:

Elected Official	Term	Compensation
Scott Burnett, Chairman, 1st District	1/1/15 - 12/31/18 ¹	\$ 38,481 ⁴
Alfred Jordan, Vice Chairman, 2nd District	1/1/15 - 12/31/18	38,481 ⁴
Garry J. Baker, 1st District At-Large	1/1/15 - 12/31/18	38,481 ⁴
Crystal J. Williams, 2nd District At-Large	1/1/15 - 12/31/18 ¹	34,881
Tony Miller, 3rd District At-Large	1/1/15 - 12/31/18 ¹	40,481 ⁴
Dennis Waits, 3rd District	1/1/15 - 12/31/18	41,181 ⁴
Dan Tarwater III, 4th District	1/1/15 - 12/31/18 ¹	38,481 ⁴
Greg Grounds, 5th District	1/1/15 - 12/31/18	38,481 ⁴
Theresa Galvin, 6th District ⁵	1/1/15 - 12/31/18 ¹	38,481 ⁴
Frank White Jr., County Executive	1/1/16 - 12/31/18 ²	157,960 ⁴
Jean Peters Baker, Prosecuting Attorney	1/1/17 - 12/31/20	142,892 ⁴
Darryl Forte, County Sheriff	5/10/18 - 12/31/20 ³	64,532

¹ Reelected November 6, 2018.

² Appointed by the County Legislature to replace County Executive Mike Sanders who resigned January 5, 2016. Elected November 8, 2016, to finish unexpired term. Reelected November 6, 2018.

³ Appointed by the County Executive to replace Sheriff Mike Sharp who resigned April 19, 2018. Elected November 6, 2018, to finish unexpired term.

⁴ Regular salary plus car allowance, county vehicle usage, phone allowance, and/or other miscellaneous compensation.

⁵ Selected as Chairman effective January 1, 2019.

COMBAT Commission

The COMBAT Commission is an advisory committee comprised of 9 members appointed by the County Executive who each receive \$400 per meeting attended, as of December 28, 2017, with the maximum payments of \$4,800 per calendar year. The members of the COMBAT Commission as of December 31, 2018, are as listed below.



Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Organization and Statistical Information

Member	Term Ends
James A. Witteman, Jr., Chairman (1)	December 31, 2019
Kelvin L. Walls, M.D.	December 31, 2021
Lanna Ultican	December 31, 2021
Dr. Joseph Spalitto	December 31, 2020
Keith Querry	December 31, 2019
Charles (Gene) E. Morgan	December 31, 2020
Melesa N. Johnson (2)	December 31, 2019
Mark S. Bryant	December 31, 2020
Larry Michael Beaty (3)	December 31, 2021

(1) James A. Witteman Jr., resigned on April 8, 2019.

(2) Melesa N. Johnson resigned on August 29, 2019.

(3) Larry Michael Beaty was appointed Chairman on January 1, 2020.

Financial Activity

A summary of the COMBAT Fund's financial activity for the year ended December 31, 2017, and 2018, which was obtained from information in the Jackson County Comprehensive Annual Financial Report, follows as Appendix A:



Appendix A
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance

	Anti-Drug Sales Tax Fund (COMBAT)	
	Year Ended December 31,	
	2017	2018
Revenues		
Other taxes	\$ 24,434,817	24,626,625
Intergovernmental	509,348	671,036
Charges for services	31,161	3,730
Interest	26,027	64,319
Miscellaneous	15,941	414
Total revenues	25,017,294	25,366,124
Expenditures		
General governmental	4,610,088	3,667,677
Public safety	19,974,695	20,308,567
Total expenditures	24,584,783	23,976,244
OTHER FINANCING SOURCES (USES)		
Transfers in:	241,688	0
Transfer out	(114,663)	(216,759)
Total other financing sources (uses)	127,025	(216,759)
NET CHANGE IN FUND BALANCE	559,536	1,173,121
BEGINNING FUND BALANCE, JANUARY 1	10,233,712	10,793,248
ENDING FUND BALANCE, DECEMBER 31	\$ 10,793,248	11,966,369



Appendix B
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Anti-Drug Sales Tax Fund Expense Budget by Department

EXPENSE BUDGET BY DEPARTMENT
2018

FUND : ANTI-DRUG SALES TAX- 008

DEPT	DESCRIPTION	2016 ACTUAL EXPENDITURE	2017 ADOPTED BUDGET	2017 SUPPLEMENTAL APPROPRIATIONS	2018 ADOPTED BUDGET
	Salaries	\$ 9,292,011	\$ 11,087,136	\$ -	\$ 11,493,250
	Contractual Services	12,661,627	14,577,921	-	15,388,041
	Supplies	239,458	157,259	-	137,596
	Capital Outlay	1,782,598	23,130	-	47,719
	Total	\$ 23,975,694	\$ 25,845,446	\$ -	\$ 27,066,605
0301	Legislature Auditor	\$ 147,869	\$ 173,708	\$ -	\$ 177,180
LEGISLATURE		147,869	173,708	-	177,180
2304	Detention Center - Population Control	425,356	401,410	-	533,523
2701	Corrections Department	3,374,017	3,046,684	385,610	2,983,500
OPERATIONS		3,799,373	3,448,094	385,610	3,517,023
2101	Family Court	1,232,472	1,740,086	-	1,786,439
3001	Circuit Court	629,935	792,403	-	801,192
3003	Public Defender Rent	216,650	225,987	-	225,987
JUDICIAL FUNCTIONS		2,079,057	2,758,476	-	2,813,618
4152	Prosecuting Attorney-Criminal	1,863,839	2,183,793	-	2,227,448
4154	Prosecuting Attorney-Deferred Prosecution	982,226	1,379,238	-	1,406,809
4156	Prosecutor Comm Crime/Drug Prev Programs	474,738	930,903	-	955,837
4102	Prosecutors Anti-Violence	762,339	1,000,000	-	1,000,000
PROSECUTING ATTORNEY		4,148,955	5,493,934	-	5,590,094
4401	COMBAT - Administration	893,051	1,057,795	-	961,518
4402	COMBAT - Crime Prevention	1,461,120	1,517,777	-	1,558,430
4403	COMBAT - D.A.R.E.	1,079,129	1,215,279	-	1,247,770
4404	COMBAT - Treatment	2,790,562	3,035,554	-	3,116,859
4405	COMBAT - Grant Match	904,112	1,092,799	-	1,122,069
4406	COMBAT - PDMP	-	-	-	158,005
4151	Jackson County Drug Task Force	1,754,590	2,183,793	-	2,227,448
4153	KC Police Department	2,126,926	2,183,793	-	2,227,448
COMBAT		11,009,490	12,286,790	-	12,619,547
1200	Prescription Drug Monitoring Program	-	163,394	-	-
5108	Non Departmental-Anti-Drug Fund	2,561,105	1,323,041	-	778,267
8005	Contingency Fund	-	13,009	-	-
8006	Reserve	-	-	-	1,385,877
9000	Allowance for Outside Agencies	125,000	185,000	-	185,000
9100	Operating Transfers:	-	-	-	-
	2010B Bond Debt Service	-	-	-	-
	Transfer to Grant Fund	-	-	-	-
	Trust Indenture for prior debt	-	-	-	-
NON-DEPARTMENTAL		2,686,105	1,684,444	-	2,349,144
TOTAL ANTI-DRUG SALES TAX FUND		\$ 23,975,694	\$ 25,845,446	\$ 385,610	\$ 27,066,605

The 4156 Program was funded from the COMBAT Grant Match program (4405). Program 4156 is in the Prosecutor's Budget and Program 4405 is in the COMBAT Budget.



Appendix C
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Resolution Requesting Audit

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION requesting the Missouri State Auditor to conduct a comprehensive performance audit to examine and evaluate the management of Jackson County's fiscal, budgetary, and procurement policies and procedures to ensure transparency and accountability to the taxpayers in the expenditure of public funds.

RESOLUTION NO. 19745, February 26, 2018

INTRODUCED BY Scott Burnett, County Legislator

WHEREAS, the Legislature adopted the County's 2018 annual budget via a floor amendment to Ordinance 5052 on December 15, 2017; and,

WHEREAS, in the Legislature's final adopted budget memorandum dated December 15, 2017, attached as Exhibit A, the Legislature raised several concerns regarding the expenditure and transfer of funds budgeted within non-departmental accounts, questionable spending on contracts, and the need for transparency and accountability; and,

WHEREAS, on January 3, 2018, the County Executive recommended that the Legislature request the Missouri State Auditor to conduct a comprehensive audit of the County's fiscal and procurement processes; and,

WHEREAS, the Legislature is hopeful that an independent audit by the Missouri State Auditor will provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws; and,



Appendix C
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Resolution Requesting Audit

WHEREAS, the Legislature recommends the scope of the comprehensive audit include, but not be limited to, determining the existence of:

- Effective oversight of the awarding and administering of legal and professional services contracts and whether any County employee, officer or elected official received a separate, personal benefit from any such contract; and,
- Proper internal controls to ensure best practices of the authority to transfer \$9,999 or less from one appropriation account to another without Legislative approval; and,
- Proper fiscal, budgetary, and procurement policies and procedures for internal operations; and,
- Conformity and compliance with existing fiscal, budgetary, and procurement policies and procedures and to ensure that they do not contradict or conflict with the County code or State regulations; and,
- Compliance with governmental best practices in the financial management of fiscal, budgetary, and procurement policies and procedures and identification of areas of improvement as needed;

and,

WHEREAS, the Legislature desires the Missouri State Auditor to conduct the audit in as expeditious a manner as possible and to prepare a written report noting findings, recommendations, and conclusions; now therefore,

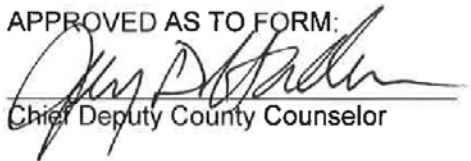
BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the Legislature hereby requests that the Missouri State Auditor conduct a comprehensive audit of the County's finances in accordance with this Resolution.



Appendix C
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Resolution Requesting Audit

Effective Date: This Resolution shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:


Chief Deputy County Counselor


County Counselor

Certificate of Passage

I hereby certify that the attached resolution, Resolution No. 19745 of February 26, 2018, was duly passed on February 26, 2018 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 8

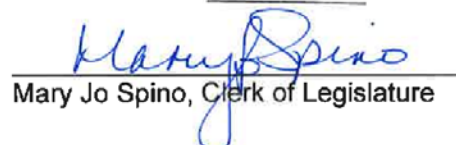
Nays 0

Abstaining 0

Absent 0

Excused 1

2/26/18
Date


Mary Jo Spino, Clerk of Legislature



Appendix D
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - County Legislature



**COUNTY LEGISLATURE
JACKSON COUNTY, MISSOURI**

**THERESA CASS GALVIN
LEGISLATIVE CHAIRMAN
JACKSON COUNTY LEGISLATOR, 6TH DISTRICT**

JACKSON COUNTY COURTHOUSE
415 E. 12th Street, 2nd Floor
Kansas City, Missouri 64106

Office: 816-881-3132
Fax: 816-881-3340
www.jacksongov.org



March 16, 2020

Nicole Galloway
Missouri State Auditor
Truman State Office Building
301 West High Street, Rm 880, P.O. Box 869
Jefferson City, Missouri 65102

Honorable Auditor Galloway,

In February 2018 the Jackson County Legislature formally requested an independent audit by the Missouri State Auditor to provide assurance to all County elected officials and the citizens of Jackson County that the assets of the County are safeguarded through proper internal controls that fully comply with applicable State and County laws.

The County Legislature greatly appreciates the State Auditor's time and efforts in conducting an audit and issuing a report of the Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund as the first of multiple areas of review. The County Legislature supports the report's recommendations and will continue oversight efforts by working diligently with all responsible parties to monitor the implementation of all recommendations, including, but not limited to, regular updates and hearings before the full legislative body.

Harry S. Truman, Presiding Judge, 1927-1934





Appendix E
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - County Executive



FRANK WHITE, JR.
Jackson County Executive

March 18, 2020

Mr. Todd Schuler
Audit Manager
Office of the State Auditor
Fletcher Daniels State Office Building
615 E. 13th Street, Room 511
Kansas City, MO 64106

VIA EMAIL todd.schuler@auditor.mo.gov

Dear Mr. Schuler,

In response to your request for my office's response, please see the information below:

1.1 & 1.2

As stated in the report, the County Legislature is responsible for the allocation of the COMBAT fund "through the budget process." While the report references a non-binding resolution of intent passed by the Jackson County Legislature 25 years ago, the report also accurately points out that the percentages discussed in that Resolution "are not required to be followed (. . .)." My Administration supports, and is willing to participate if invited, in a comprehensive review of the current allocation formula to ensure that these funds are currently being used as effectively as possible.

1.3

As the audit states, Jackson County COMBAT is part of the County's Comprehensive Annual Financial Report (CAFR). The CAFR is conducted by independent auditors from a third-party firm of licensed certified public accountants. For the past 32 years the County's CAFR has been awarded the "Certificate of Achievement for Excellence in Financial Reporting" by the Government Finance Officers Association of the United States and Canada (GFOA).

In addition to the County's annual financial audit, the County has engaged outside experts in the past to conduct numerous evaluations of COMBAT programming during the scope of this audit. For example, on December 7, 2016, Resource Development Institute (RDI) published a 42-page report that analyzed COMBAT's funding of community-based agencies that were engaged in crime and drug prevention efforts. This report followed RDI's evaluation and report on COMBAT's Anti-Violence Special Initiative.

While my Administration has not been responsible for the Administration of COMBAT for over two years, we support the report's recommendation that evaluations are performed moving forward.





Appendix E
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - County Executive

2.0.

As the report states, my Administration opposed the sale of the MyArts building at the time and still believes that the sale of the building was both imprudent and improper. The report accurately states that the sale was authorized by the Legislature prior to obtaining an independent appraisal of the property, nor were other options seriously considered. While the County Legislature is ultimately responsible for the sale of County property, my Administration will continue to advocate for the reforms recommended by this report.

3.1-3.6

Due to changes made to the County Code and Charter, my Administration has not been involved in the awarding of contracts to community based non-profits in more than two years. As County Executive, I support the report's recommendations and am hopeful that the parties now responsible will fully implement these changes immediately, if they have not already done so. To the extent I, or my staff, can be of assistance in such efforts, we stand ready and willing to assist.

4

On November 30, 2015, the Jackson County Legislature approved Resolution 19014. Resolution 19014, in part, authorized the County's Director of Finance and Purchasing to award numerous term and supply contracts for the purchasing of new vehicles, pursuant to the terms established from a competitively bid contract solicitation process. In addition, Resolution 19014 authorized the Director of Finance and Purchasing "to make all payments, including final payment" on all purchases made pursuant to the aforementioned contracts.

In 2016, I hired an employee to work in my office, and in accordance with the applicable provisions of the Jackson County Personnel Rules, the employee was given the option of a take-home vehicle or car allowance. On August 25, 2016, the Director of Finance and Purchasing transferred funds within the non-departmental budget to cover the acquisition costs of a vehicle for the employee. During the course of the audit, the Director of Finance and Purchasing was no longer a member of my staff. Current staff within the county's Finance and Purchasing Department attempted, but were unable to find paperwork that clearly stated the justification for the use of COMBAT funds for a small portion of this purchase. I agree with the report's recommendation that proper documentation should have been maintained, regardless of staff changes, and have instructed my staff to take all steps necessary to ensure that documentation is properly maintained.

When questions were raised over two years ago about the appropriateness of the Director of Finance and Purchasing's use of a small amount of COMBAT funds to accomplish this purchase, my office immediately asked the County Counselor's Office if this usage was in compliance with both state law and the county code. My office was told in no uncertain terms, that due to the work and responsibility of the staff member, the use of COMBAT funds was appropriate.



Appendix E
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - County Executive

5.1-5.2

While we believe there are factual inaccuracies in this section, due to the terms of a legal settlement agreed to by the County Legislature, County officials and staff are unable to comment further on this matter. As stated previously, my Administration believes COMBAT funds should be used to improve public safety and proper documentation of those uses should be maintained.

6.

The County is currently engaged in the review of the County's long-standing vehicle allowance policies and practices. The County will take the steps necessary to ensure that vehicle allowances, if provided in the future, are charged to the appropriate funds and sufficient documentation is maintained.

Sincerely,

Frank White, Jr.
Jackson County Executive



JEAN PETERS BAKER
Jackson County Prosecuting Attorney

March 17, 2020

Nicole Galloway, CPA
Missouri State Auditor
301 W. High Street Room 880
Jefferson City, Missouri 65102

Re: Jackson County Community Backed Anti-Crime Tax (COMBAT) Fund Audit

Dear State Auditor Galloway:

On December 28, 2017, the Jackson County Legislature unanimously voted to override the County Executive's veto regarding transferring COMBAT Administration to the Prosecutor's oversight. Disputes over the County Legislature's authority to transfer control of the COMBAT Fund led to the County Legislature filing a lawsuit against the County Executive. This led to a temporary court order issued on January 19, 2018 requiring shared supervision of COMBAT Administration between the County Executive's Office and the Prosecutor's Office. The Circuit Court issued its final order on August 31, 2018 upholding the County Legislature's action to transfer administrative control of the COMBAT Fund to the Prosecutor. The full oversight of COMBAT was not awarded to the Prosecutor's Office until December 2018 when the County Executive dismissed his appeal of the Circuit Court's order. This history is noted as the scope of this audit is primarily during the time that COMBAT was managed by the County Executive.

Please find attached my responses to the audit findings.

Sincerely,

Jean Peters Baker



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

Jean Peters Baker

Prosecutor for Jackson County



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

Auditee's Responses – Prosecuting Attorney

1. Funding & Monitoring

1.1 Estimated revenues for COMBAT are determined by the County Finance Department, under the County Executive's management. These estimated revenues, in part, are used to draft the proposed county budget and typically include each department's or elected official's own proposed budget that is submitted to the Finance Department. The full proposed county budget is drafted by the County Executive's Administration and then provided to the County Legislature for any modifications and approval each November. The County Executive has veto power over the budget, balanced by the County Legislature power to overturn the veto. The Prosecuting Attorney has no role in the budget process after submitting her own department's proposed budget to the Finance Department, outside of public testimony before the Legislature.

During the scope of this 2017-2018 audit, the Prosecuting Attorney was not provided an opportunity for discussion, input or oversight regarding the determination of estimated revenues or the allocation of COMBAT funds to the departments listed in the funding formula. The Prosecuting Attorney, worked with the COMBAT Commission, County Legislature and County Executive regarding program funding recommendations for COMBAT funded agencies after administrative control of the COMBAT Administration was directed to her oversight in December 2017. However, she continued to operate under Court Order, requiring shared supervision between the Prosecuting Attorney's Office and the County Executive's Office. It should be noted that full oversight of COMBAT was not awarded to the Prosecutor until December 2018 after the County Executive dismissed his appeal of Judge Wolf's order granting COMBAT Administration to the Prosecuting Attorney. Even with full administrative oversight of COMBAT, the Prosecutor relies on county departments who report directly to the County Executive, for day-to-day functions such as payroll, drafting of contracts, and disbursing monies to COMBAT funded agencies.

The County Executive and County Legislature are guided by the funding allocations determined through a 1995 resolution. The Prosecutor agrees that those 1995 allocation percentages should be reviewed with the COMBAT Commission and the County Legislature. The County Executive no longer plays a role in the decisions regarding COMBAT funds as of the vote of the people of Jackson County in November 2018 and dismissal of his appeal. The Prosecutor agrees that each entity receiving an annual appropriation from COMBAT should receive their full allocation.

1.2 In 2009, Jackson County citizens approved broadening COMBAT's mission to the prevention and treatment of violence. This addition, however, was not reflected in a change to the funding formula by either the County Executive (who oversaw COMBAT at the time) or the County Legislature. As noted in the audit, the past and current County Executive did provide additional money for the Prosecuting Attorney's anti-violence programs. Those dollars were proposed as a much needed budget increase to the Prosecutor's annual budget and were highlighted by County Executive Mike Sanders and Frank White in their respective budget proposals. As the Prosecutor now has administrative oversight of COMBAT, she has voluntarily reduced that allocation though the funds were previously directed as a budget increase. The Prosecutor will continue to make cuts in her department to fully return the earlier budget increase in the hopes of maintaining current employees' positions. The 2020 County budget was the first opportunity for the Prosecutor to shape decisions regarding COMBAT allocations. This new guidance has resulted in a substantial reduction of funds received by other County



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

departments outside the allocation formula. Additionally, in the 2020 budget process, the Prosecutor directed the County Finance Department to include revenues from the fund balance (minus an emergency contingency) along with the estimated revenues when developing the County budget.

The Prosecuting Attorney will continue to work with the COMBAT Commission, County Legislature and the County Executive's Finance Department to improve the transparency of COMBAT funds and their allocation.

1.3 During the scope of this audit, the County Legislature complied with Resolution 10950's requirement for an annual audit and program evaluation by an independent firm or agency by budgeting COMBAT funds to the County Auditor's Office. In collaboration with the Prosecuting Attorney's Office and County Legislature, the County Auditor did not request these COMBAT funds for her 2020 department budget.

The Prosecutor agrees that an annual audit and evaluation of programs by an independent firm or agency funded by COMBAT should be performed as provided by County resolution and County Code.

2. MyArts Building

The Prosecuting Attorney's Office is guided by County Code regarding disposal of county property in its possession. The County Executive's Administration (County) maintains legal authority over all Jackson County properties, including the MyArts building; while the Prosecuting Attorney's Office had oversight of programming occurring within the MyArts building. The Prosecuting Attorney's Office was, however, responsible for security and utility expenses at a cost of approximately \$50,000 annually at this location. Additionally, the Prosecutor was responsible for programing costs not covered by federal grants. In December of 2016, federal grant dollars for the programming in the MyArts building were not renewed. In 2017, the Prosecutor began discussions with the Independence School District (ISD) regarding a joint program in the MyArts building in order to continue a student oriented violence and drug prevention programming in Independence. The Prosecutor was seeking additional partners to fully utilize the space, but also to assist with the expense of the building. The County, as holding the legal authority of the MyArts building, was involved in those discussions. These discussions included building renovations paid for by ISD. ISD had further meetings with the County's Public Works/Facilities staff, including their architect, to discuss details of the renovations. As noted in the audit, the Deputy COO conveyed in a July 2017 writing to ISD an offer of a one year lease plus rent. It is our understanding that ISD rejected this proposal due to the need for a longer agreement in order to justify the renovations and respective expenses. No members of the Prosecuting Attorney's Office were engaged in any discussions regarding the sale of the MyArts building with ISD or any other purchaser, nor were members of this office engaged in the negotiations on the length of a contract for the County. As negotiations continued with ISD and the County with the future of the building was in question, the Prosecutor made clear to the Legislature and to the County Administration that her budget could not sustain the maintenance and use of the building in future years. The remaining decisions made regarding the MyArts building did not include any members of the Prosecutor's Office.



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

3. Treatment and Prevention Funding

3.1 The Prosecuting Attorney's Office and the COMBAT Administration work jointly to ensure all applying agencies follow an established process and protocol to receive funding. Funding recommendations include the use of independent evaluations, staff scores and audit compliance before being presented to the COMBAT Commission. The COMBAT Commission requires public hearings in the approval process. The final step rests with the County Legislature for approval in public hearings. Before oversight was placed under the Prosecutor, the County Legislature awarded money from the COMBAT sales tax fund to agencies outside the COMBAT Administration/COMBAT Commission process. In collaboration with the Prosecutor, the Legislature changed this practice, ending COMBAT revenues used for outside agency funding in the 2020 budget.

3.2 The agency that is referred to in this section was not funded through the COMBAT Administration/COMBAT Commission process or the Prosecuting Attorney's Office. The Prosecutor agrees that all uses of COMBAT monies should be appropriate and supported by adequate documentation and that payments should only be made to agencies that are in compliance with contract requirements.

3.3 While the County Executive maintained oversight of COMBAT, the COMBAT Administration was fully staffed with 6 employees. In December of 2017, after the County Legislature transferred oversight of COMBAT to the Prosecuting Attorney's Office, the COMBAT Administration employed four employees. In February of 2018, Judge Wolf issued a Temporary Order requiring a hiring freeze until his Final Order issued on August 31, 2018. Following this Order, the County Executive immediately filed an appeal to the Missouri Court of Appeals. On November 6, 2018, Jackson County voters confirmed the transfer of COMBAT to the Prosecuting Attorney's Office and in December of 2018, the County Executive finally dismissed his appeal. With the Prosecutor's oversight, the COMBAT Administration is now fully staffed after creating new positions and the hiring of additional employees to fully support the mission of the COMBAT sales tax.

The Prosecutor agrees that invoices should be submitted timely by funded agencies, that payments be consistent with contract terms and that payments are limited to the monthly allowable amount. The newly created COMBAT Budget Coordinator position serves to meet these expectations with her expertise serving as an accountant, budget analyst and contract administrator.

3.4 While the County Executive maintained oversight of the COMBAT Administration, a goal of twenty percent minority hiring and employment remained the policy; however, compliance with this goal was not monitored. In 2019, with the support from the Prosecutor, COMBAT Administration has hired three site monitors who will track efforts toward achieving the minority goal.

3.5 The Prosecuting Attorney and COMBAT Administration are seeking appropriate funding cycles regarding the recommendation to cease all funding advances. The County's delayed approval process and the COMBAT funded agencies' reliance on COMBAT funding to meet payroll obligations are factors that must be considered in this determination. The Prosecutor agrees that adequate documentation should be provided from all COMBAT funded agencies to support all transactions.

3.6 The Prosecuting Attorney agrees that under the scope of this audit that the COMBAT Administration's oversight of agencies needed improvement. Since December of 2018 and the transfer



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

of oversight, the Prosecuting Attorney has supported the COMBAT Administration to hire staff in order to improve this oversight. Site monitors were hired to assist COMBAT Administration in performing site visits of all COMBAT funded agencies and to ensure that program outcomes and contract compliance are consistently documented.

4. Disbursements

During the scope of this audit the Prosecuting Attorney and COMBAT Administration had no knowledge of how COMBAT funds were spent from any of the County departments that receive COMBAT funds per the funding formula. The County Finance Department reports to the County Executive and has control over the FMS system which is the County's financial system. During the scope of this audit the COMBAT Administration only has access to view the expenditures in FMS that are from the COMBAT Administration. The County Finance Department which reports to the County Executive determines if expenditures of COMBAT funds are appropriate and whether or not proper documentation has been provided to the Finance Department prior to the payment of any invoices. Since 2018, the Prosecuting Attorney has required that all Requests for Legislative Action (RLAs) using COMBAT funds have her approval prior to their submittal to the County Counselor's office. However, the Prosecuting Attorney has no ability to review other expenditures without the cooperation of the County Executive and his Finance Department.

The Prosecuting Attorney agrees that the County Executive's Chief of Staff use of COMBAT funds for his personal vehicle purchase was not a proper use of COMBAT funds and has previously requested that he repay COMBAT Administration the amount of COMBAT funds used in his purchase of this County vehicle.

5. Payroll

5.1 To be clear, this section refers to a Whistleblower, the County Executive's Administration, and the County Executive's treatment of that Whistleblower. The Whistleblower was employed by the County Finance Department when he refused the County Executive's order in the attached email. The Prosecutor finds the orders to the Whistleblower and the termination of his employment by the County Executive to be contrary to the values and duties of a public servant or of a public entity. This Whistleblower should have been protected, but instead, was fired. The costs for that action were born out through a lawsuit. The County Executive ultimately authorized a settlement of \$747,000.00 of taxpayer dollars to the Whistleblower for the improper actions taken against this employee. ***See the attachments showing the Whistleblower's email to County Officials on this issue.***

The County Legislature unanimously voted (9-0) to override the County Executive's veto regarding transferring COMBAT Administration to the Prosecutor's oversight. At that time, COMBAT Administration consisted of only 4 employees. The day after his veto was overridden, the County Executive flagrantly disregarded the Legislature's power and submitted 5 employee change authorization (ECA) forms for payroll allocation from COMBAT funds to individuals of the County Executive's staff who did not perform any COMBAT functions. The 5 named employees, which included



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

the County Executive, had not previously been funded out of COMBAT funds prior to this request by the County Executive. The County Executive submitted 2 other ECA forms for employees of the County Executive's Administration who were receiving part of their salary from COMBAT fund to maintain the percentage of one of the employees and increased the other employee's salary reliance on COMBAT funds. At this same time, the County Executive also submitted 1 ECA to stop paying the salary of one member of his Administration out of the COMBAT funds. The Prosecutor agrees that these actions of the County Executive violated county ordinances.

The Prosecutor agrees that the actions of the County Executive's staff in directing the Finance department employees to process these ECAs again two weeks after the County Executive lost administrative control of COMBAT was in violation of county ordinance and his limited power after his veto was overridden. It is our understanding that the ECA form submitted for the County Executive's salary was signed, but not processed, while the other ECAs regarding COMBAT funds were processed. In January 2018, the Prosecutor submitted 7 ECA forms in January 2018 to make sure that these 7 employees' salaries were no longer being paid out of COMBAT funds. Most importantly, not one of these employees that the County Executive was ordering to be funded by COMBAT were to perform any duties on behalf of COMBAT Administration.

The Prosecutor agrees that the actions of the Director of Human Resources who reported to the County Executive were in violation of county ordinance when he transferred personnel costs to the COMBAT fund without documented approval from the Prosecutor. The Prosecutor further agrees that processing payroll/personnel costs does not fall within the duties of the Director of Human Resources. The Prosecutor commends the Jackson County Finance department employees whose job was to perform payroll functions in refusing to enter the employee changes requested from the County Executive which were in violation of the County ordinance. The Prosecutor commends the Finance department employees for contacting the Prosecutor and the County Executive's Administration and shedding light on this requested violation of the law.

5.2 The Prosecuting Attorney and COMBAT Administration must rely on the County Finance Department, reporting directly to the County Executive, regarding appropriate salary expenses to the COMBAT Fund. It should be noted that the Finance Department has sole access to all salary expenses and the allocation of funds that pay those salaries. The Prosecuting Attorney agrees that documentation should be retained to support all allocations made and to ensure that all salaries are an appropriate use of COMBAT funds.

6. Vehicle Allowances

6.1 The Prosecuting Attorney agrees that vehicle allowances paid from the COMBAT fund should be reviewed. That review requires the County Executive's Finance Department, who solely possesses that data, to assist with creating and maintaining a list of all county associates who are receiving such allowances paid from COMBAT funds. The Prosecutor agrees that there should be adequate support for any vehicle allowances and that all such associates must be performing duties relating to COMBAT activities. Further, the Prosecutor has reduced the reliance on this benefit during her oversight of COMBAT.



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

Attachment #1

From: Scott J. Jacoby <SJacoby@jacksongov.org>
Sent: Wednesday, January 10, 2018 11:50 AM
To: Edwin Stoll <ESToll@jacksongov.org>; Mark A. Trosen <MTrosen@jacksongov.org>; Dennis Dumovich <DDumovich@jacksongov.org>; Frank White <FWhite@jacksongov.org>
Cc: Garry J. Baker <GJBaker@jacksongov.org>; Theresa Galvin <TGalvin@jacksongov.org>; Gregory O. Grounds <GGrounds@jacksongov.org>; Scott Burnett JACKSON COUNTY <Hburnett@jacksongov.org>; Alfred Jordan <AJordan2@jacksongov.org>; Dennis Waits <DWaits@jacksongov.org>; Crystal J. Williams <Crystalwilliams@jacksongov.org>; Daniel T. Tarwater III <DTarwater@jacksongov.org>; Tony Miller <TMiller@jacksongov.org>; Jean Peters Baker <JPetersBaker@jacksongov.org>; Dennis Dumovich <DDumovich@jacksongov.org>; Michael Sharp <MSharp@jacksongov.org>; Crissy Wooderson <CWooderson@jacksongov.org>; Cheryl L. Colter <CColter@jacksongov.org>
Subject: RE: Fund changes load

Ed -

Thank you for the email. However, I have voiced my concerns before and I will state them again. Associates should not have to work in a hostile environment with fear of disciplinary action taken upon them because they are unwilling to perform an unlawful act. The County Executive's Administration is instructing associates to process Employee Change Authorizations (ECAs) dated 12/29/2017. This action will result in at least 2 unlawful acts.

- 1) County Executive's Administration are paying associates with COMBAT funds without approval of the County Prosecutor. Ordinance 5061, finalized on 12/28/2017, clearly states administration of the COMBAT Tax and the COMBAT Commission and day-to-day supervision to the Prosecuting Attorney of Jackson County. Additionally, the County Prosecutor in her email dated 1/4/2018 clearly states all expenditures are to be approved by her and members of the County Executive's staff receiving allocations of COMBAT via salaries and benefits are to cease. County Executive's Administration is demanding County associates process, without proper approval, employee change authorizations which will result in improper and illegal payment to county associates by violating Ordinance 5061.
- 2) County Executive's Administration are paying associates that currently do not have positions at the County. The County Legislature adopted a budget for 2018 by ordinance that does not include positions or funding for associates included in the ECAs dated 12/29/2017. County Executive's Administration is demanding county associates to process and pay individuals that are not currently budgeted for in 2018. By doing so, we will violate the 2018 Approved Budget Ordinance which will result in the improper and illegal payment to individuals with use of taxpayer dollars.

Article XIII General Provisions, Section 17 of the County Charter states "In this charter the words "law" or "by law" mean the statutory laws of the State of Missouri or County Ordinance....". Additionally, Article II, Section 16, 5, Legislature shall "Make such rules and regulations as may be necessary or proper to establish and carry into effect the provisions of this charter and county ordinances and provide for the enforcement of the charter and county ordinances by appropriate penalties not exceeding for any one offense, a fine of one thousand dollars or imprisonment in the county detention center for not more than one year, or by both such fine and imprisonment."

As this reads, any violation of a County Ordinance would be considered unlawful. It is not acceptable in any environment to ask associates to perform an unlawful act whatsoever.



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

The memo attached dated 1/5/2018 from County Counselor, Steve Nixon to County Executive, Frank White does not clearly state a position. In this memo, the County Counselor concludes the associates should take solace in knowing that on this particular date, 1/5/2018, he is in charge of prosecuting violations of county ordinances and he does not plan on doing so...today. Given the political environment and potential conflict of interest by the County Counselor's Office, this memo should be read for what it is....an opinion.

With regards to the memo, one would have to ask a simple question; Is the memo as written by County Counselor, Steve Nixon codified by County Ordinance which is the law of the County? Answer: No.

With regards to the legal opinion referenced within the memo, one would have to ask a simple question; Is the legal opinion by Todd Graves codified by County Ordinance which is the law of the County. Answer: No.

Payroll Processing for Associates:

We will process 40 hours for the Impacted associates as normal with their Direct Deposit. These 40 hours represent pay from year 2017 and will be processed by Finance associates.

With regards to associates that are not approved, I will recommend the County Executive's Administration provide an individual to process these transactions. We will work with our Payroll vendor to get a log in and password. The remaining 40 hours will then be processed by this individual on Friday, 1/12/2018 between hours of 8:00 a.m. and 5:00 p.m. These checks will be a paper check and individuals should prepare accordingly.

Regards, Scott Jacoby
Deputy Director of Finance

From: Edwin Stoll
Sent: Wednesday, January 10, 2018 9:58 AM
To: Scott J. Jacoby <SJacoby@jacksongov.org>
Cc: Mark A. Trosen <MTrosen@jacksongov.org>
Subject: Fund changes load

Scott:

Attached is a spreadsheet that Mona created reflecting the ECA fund changes delivered to her by Mark Lang last week. Please cause those fund changes to be loaded this morning. Also attached is a copy of the Memorandum from the County Counselor to the County Executive dated January 5, 2018 that was previously delivered to you. Thanks.

Ed

V. Edwin Stoll
Chief Administrative Officer
Jackson County, Missouri
415 E. 12th Street, Suite 200



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

Kansas City, MO 64106
estoll@jacksongov.org
(816) 881-3064



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

Attachment #2

PP 1 2018 Fund Changes Pending

Dept.	New Dept.	Name	Pay Rate	Current Funding	%	Amount of Wages to Fund	New Funding	%	Amount of Wages to Fund
1001	Same	White Jr., Frank	\$ 69.88	1001-001	100	\$145,350.40	1001-001	35	\$50,872.64
		FMV					1501-004	25	\$36,337.60
							1902-045	15.4	\$22,383.96
							2701-001	9.6	\$13,953.64
							4401-008	15	\$21,802.56
1001	Same	Trosen, Mark	\$ 51.47	1501-004	35	\$ 37,470.16	1404-001	29	\$31,046.70
				1601-003	15	\$ 16,058.64	1501-001	25.24	\$27,021.34
		\$7,200 Car		2701-001	50	\$ 53,528.80	1501-004	10	\$10,705.76
							1601-001	25.76	\$27,578.04
							2701-001	10	\$10,705.76
1001	Same	Burke, Ashley	\$ 22.84	1001-001	20	\$ 9,501.44	1501-004	20	\$ 9,501.44
				1001-002	20	\$ 9,501.44	1503-002	15	\$ 7,126.08
		\$1,200 Car		1501-004	20	\$ 9,501.44	1902-045	25	\$11,876.80
				2001-002	20	\$ 9,501.44	2001-002	20	\$ 9,501.44
				4401-008	20	\$ 9,501.44	4401-008	20	\$ 9,501.44
1001	Same	Clifford, Caleb	\$ 67.31	1001-001	18	\$ 25,200.86	1001-001	75	\$105,003.60
				1001-002	17	\$ 23,800.82	1220-001	25	\$ 35,001.20
		FMV		1221-001	5	\$ 7,000.24			
				1222-002	5	\$ 7,000.24			
				1501-004	40	\$ 56,001.92			
				2001-002	10	\$ 14,000.48			
				4401-008	5	\$ 7,000.24			
1001	Same	Hennosy, Miriam	\$ 31.25	1001-001	100	\$ 65,000.00	1001-001	30	\$ 19,500.00
		\$3,000 Car					1902-045	70	\$ 45,500.00
1001	Same	Hester, Marshanna	\$ 35.10	1001-001	25.4	\$ 18,544.03	1001-001	35	\$ 25,552.80
				1001-002	29	\$ 21,143.12	1501-004	40	\$ 29,203.20
				1222-002	9.68	\$ 7,067.17	1801-001	15	\$ 10,951.20
				1501-004	36	\$ 26,253.68	2701-001	10	\$ 7,300.80
1001	Same	Howard, Christine	\$ 19.43	1001-001	100	\$ 40,414.40	1001-001	30	\$ 12,124.32
		\$1,200 Car					1305-004	25	\$ 10,103.60
							1305-045	25	\$ 10,103.60
							1902-045	20	\$ 8,082.88
1001	Same	Master, Jamie	\$ 56.40	1001-002	22	\$ 25,785.18	1001-001	17.63	\$ 20,682.11
				1222-002	19.2	\$ 22,512.17	1001-002	2.37	\$ 2,780.29
		\$6,000 Car		2001-002	48.3	\$ 56,685.16	2001-002	30	\$ 35,193.60
				4401-008	10.5	\$ 12,329.49	4401-008	50	\$ 58,656.00
1001	Same	Panethiere, Gary	\$ 67.52	1001-001	44.8	\$ 62,945.93	1001-001	15	\$ 21,066.24
				1501-004	45	\$ 63,240.85	1501-004	50	\$ 70,220.80
		\$9,600 Car		1601-003	10.2	\$ 14,254.82	1601-003	10	\$ 14,044.16
							2701-001	25	\$ 35,110.40
1001	Same	Stoli, Edwin	\$ 67.31	1001-001	45.9	\$ 64,248.20	1001-001	18.49	\$ 25,886.89
				1801-001	6.41	\$ 8,974.31	1404-001	18.05	\$ 25,270.87
		\$5,200 Car		1902-045	47.7	\$ 66,782.29	1404-002	1.19	\$ 1,666.06
							1404-045	0.76	\$ 1,064.04
							1801-001	8.51	\$ 11,914.41
							1902-045	53	\$ 74,202.54
1001	Same	Strong, Kathryn	\$ 16.45	1001-001	100	\$ 34,216.00	1001-001	30	\$ 10,264.80
							1902-045	70	\$ 23,951.20
1101	Same	Laird, Brandon	\$ 28.60	5104-004	100	\$ 59,488.00	1101-001	15.83	\$ 9,416.95
							1101-002	2.93	\$ 1,743.00
							1101-003	3.52	\$ 2,093.98
							1101-004	50	\$ 29,744.00
							1101-045	27.72	\$ 16,490.07



Appendix F
Jackson County
Community Backed Anti-Crime Tax (COMBAT) Fund
Auditee Response - Prosecuting Attorney

PP 1 2018 Fund Changes Pending

Dept.	New Dept.	Name	Pay Rate	Current Funding	%	Amount of Wages to Fund	New Funding	%	Amount of Wages to Fund
1101	Same	Logan, Tamika	\$ 25.00	1101-001	68.2	\$ 35,479.60	1101-001	74.46	\$ 38,719.20
				1101-002	4.02	\$ 2,090.40	1403-001	25.54	\$ 13,280.80
				1101-003	3.09	\$ 1,606.80			
				1101-004	9.11	\$ 4,737.20			
				1101-045	8.81	\$ 4,581.20			
				1101-049	6.74	\$ 3,504.80			
1220	Same	Sweeney, Johnny	\$ 36.05	1220-001	20	\$ 14,996.80	1902-045	90	\$ 67,485.60
				1220-045	50	\$ 37,492.00	1403-049	10	\$ 7,498.40
		\$6,000 Car		1501-004	30	\$ 22,495.20			
1221	1001	Beavers, Luci	\$ 20.92	1221-001	25	\$ 10,878.40	1502-001	10	\$ 4,351.36
				1501-004	25	\$ 10,878.40	1501-004	30	\$ 13,054.08
		\$3,600 Car		1601-003	50	\$ 21,756.80	2701-008	10	\$ 4,351.36
							4401-008	50	\$ 21,756.80
1221	1001	Jeffries, Angela	\$ 39.67	1221-001	50.5	\$ 41,628.11	1001-001	35	\$ 28,879.76
				1501-004	38.4	\$ 31,693.47	1202-001	20	\$ 16,502.72
		\$5,200 Car		1601-003	11.1	\$ 9,192.02	1220-001	9.16	\$ 7,558.25
							1220-045	4.58	\$ 3,779.12
							2701-001	21.26	\$ 17,542.39
							4401-008	10	\$ 8,251.36
1221	1001	Koenig, Mary	\$ 20.31	1221-001	25	\$ 10,561.20	1001-001	20	\$ 8,448.96
				1501-004	25	\$ 10,561.20	1202-001	25	\$ 10,561.20
				1601-003	50	\$ 21,122.40	4401-008	55	\$ 23,234.64
1221	1001	Pollard McCambridge	\$ 25.87	1221-001	25	\$ 13,452.40	1001-001	25	\$ 13,452.40
				1501-004	25	\$ 13,452.40	1202-001	23.83	\$ 12,822.83
				1601-003	50	\$ 26,904.80	1202-003	12.13	\$ 6,527.10
							1202-004	14.04	\$ 7,554.87
							4401-008	25	\$ 13,452.40
1221	1001	Stead, Jeffrey	\$ 22.90	1221-001	25	\$ 11,908.00	1001-001	20	\$ 9,526.40
				1501-004	25	\$ 11,908.00	1501-004	40	\$ 19,052.80
		\$3,600 Car		1601-003	50	\$ 23,816.00	1601-003	40	\$ 19,052.80
1221	1001	Wilson, Briana	\$ 16.16	1221-001	55	\$ 18,487.04	1001-001	50	\$ 16,806.40
				1501-004	45	\$ 15,125.76	1202-001	10	\$ 3,361.28
		\$3,600 Car					1902-045	40	\$ 13,445.12



Nicole Galloway, CPA

Missouri State Auditor

**State of Missouri
Single Audit
Year Ended June 30, 2019**

Report No. 2020-014

March 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Fiscal Year 2019 Statewide Single Audit

Background	A single audit requires an audit of the state's financial statements and expenditures of federal awards. The state spent approximately \$12.3 billion in federal awards through 306 different federal programs during the fiscal year ended June 30, 2019. Our Single Audit involved audit work on 12 major federal programs administered by 5 state agencies, with expenditures totaling approximately \$8.8 billion. The audit reported 8 federal award findings related to 8 major federal programs at 3 state agencies. Of these audit findings, 3 have been repeated from prior Single Audits for 2 to 6 years. These findings are summarized below.
Adoption Assistance Eligibility and Payments	As noted in our five previous audits of the Adoption Assistance program, Department of Social Services (DSS) controls over eligibility and assistance payments are not sufficient to prevent and/or detect payments made on behalf of ineligible children and unallowable assistance payments. Our review of eligibility and payment documentation for 60 children receiving Adoption Assistance payments noted the DSS - Children's Division made payments on behalf of 7 ineligible children and paid unallowable costs for 2 additional children. Total known questioned costs for these errors represent approximately 11 percent of payments reviewed.
Department of Social Services Public Assistance Cost Allocation Plan	As noted in our previous audit, DSS - Division of Finance and Administrative Services controls over cost allocation are not sufficient to ensure administrative costs are accurately allocated to various federal programs in accordance with the proposed public assistance cost allocation plan.
CSBG and CSE Program Subrecipient Risk Assessments	The DSS did not prepare and document risk assessments for subrecipients of the Community Services Block Grant (CSBG) and Child Support Enforcement (CSE) programs to determine the nature, timing, and extent of monitoring procedures.
CSBG Program Reporting	The DSS does not have adequate procedures for preparation of the annual CSBG program federal financial report, and as a result, amounts on the interim report were misstated for the federal fiscal year ended September 30, 2018 grant.
Medicaid and CHIP MAGI-Based Participant Eligibility	The DSS does not have sufficient controls to ensure compliance with eligibility redetermination requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) for participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). In addition, the DSS does not have sufficient controls to ensure the eligibility status is updated in the claims payment system when participants are determined to be ineligible for benefits. Our review of eligibility documentation for 60 participants, of which 45 required a redetermination, identified 4 participants for which eligibility redeterminations were not performed as required and 1 ineligible participant for which the case was not closed in the claims payment system. These errors represent approximately 9 percent and 2 percent of the participants reviewed. The errors resulted from various Medicaid Eligibility Determination and Enrollment System (MEDES) problems.

Medicaid Nursing Facility Audits	The DSS - MO HealthNet Division has not established adequate internal controls to ensure audits of financial records of nursing facilities participating in the Medicaid program are conducted as required.
Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates	As noted in our prior four audit reports, the Department of Mental Health - Division of Developmental Disabilities (DD) continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Comprehensive Waiver program. The DD did not retain documentation to support per diem rates, paid at historical rates exceeding acuity-based rates, for 2 of the 16 group home habilitation service payments tested. The federal share of payments to providers for habilitation services provided to these 2 participants totaled \$244,757 during state fiscal year 2019.
MVC SEFA	The Missouri Veterans Commission's (MVC) controls and procedures related to the preparation of the schedule of expenditures of federal awards (SEFA) were not sufficient; and as a result, expenditures reported on the MVC SEFA submitted to the Office of Administration - Division of Accounting for inclusion in the statewide SEFA for the year ended June 30, 2019, were misstated.

Because of the nature of this audit, no rating is provided.

State of Missouri

Single Audit

Table of Contents

Introduction and Summary	3
--------------------------	---

State Auditor's Report

Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	12
--	----

Schedule of Expenditures of Federal Awards	16
--	----

Notes to the Schedule of Expenditures of Federal Awards	24
---	----

Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Results	29
--	----

Section II - Financial Statement Findings	31
---	----

Section III - Federal Award Findings and Questioned Costs

Department of Social Services

2019-001. Adoption Assistance Eligibility and Payments	32
--	----

2019-002. Department of Social Services Public Assistance Cost Allocation Plan	35
--	----

2019-003. CSBG and CSE Program Subrecipient Risk Assessments	41
--	----

2019-004. CSBG Program Reporting	42
--	----

2019-005. Medicaid and CHIP MAGI-Based Participant Eligibility	44
--	----

2019-006. Medicaid Nursing Facility Audits	46
--	----

Department of Mental Health

2019-007. Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates	49
---	----

Missouri Veterans Commission

2019-008. MVC SEFA	51
--------------------------	----

Additional State Auditor's Reports	53
--	----

Summary Schedule of Prior Audit Findings	54
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Corrective Action Plans	79
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State of Missouri

Single Audit

Table of Contents

Appendixes

A	Letters to the Department of Social Services Regarding Audit Delays.....	96
B	Department of Social Services Responses to the September 10, 2019, and October 4, 2019, Letters	118

Common Abbreviations

CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CSR	Code of State Regulations
OMB	Office of Management and Budget
RSMo	Missouri Revised Statutes
SAM II	Statewide Advantage for Missouri
USC	United States Code

State of Missouri - Single Audit

Introduction and Summary

Year Ended June 30, 2019

Introduction

The United States Congress passed the Single Audit Act Amendments of 1996 to establish uniform requirements for audits of federal awards. The Office of Management and Budget (OMB) issued Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) to set forth uniform cost principles and audit requirements for federal awards to nonfederal entities and administrative requirements for all federal grants and cooperative agreements.

A single audit under the Uniform Guidance requires an audit of the state's financial statements and expenditures of federal awards. The audit is required to determine whether:

- The state's basic financial statements are presented fairly in all material respects in conformity with generally accepted accounting principles.
- The schedule of expenditures of federal awards is stated fairly in all material respects in relation to the financial statements as a whole.
- The state has adequate internal controls to ensure compliance with federal award requirements.
- The state has complied with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each of its major federal programs.
- The summary schedule of prior audit findings prepared by the state materially represents the status of the prior audit findings.

The Single Audit report includes the federal awards expended by all state agencies and offices that are part of the primary government. The report does not include the public universities and other component units, which are legally separate from the state and audited by other auditors. The state expended approximately \$12.3 billion in federal awards during the state fiscal year ended June 30, 2019.



State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2019

Summary of Single Audit Results

Financial Statements

The following is the summary of our Single Audit results for the state fiscal year ended June 30, 2019.

We issued our audit report (Report No. 2020-001¹) of the state's Comprehensive Annual Financial Report (CAFR), as of and for the year ended June 30, 2019. In addition, we issued our Comprehensive Annual Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2020-010²). In that report, we reported two findings related to internal control deficiencies. The agencies prepared a Corrective Action Plan (CAP) for each finding. The CAPs were submitted to the Office of Administration (OA) and are in the Corrective Action Plans section of this report. The state agencies prepared and submitted to the OA the status of the prior financial statement audit findings. They are presented in the Summary Schedule of Prior Audit Findings section of this report.

Federal Awards

We issued our report on the accompanying Schedule of Expenditures of Federal Awards (SEFA). The state's SEFA, which does not include federal award expenditures of the public universities and other component units, reported the state expended approximately \$12.3 billion in federal funds in state fiscal year 2019. Our report expressed the opinion that the SEFA is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We audited 12 major federal programs with expenditures totaling approximately \$8.8 billion, administered by 5 state agencies.

We issued a qualified opinion on 3 major federal programs and an unmodified opinion on 9 major federal programs. A qualified opinion is issued when the audit of a major federal program detects material noncompliance with direct and material compliance requirements. A qualified opinion was issued on the following major programs administered by the Department of Social Services:

Adoption Assistance
Children's Health Insurance Program
Medicaid Cluster

In total, we reported 8 audit findings related to 8 major federal programs at 3 state agencies. We identified over \$265,000 in known questioned costs related to federal awards. Of the 8 audit findings, 3 were repeated from prior Single Audits. These findings have been reported for 2 to 6 years.

¹ The CAFR is available online at: <<https://oa.mo.gov/accounting/reports/annual-reports/comprehensive-annual-financial-reports>>.

² See report at <<https://app.auditor.mo.gov/Repository/Press/2020010733175.pdf>>.



State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2019

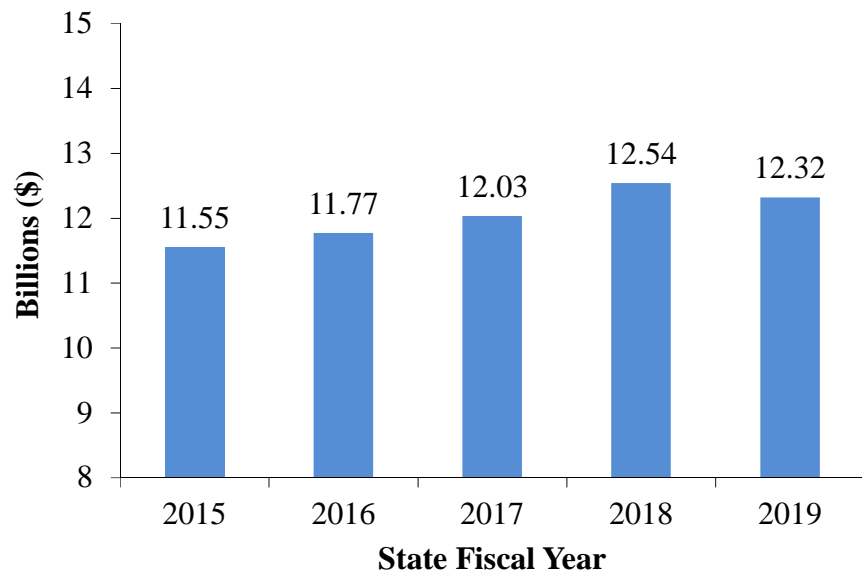
Of the 8 federal award audit findings, 7 related to internal control deficiencies. We consider 3 findings of internal control deficiencies to be material weaknesses and 4 to be significant deficiencies.

The state agencies' responses to the audit findings are included in this report. The state agencies prepared a CAP for each audit finding and submitted them to the OA. They are presented in the Corrective Action Plans section of this report.

In addition, the state agencies prepared and submitted to the OA the status of the prior audit findings. They are presented in the Summary Schedule of Prior Audit Findings section of this report.

Except for a slight decline in state fiscal year 2019, expenditures of federal awards increased each year over the past 5 years. The decrease in state fiscal year 2019 was due largely to a decrease in Medicaid enrollment.

**Total Expenditures of Federal Awards
5 Year Comparison**

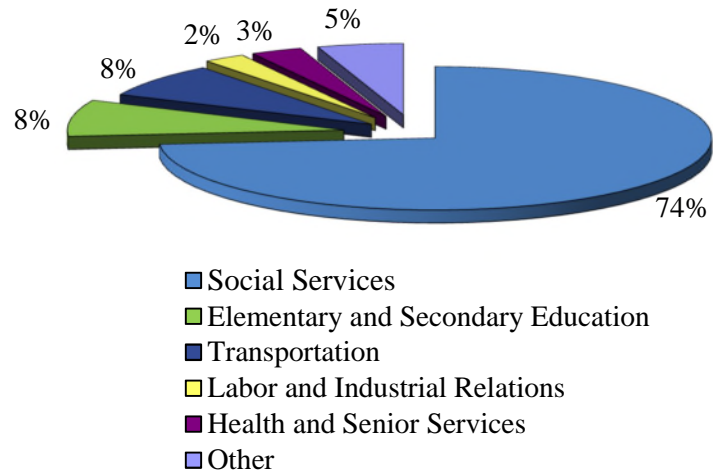




State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2019

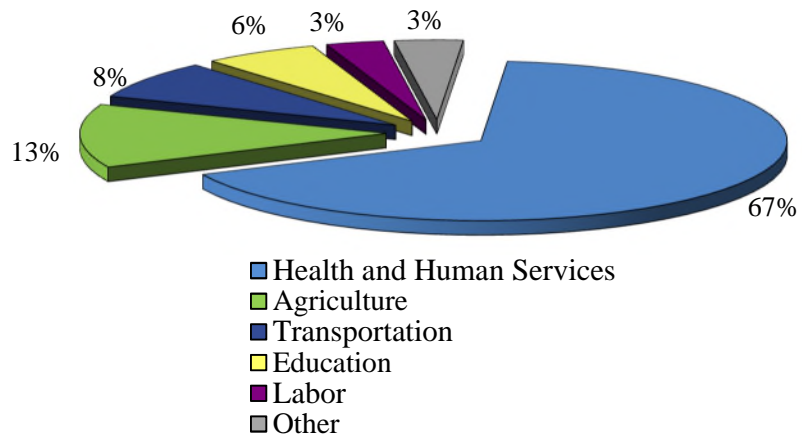
Of the 20 state agencies and other state offices that expended federal awards, 5 state agencies spent the majority of the awards (95 percent) during state fiscal year 2019.

Expenditures of Federal Awards by State Agency



The state expended federal awards received from 24 different federal agencies. Most of the federal award expenditures (97 percent) were from programs of 5 federal agencies.

Expenditures of Federal Awards by Federal Agency



Overall, the state expended federal awards in 306 different programs. These programs are listed in the accompanying Schedule of Expenditures of Federal Awards.

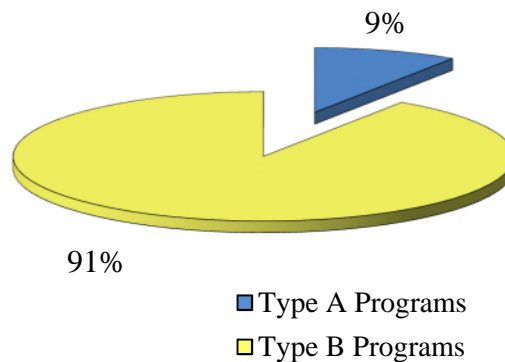


State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2019

The Uniform Guidance requires federal programs to be labeled Type A programs or Type B programs based on a dollar threshold. For the state of Missouri, the Uniform Guidance defines the dollar threshold as \$30 million since the federal award expenditures exceeded \$10 billion, but were less than or equal to \$20 billion.

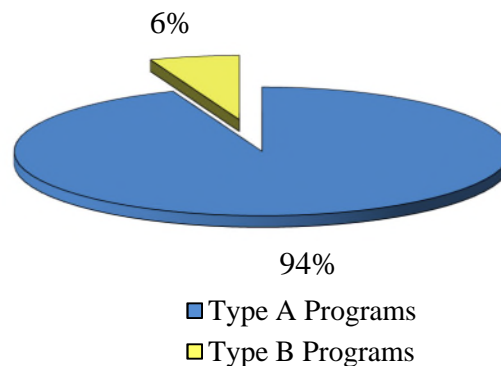
Programs with federal award expenditures over \$30 million are Type A programs and programs with federal award expenditures under \$30 million are Type B programs. Of the 306 federal award programs, 27 were Type A programs and 279 were Type B programs.

**Type A and Type B Programs
Number of Programs**



The 27 Type A programs had expenditures totaling approximately \$11.6 billion, or 94 percent of total expenditures. The 279 Type B programs had expenditures totaling approximately \$721 million, or 6 percent of total expenditures.

**Type A and Type B Programs
Expenditures of Federal Awards**





State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2019

The Uniform Guidance requires the auditor to perform risk assessments on Type A programs and to audit as major each Type A program assessed as high risk based on specified risk factors. We performed a risk assessment on each Type A program and determined 16 of the 27 Type A programs were low risk and did not need to be audited as major. In accordance with the Uniform Guidance, we audited as major the 11 Type A programs assessed as high risk.

The Uniform Guidance also requires the auditor to perform risk assessments on larger Type B programs to determine which are high risk and need to be audited as major. The dollar threshold to determine the larger Type B programs is 25 percent of the Type A threshold, or \$7.5 million. We performed risk assessments on the 27 larger Type B programs and determined 1 program was high risk. In accordance with the Uniform Guidance, we audited the program as major.

The programs audited as major are listed in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. We audited 71 percent of total state fiscal year 2019 federal expenditures.

Major and Non-major Federal Programs

Type of Programs	Number of Programs	Expenditures	Percentage of Expenditures
<u>Programs Audited</u>			
Type A major programs	11	\$ 8,785,572,098	
Type B major programs	1	19,436,643	
Total major programs	12	8,805,008,741	71%
<u>Programs not Audited</u>			
Type A non-major programs	16	2,811,662,329	
Type B non-major programs	278	701,096,371	
Total non-major programs	294	3,512,758,700	29%
Total programs	306	\$ 12,317,767,441	100%

**New Medicaid and CHIP
Audit Requirements**

Modified Adjusted Gross Income (MAGI)-based eligibility for participants of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) was established under the Patient Protection and Affordable Care Act (ACA). The Department of Health and Human Services - Centers for Medicare and Medicaid Services maintained oversight of MAGI-based eligibility determinations during the initial years of the ACA. For single audits of fiscal years beginning after June 30, 2018, auditors are responsible for testing eligibility for MAGI-based participants; and accordingly, we performed such testing in the Statewide Single Audit for the



State of Missouri - Single Audit
Introduction and Summary
Year Ended June 30, 2019

Year Ended June 30, 2019. Our testing of eligibility for MAGI-based participants identified material noncompliance; therefore, we issued a qualified opinion on the Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility compliance requirements for the Medicaid and the CHIP. See Schedule of Findings and Questioned Costs, finding number 2019-005.

Department of Social
Services (DSS) Audit Delays

The department's delays in providing items requested and access to appropriate DSS personnel led to significant inefficiencies and difficulties in performing the fiscal year 2019 CAFR audit and the Statewide Single Audit. Details surrounding the delays were outlined in a series of letters to the DSS. The DSS provided written responses to two of the letters. See Appendix A (copies of the letters to the DSS), and Appendix B (copies of the department's responses).

State of Missouri
Summary of Type A Programs and Total Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Program or Cluster Name	Federal Grantor Agency	Federal Awards Expended
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	Agriculture	\$ 1,009,812,892
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Agriculture	51,979,513
	Total SNAP Cluster		1,061,792,405
	Child Nutrition Cluster:		
10.553	School Breakfast Program	Agriculture	80,345,162
10.555	National School Lunch Program	Agriculture	240,299,465
10.556	Special Milk Program for Children	Agriculture	579,522
10.559	Summer Food Service Program for Children	Agriculture	15,322,451
	Total Child Nutrition Cluster		336,546,600
10.557	WIC Special Supplemental Nutrition Program for Women, Infants, and Children	Agriculture	72,510,812
10.558	Child and Adult Care Food Program	Agriculture	61,413,543
12.401	National Guard Military Operations and Maintenance (O&M) Projects	Defense	41,440,756
16.575	Crime Victim Assistance	Justice	41,008,372
17.225	Unemployment Insurance	Labor	296,627,514
	WIOA Cluster:		
17.258	WIOA Adult Program	Labor	14,408,901
17.259	WIOA Youth Activities	Labor	16,618,413
17.278	WIOA Dislocated Worker Formula Grants	Labor	15,408,816
	Total WIOA Cluster		46,436,130
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	Transportation	871,653,600
20.219	Recreational Trails Program	Transportation	823,108
20.224	Federal Lands Access Program	Transportation	210,064
	Total Highway Planning and Construction Cluster		872,686,772
64.015	Veterans State Nursing Home Care	Veterans Affairs	72,439,625
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	Environmental Protection Agency	31,984,998
	Total Clean Water State Revolving Fund Cluster		31,984,998
84.010	Title I Grants to Local Educational Agencies	Education	227,128,228
	Special Education Cluster (IDEA):		
84.027	Special Education Grants to States	Education	222,541,263
84.173	Special Education Preschool Grants	Education	4,187,018
	Total Special Education Cluster (IDEA)		226,728,281
84.032	Federal Family Education Loans	Education	98,533,341
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States	Education	68,547,199
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Education	33,596,046
93.268	Immunization Cooperative Agreements	Health and Human Services	69,189,872
	TANF Cluster:		
93.558	Temporary Assistance for Needy Families	Health and Human Services	240,487,698
	Total TANF Cluster		240,487,698

State of Missouri
Summary of Type A Programs and Total Expenditures of Federal Awards
Year Ended June 30, 2019

<u>CFDA Number</u>	<u>Program or Cluster Name</u>	<u>Federal Grantor Agency</u>	<u>Federal Awards Expended</u>
93.563	Child Support Enforcement	Health and Human Services	35,551,492
93.568	Low-Income Home Energy Assistance	Health and Human Services	78,299,708
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	Health and Human Services	68,608,683
	Child Care Mandatory and Matching Funds of the Child Care and		
93.596	Development Fund	Health and Human Services	48,904,413
	Total CCDF Cluster		<u>117,513,096</u>
93.658	Foster Care Title IV-E	Health and Human Services	61,231,246
93.659	Adoption Assistance	Health and Human Services	40,154,503
93.667	Social Services Block Grant	Health and Human Services	51,369,183
93.767	Children's Health Insurance Program	Health and Human Services	276,205,940
	Medicaid Cluster:		
93.775	State Medicaid Fraud Control Units	Health and Human Services	1,725,254
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title		
	XVIII) Medicare	Health and Human Services	19,435,402
93.778	Medical Assistance Program	Health and Human Services	6,972,548,179
	Total Medicaid Cluster		<u>6,993,708,835</u>
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	Social Security Administration	44,102,232
	Total Disability Insurance/SSI Cluster		<u>44,102,232</u>
	Total Type A Programs (expenditures greater than \$30,000,000)		<u>11,597,234,427</u>
	Total Type B Programs (expenditures less than \$30,000,000)		<u>720,533,014</u>
	Total Expenditures of Federal Awards		<u>\$ 12,317,767,441</u>



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

Report on Compliance for Each Major Federal Program

We have audited the state of Missouri's compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the state's major federal programs for the year ended June 30, 2019. The state of Missouri's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

The state of Missouri's basic financial statements include the operations of the public universities and other component units, which may have expended federal awards, and which are not included in the state's Schedule of Expenditures of Federal Awards during the year ended June 30, 2019. Our audit, described below, did not include the operations of these component units because federal awards administered by the component units are the subject of audits completed by other auditors, if required.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the state of Missouri's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the state's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major federal programs. However, our audit does not provide a legal determination of the state's compliance.

Basis for Qualified Opinion on Certain Major Federal Programs

As described in the accompanying Schedule of Findings and Questioned Costs, the state of Missouri did not comply with requirements regarding the following:

Finding Number	CFDA Number(s)	Program (or Cluster) Name	Compliance Requirement(s)
2019-001	93.659	Adoption Assistance	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility
2019-005	93.767 93.775 93.777 93.778	Children's Health Insurance Program and Medicaid Cluster	Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Eligibility
2019-006	93.775 93.777 93.778	Medicaid Cluster	Special Tests and Provisions

Compliance with such requirements is necessary, in our opinion, for the state of Missouri to comply with the requirements applicable to those programs.

Qualified Opinion on Certain Major Federal Programs

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Adoption Assistance program, the Children's Health Insurance Program, and the Medicaid Cluster for the year ended June 30, 2019.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the state of Missouri complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2019-003, 2019-004, 2019-007, and 2019-008. Our opinion on each major federal program is not modified with respect to these matters.

The state of Missouri's responses to and corrective action plans for the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plans. The state's responses and corrective action plans were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance

Management of the state of Missouri is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the state's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the state's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2019-001, 2019-005, and 2019-006 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as finding numbers 2019-002 through 2019-004 and 2019-008 to be significant deficiencies.

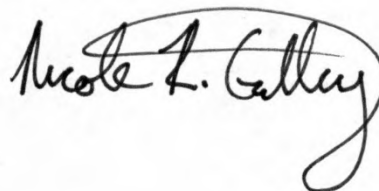
The state of Missouri's responses to and corrective action plans for the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and Corrective Action Plans. The state's responses and corrective action plans were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2019, and the related notes to financial statements, which collectively comprise the state's basic financial statements. We issued our report thereon dated January 9, 2020, which contained qualified opinions on the governmental activities and the General Fund, a major fund, and unmodified opinions on all remaining opinion units.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

March 16, 2020, except for our report
on the Schedule of Expenditures of
Federal Awards, for which the date is
January 9, 2020

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Agriculture			
10.U01	School Lunch Commodity Refund	\$ 142,483	\$ 142,483
10.025	Plant and Animal Disease, Pest Control, and Animal Care	738,416	-
10.069	Conservation Reserve Program	320,495	-
10.093	Voluntary Public Access and Habitat Incentive Program	255,944	-
10.117	Biofuel Infrastructure Partnership	1,238,029	1,238,029
10.153	Market News	8,874	-
10.163	Market Protection and Promotion	64,927	-
10.170	Specialty Crop Block Grant Program - Farm Bill	266,232	238,992
10.171	Organic Certification Cost Share Programs	83,057	69,308
10.304	Homeland Security Agricultural	28,676	-
10.435	State Mediation Grants	13,185	-
10.475	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	1,004,752	-
10.479	Food Safety Cooperative Agreements	257,514	-
	SNAP Cluster:		
10.551	Supplemental Nutrition Assistance Program	1,009,812,892	-
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	51,979,513	12,696,763
	Total SNAP Cluster	1,061,792,405	12,696,763
	Child Nutrition Cluster:		
10.553	School Breakfast Program	80,345,162	80,345,162
10.555	National School Lunch Program	240,299,465	240,299,465
10.556	Special Milk Program for Children	579,522	579,522
10.559	Summer Food Service Program for Children	15,322,451	14,727,343
	Total Child Nutrition Cluster	336,546,600	335,951,492
10.557	WIC Special Supplemental Nutrition Program for Woman, Infants, and Children	72,510,812	22,070,233
10.558	Child and Adult Care Food Program	61,413,543	60,442,174
10.560	State Administrative Expenses for Child Nutrition	4,970,229	1,477,107
	Food Distribution Cluster:		
10.565	Commodity Supplemental Food Program	7,215,781	1,799,564
10.568	Emergency Food Assistance Program (Administrative Costs)	2,164,696	2,067,833
10.569	Emergency Food Assistance Program (Food Commodities)	18,664,024	25,491
	Total Food Distribution Cluster	28,044,501	3,892,888
10.574	Team Nutrition Grants	323,441	39,742
10.575	Farm to School Grant Program	10,899	4,000
10.576	Senior Farmers Market Nutrition Program	55,591	55,591
10.578	WIC Grants To States (WGS)	3,679,477	336,782
10.579	Child Nutrition Discretionary Grants Limited Availability	726,406	370,102
10.580	Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	180,169	-
10.582	Fresh Fruit and Vegetable Program	3,088,973	3,088,973
10.664	Cooperative Forestry Assistance	1,212,051	421,000
	Forest Service Schools and Roads Cluster:		
10.665	Schools and Roads - Grants to States	3,008,100	3,008,100
	Total Forest Service Schools and Roads Cluster	3,008,100	3,008,100
10.680	Forest Health Protection	8,149	-
10.698	State & Private Forestry Cooperative Fire Assistance	314,368	314,368
10.902	Soil and Water Conservation	1,199,995	209,930
	Total Department of Agriculture	1,583,508,293	446,068,057
Department of Commerce			
11.550	Public Telecommunications Facilities Planning and Construction	51,340	-
	Total Department of Commerce	51,340	-
Department of Defense			
12.U01	Excess Property Program	990,746	-
12.U02	Troops to Teachers	19,872	-
12.112	Payments to States in Lieu of Real Estate Taxes	1,497,245	1,497,245
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	732,129	-
12.401	National Guard Military Operations and Maintenance (O&M) Projects	41,440,756	-
12.620	Troops to Teachers Grant Program	148,958	-
	Total Department of Defense	44,829,706	1,497,245

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Housing and Urban Development			
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	23,670,099	22,519,417
14.231	Emergency Solutions Grant Program	3,208,272	3,203,530
14.241	Housing Opportunities for Persons with AIDS	860,253	860,253
14.267	Continuum of Care	12,375,421	-
14.401	Fair Housing Assistance Program State and Local	29,509	-
14.416	Education and Outreach Initiatives	669	-
Total Department of Housing and Urban Development		40,144,223	26,583,200
Department of the Interior			
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	152,853	-
15.252	Abandoned Mine Land Reclamation (AMLR)	2,671,002	-
15.438	National Forest Acquired Lands	2,119,087	2,119,087
Fish and Wildlife Cluster:			
15.605	Sport Fish Restoration	7,771,653	259,556
15.611	Wildlife Restoration and Basic Hunter Education	21,962,103	1,033,042
Total Fish and Wildlife Cluster		29,733,756	1,292,598
15.608	Fish and Wildlife Management Assistance	301,357	200,000
15.615	Cooperative Endangered Species Conservation Fund	1,200,698	860,084
15.616	Clean Vessel Act	61,478	61,478
15.622	Sportfishing and Boating Safety Act	200,000	200,000
15.634	State Wildlife Grants	1,014,583	-
15.657	Endangered Species Conservation – Recovery Implementation Funds	13,234	-
15.658	Natural Resource Damage Assessment and Restoration	2,654	-
15.808	U.S. Geological Survey Research and Data Collection	11,988	-
15.810	National Cooperative Geologic Mapping	142,427	-
15.814	National Geological and Geophysical Data Preservation	41,807	-
15.904	Historic Preservation Fund Grants-In-Aid	891,341	107,765
15.916	Outdoor Recreation Acquisition, Development and Planning	997,587	438,804
15.978	Upper Mississippi River Restoration Long Term Resource Monitoring	447,066	-
15.980	National Ground-Water Monitoring Network	28,339	-
15.981	Water Use and Data Research	77,595	-
Total Department of the Interior		40,108,852	5,279,816
Department of Justice			
16.U01	FBI Joint Terrorism Task Force	26,287	-
16.017	Sexual Assault Services Formula Program	255,080	227,841
16.540	Juvenile Justice and Delinquency Prevention	740,234	514,312
16.554	National Criminal History Improvement Program (NCHIP)	780,955	478,643
16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	257,020	156,631
16.575	Crime Victim Assistance	41,008,372	40,389,289
16.576	Crime Victim Compensation	2,605,575	2,605,575
16.582	Crime Victim Assistance/Discretionary Grants	334,843	334,474
16.585	Drug Court Discretionary Grant Program	60,257	-
16.588	Violence Against Women Formula Grants	2,004,854	1,826,000
16.593	Residential Substance Abuse Treatment for State Prisoners	251,559	38,913
16.609	Project Safe Neighborhoods	2,587	-
16.710	Public Safety Partnership and Community Policing Grants	389,650	-
16.734	Special Data Collections and Statistical Studies	628,254	-
16.738	Edward Byrne Memorial Justice Assistance Grant Program	4,969,984	4,403,535
16.741	DNA Backlog Reduction Program	702,341	-
16.750	Support for Adam Walsh Act Implementation Grant Program	748,650	-
16.813	NICS Act Record Improvement Program	1,167,401	609,273
16.827	Justice Reinvestment Initiative	358,765	-
16.833	National Sexual Assault Kit Initiative	57,827	-
16.839	STOP School Violence	46,533	-
Total Department of Justice		57,397,028	51,584,486

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Labor			
17.002	Labor Force Statistics	952,927	-
17.005	Compensation and Working Conditions	273,506	-
	Employment Service Cluster:		
17.207	Employment Service/Wagner-Peyser Funded Activities	13,632,599	-
17.801	Disabled Veterans' Outreach Program (DVOP)	2,299,433	-
17.804	Local Veterans' Employment Representative Program	1,065,505	-
	Total Employment Service Cluster	16,997,537	-
17.225	Unemployment Insurance	296,627,514	-
17.235	Senior Community Service Employment Program	1,832,747	1,801,467
17.245	Trade Adjustment Assistance	6,297,160	-
	WIOA Cluster:		
17.258	WIOA Adult Program	14,408,901	13,795,758
17.259	WIOA Youth Activities	16,618,413	13,433,612
17.278	WIOA Dislocated Worker Formula Grants	15,408,816	13,588,331
	Total WIOA Cluster	46,436,130	40,817,701
17.261	WIOA Pilots, Demonstrations, and Research Projects	41,799	-
17.271	Work Opportunity Tax Credit Program (WOTC)	271,948	-
17.273	Temporary Labor Certification for Foreign Workers	146,618	-
17.277	WIOA National Dislocated Worker Grants / WIA National Emergency Grants	3,148,388	1,600,540
17.285	Apprenticeship USA Grants	376,948	158,887
17.504	Consultation Agreements	1,528,506	-
17.600	Mine Health and Safety Grants	333,189	-
	Total Department of Labor	375,264,917	44,378,595
Department of Transportation			
20.106	Airport Improvement Program	20,145,973	20,145,973
	Highway Planning and Construction Cluster:		
20.205	Highway Planning and Construction	871,653,600	95,893,977
20.219	Recreational Trails Program	823,108	609,441
20.224	Federal Lands Access Program	210,064	210,064
	Total Highway Planning and Construction Cluster	872,686,772	96,713,482
20.218	Motor Carrier Safety Assistance	4,224,003	-
20.232	Commercial Driver's License Program Implementation Grant	77,404	-
20.237	Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements	2,081	-
20.240	Fuel Tax Evasion-Intergovernmental Enforcement Effort	50,877	-
20.321	Railroad Safety Technology Grants	12,024,877	12,024,877
	Federal Transit Cluster:		
20.500	Federal Transit Capital Investment Grants	166,257	166,257
20.526	Bus and Bus Facilities Formula Program	3,523,394	3,523,394
	Total Federal Transit Cluster	3,689,651	3,689,651
20.505	Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	208,262	115,960
20.509	Formula Grants for Rural Areas	20,545,459	19,899,496
	Transit Services Programs Cluster:		
20.513	Enhanced Mobility of Seniors and Individuals with Disabilities	761,482	610,959
20.521	New Freedom Program	554,849	554,849
	Total Transit Services Programs Cluster	1,316,331	1,165,808
20.528	Rail Fixed Guideway Public Transportation System State Safety Oversight Formula Grant Program	223,392	160,238
	Highway Safety Cluster:		
20.600	State and Community Highway Safety	4,973,020	3,251,743
20.616	National Priority Safety Programs	5,373,896	3,499,304
	Total Highway Safety Cluster	10,346,916	6,751,047
20.607	Alcohol Open Container Requirements	5,392,972	4,075,295
20.614	National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements	215,618	-
20.700	Pipeline Safety Program State Base Grant	654,353	-
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	307,457	211,302
20.720	State Damage Prevention Program Grants	38,680	-
20.721	PHMSA Pipeline Safety Program One Call Grant	7,439	-
	Total Department of Transportation	952,158,517	164,953,129

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of the Treasury			
21.016	Equitable Sharing	375,963	-
	Total Department of the Treasury	375,963	-
Equal Employment Opportunity Commission			
30.001	Employment Discrimination Title VII of the Civil Rights Act of 1964	624,799	-
	Total Equal Employment Opportunity Commission	624,799	-
General Services Administration			
39.003	Donation of Federal Surplus Personal Property	1,597,662	1,250,400
39.011	Section 8 New Construction and Substantial Rehabilitation	257	-
	Total General Services Administration	1,597,919	1,250,400
National Endowment for the Arts			
45.025	Promotion of the Arts Partnership Agreements	723,720	360,438
45.301	Museums for America	72,618	-
45.310	Grants to States	3,188,287	2,007,089
	Total National Endowments for the Arts	3,984,625	2,367,527
Small Business Administration			
59.061	State Trade Expansion	386,629	236,063
	Total Small Business Administration	386,629	236,063
Department of Veterans Affairs			
64.015	Veterans State Nursing Home Care	72,439,625	-
64.024	VA Homeless Providers Grant and Per Diem Program	798,013	-
64.101	Burial Expenses Allowance for Veterans	919,545	-
64.115	Veterans Information and Assistance	546,951	-
64.203	Veterans Cemetery Grants Program	1,339,683	-
	Total Department of Veterans Affairs	76,043,817	-
Environmental Protection Agency			
66.032	State Indoor Radon Grants	138,732	-
66.034	Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	654,931	-
66.040	State Clean Diesel Grant Program	328,811	165,995
66.204	Multipurpose Grants to States and Tribes	70,078	68,090
66.419	Water Pollution Control State, Interstate, and Tribal Program Support	156,180	-
66.433	State Underground Water Source Protection	144,687	-
66.454	Water Quality Management Planning	327,637	60,783
	Clean Water State Revolving Fund Cluster:		
66.458	Capitalization Grants for Clean Water State Revolving Funds	31,984,998	23,655,657
	Total Clean Water State Revolving Fund Cluster	31,984,998	23,655,657
66.460	Nonpoint Source Implementation Grants	1,234,158	791,915
	Drinking Water State Revolving Fund Cluster:		
66.468	Capitalization Grants for Drinking Water State Revolving Funds	9,639,624	2,695,178
	Total Drinking Water State Revolving Fund Cluster	9,639,624	2,695,178
66.605	Performance Partnership Grants	12,379,879	25,991
66.608	Environmental Information Exchange Network Grant Program and Related Assistance	76,487	-
66.707	TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	340,384	-
66.802	Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements	1,994,056	292,785
66.804	Underground Storage Tank Prevention, Detection and Compliance Program	496,498	-
66.805	Leaking Underground Storage Tank Trust Fund Corrective Action Program	1,263,711	-
66.817	State and Tribal Response Program Grants	923,936	-
	Total Environmental Protection Agency	62,154,787	27,756,394
Department of Energy			
81.041	State Energy Program	940,562	130,473
81.042	Weatherization Assistance for Low-Income Persons	5,566,474	4,877,648
81.092	Environmental Restoration	261,734	-
81.104	Environmental Remediation and Waste Processing and Disposal	76,628	-
81.119	State Energy Program Special Projects	12,731	12,009
81.136	Long-Term Surveillance and Maintenance	55,226	-
81.138	State Heating Oil and Propane Program	5,095	-
	Total Department of Energy	6,918,450	5,020,130

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Department of Education			
84.U01	Cooperative System Grant	6,268	-
84.002	Adult Education - Basic Grants to States	8,993,916	7,881,179
84.010	Title I Grants to Local Educational Agencies	227,128,228	226,025,491
84.011	Migrant Education State Grant Program	1,575,944	1,562,769
84.013	Title I State Agency Program for Neglected and Delinquent Children and Youth Special Education Cluster (IDEA):	2,070,701	2,058,809
84.027	Special Education Grants to States	222,541,263	198,405,236
84.173	Special Education Preschool Grants	4,187,018	4,187,018
	Total Special Education Cluster (IDEA)	226,728,281	202,592,254
84.032	Federal Family Education Loans	98,533,341	-
84.048	Career and Technical Education -- Basic Grants to States	21,915,850	19,863,529
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States	68,547,199	-
84.144	Migrant Education Coordination Program	81,047	81,047
84.177	Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	764,183	-
84.181	Special Education-Grants for Infants and Families	8,339,257	-
84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	422,309	-
84.187	Supported Employment Services for Individuals with the Most Significant Disabilities	132,952	-
84.196	Education for Homeless Children and Youth	1,142,701	1,133,216
84.224	Assistive Technology	194,332	194,332
84.287	Twenty-First Century Community Learning Centers	18,518,895	18,151,569
84.323	Special Education - State Personnel Development	1,379,502	1,379,502
84.326	Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	162,320	-
84.358	Rural Education	2,964,689	2,815,733
84.365	English Language Acquisition State Grants	4,741,079	4,497,836
84.366	Mathematics and Science Partnerships	1,532,453	1,532,453
84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	33,596,046	30,941,120
84.369	Grants for State Assessments and Related Activities	6,848,481	-
84.377	School Improvement Grants	3,523,966	3,372,372
84.424	Student Support and Academic Enrichment Program	9,390,190	9,307,355
84.902	National Assessment of Educational Progress	111,739	-
	Total Department of Education	749,345,869	533,390,566
National Archives and Records Administration			
89.003	National Historical Publications and Records Grants	1,258	-
	Total National Archives and Records Administration	1,258	-
Elections Assistance Commission			
90.401	Help America Vote Act Requirements Payments	282,900	-
	Total Elections Assistance Commission	282,900	-
Department of Health and Human Services			
93.041	Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	118,889	42,719
93.042	Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	340,502	126,147
93.043	Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services Aging Cluster:	419,595	389,285
93.044	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	8,483,192	8,156,264
93.045	Special Programs for the Aging, Title III, Part C, Nutrition Services	11,770,219	11,353,760
93.053	Nutrition Services Incentive Program	4,115,260	4,115,260
	Total Aging Cluster	24,368,671	23,625,284
93.052	National Family Caregiver Support, Title III, Part E	3,335,096	3,112,175
93.069	Public Health Emergency Preparedness	10,718,454	5,636,732
93.070	Environmental Public Health and Emergency Response	1,592,219	457,607
93.071	Medicare Enrollment Assistance Program	509,195	208,950
93.073	Birth Defects and Developmental Disabilities - Prevention and Surveillance	204,913	62,011
93.074	Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	2,447,774	-
93.079	Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	70,025	70,025
93.090	Guardianship Assistance	8,068,857	-
93.092	Affordable Care Act (ACA) Personal Responsibility Education Program	990,515	699,856
93.093	Affordable Care Act (ACA) Health Profession Opportunity Grants	2,616,002	2,497,262
93.094	Well-Integrated Screening and Evaluation for Women Across the Nation	104,614	48,695

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.103	Food and Drug Administration Research	2,107,163	519
93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	1,847,033	-
93.110	Maternal and Child Health Federal Consolidated Programs	416,306	-
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	621,892	205,761
93.130	Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	218,692	15,456
93.136	Injury Prevention and Control Research and State and Community Based Programs	1,468,340	728,438
93.150	Projects for Assistance in Transition from Homelessness (PATH)	903,907	-
93.165	Grants to States for Loan Repayment Program	425,554	425,554
93.184	Disabilities Prevention	141,488	87,073
93.197	Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	354,406	4,783
93.234	Traumatic Brain Injury State Demonstration Grant Program	170,261	125,472
93.235	Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	1,310,090	1,081,540
93.236	Grants to States to Support Oral Health Workforce Activities	57,747	-
93.240	State Capacity Building	385,027	-
93.241	State Rural Hospital Flexibility Program	780,950	616,076
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	4,594,933	171,826
93.251	Universal Newborn Hearing Screening	243,643	115,955
93.268	Immunization Cooperative Agreements	69,189,872	2,880
93.270	Viral Hepatitis Prevention and Control	155,123	277
93.283	Centers for Disease Control and Prevention Investigations and Technical Assistance	116,107	-
93.301	Small Rural Hospital Improvement Grant Program	400,202	387,520
93.305	PPHF 2018: Office of Smoking and Health-National State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public Health funds (PPHF)	1,100,114	111,999
93.314	Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	103,275	-
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	1,544,572	126,138
93.324	State Health Insurance Assistance Program	890,454	-
93.336	Behavioral Risk Factor Surveillance System	294,229	-
93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	580,141	338,570
93.366	State Actions to Improve Oral Health Outcomes and Partner Actions to Improve Oral Health Outcomes	104,031	1,695
93.367	Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs	389,782	-
93.369	ACL Independent Living State Grants	337,229	206,913
93.391	Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	1,218,979	-
93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	981,565	395,745
93.434	Every Student Succeeds Act/Preschool Development Grants	16,364	-
93.435	Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke	38,150	3,665
93.436	Well-Integrated Screening and Evaluation for Women Across the Nation (WISEWOMAN)	253,448	77,553
93.439	State Physical Activity and Nutrition (SPAN)	292,819	41,693
93.464	ACL Assistive Technology	448,427	262,944
93.500	Pregnancy Assistance Fund Program	167,969	167,969
93.521	The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	60,363	-
93.539	PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	2,529,357	170,615
93.556	Promoting Safe and Stable Families	5,671,700	-
93.558	TANF Cluster:		
	Temporary Assistance for Needy Families	240,487,698	3,882,818
	Total TANF Cluster	240,487,698	3,882,818
93.563	Child Support Enforcement	35,551,492	9,166,441
93.566	Refugee and Entrant Assistance State/Replacement Designee Administered Programs	352,782	-
93.568	Low-Income Home Energy Assistance	78,299,708	49,213,467
93.569	Community Services Block Grant	19,436,643	18,332,644
	CCDF Cluster:		
93.575	Child Care and Development Block Grant	68,608,683	5,460,683
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	48,904,413	-
	Total CCDF Cluster	117,513,096	5,460,683
93.586	State Court Improvement Program	596,949	-
93.590	Community-Based Child Abuse Prevention Grants	521,310	459,044
93.597	Grants to States for Access and Visitation Programs	130,050	130,050
93.599	Chafee Education and Training Vouchers Program (ETV)	1,032,886	-

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
93.603	Adoption and Legal Guardianship Incentive Payments	4,078,543	-
93.609	The Affordable Care Act – Medicaid Adult Quality Grants	119,982	-
93.630	Developmental Disabilities Basic Support and Advocacy Grants	1,432,816	-
93.643	Children's Justice Grants to States	229,438	-
93.645	Stephanie Tubbs Jones Child Welfare Services Program	1,357,978	-
93.658	Foster Care Title IV-E	61,231,246	128,309
93.659	Adoption Assistance	40,154,503	-
93.667	Social Services Block Grant	51,369,183	12,967,140
93.669	Child Abuse and Neglect State Grants	863,240	-
93.671	Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	1,912,941	1,850,788
93.674	Chafee Foster Care Independence Program	3,055,433	-
93.733	Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	682,296	-
93.735	State Public Health Approaches for Ensuring Quitline Capacity – Funded in part by Prevention and Public Health Funds (PPHF)	424,092	422,119
93.747	Elder Abuse Prevention Interventions Program	98,294	-
93.753	Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health (PPHF) Program	154,057	24,172
93.757	State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	700,034	413,825
93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	3,007,698	1,089,312
93.767	Children's Health Insurance Program Medicaid Cluster:	276,205,940	-
93.775	State Medicaid Fraud Control Units	1,725,254	-
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	19,435,402	-
93.778	Medical Assistance Program Total Medicaid Cluster	6,972,548,179	1,237,320
93.788	Opioid STR	24,123,579	-
93.791	Money Follows the Person Rebalancing Demonstration	5,719,620	-
93.815	Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC).	98,082	93,360
93.817	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	320,312	320,228
93.870	Maternal, Infant and Early Childhood Home Visiting Grant Program	3,289,147	2,789,853
93.876	Antimicrobial Resistance Surveillance in Retail Food Specimens	139,281	-
93.889	National Bioterrorism Hospital Preparedness Program	3,842,452	2,017,177
93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	3,898,279	2,690,529
93.913	Grants to States for Operation of State Offices of Rural Health	145,539	20,000
93.917	HIV Care Formula Grants	20,401,222	19,743,085
93.940	HIV Prevention Activities Health Department Based	4,419,204	2,037,661
93.945	Assistance Programs for Chronic Disease Prevention and Control	477,266	427,310
93.946	Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	182,158	6,200
93.958	Block Grants for Community Mental Health Services	11,735,399	-
93.959	Block Grants for Prevention and Treatment of Substance Abuse	25,912,789	-
93.977	Sexually Transmitted Diseases (STD) Prevention and Control Grants	1,720,408	312,904
93.981	Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	193,242	108,472
93.982	Mental Health Disaster Assistance and Emergency Mental Health	311,442	-
93.994	Maternal and Child Health Services Block Grant to the States	11,245,510	6,177,555
Total Department of Health and Human Services		8,211,721,119	184,373,843
Corporation for National and Community Service			
94.003	State Commissions	297,251	-
94.006	AmeriCorps	5,466,096	5,447,423
94.009	Training and Technical Assistance	140,287	6,666
Total Corporation for National and Community Service		5,903,634	5,454,089
Executive Office of the President			
95.001	High Intensity Drug Trafficking Areas Program	3,473,599	2,649,157
Total Executive Office of the President		3,473,599	2,649,157

State of Missouri
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

CFDA Number	Federal Grantor Agency - Program or Cluster Name	Federal Awards Expended	Amount Provided to Subrecipients
Social Security Administration			
	Disability Insurance/SSI Cluster:		
96.001	Social Security Disability Insurance	44,102,232	-
	Total Disability Insurance/SSI Cluster	44,102,232	-
	Total Social Security Administration	44,102,232	-
Department of Homeland Security			
97.008	Non-Profit Security Program	261,197	261,197
97.012	Boating Safety Financial Assistance	2,498,114	-
97.023	Community Assistance Program State Support Services Element (CAP-SSSE)	225,345	2,000
97.029	Flood Mitigation Assistance	934,446	893,362
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	24,747,236	22,643,180
97.039	Hazard Mitigation Grant	10,033,406	9,307,083
97.041	National Dam Safety Program	55,954	-
97.042	Emergency Management Performance Grants	6,980,322	3,707,481
97.045	Cooperating Technical Partners	4,505,571	-
97.047	Pre-Disaster Mitigation	306,244	280,222
97.056	Port Security Grant Program	99,110	-
97.067	Homeland Security Grant Program	5,944,605	5,129,890
97.082	Earthquake Consortium	3,021	-
97.088	Disaster Assistance Projects	792,394	766,375
	Total Department of Homeland Security	57,386,965	42,990,790
	Total Expenditures of Federal Awards	\$ 12,317,767,441	\$ 1,545,833,487

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

State of Missouri - Single Audit

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

1. Significant Accounting Policies

The following is a summary of the significant accounting policies used by the State of Missouri.

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards (Schedule) of the State of Missouri is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the State's basic financial statements. The Uniform Guidance requires a schedule that shows total federal awards expended for each federal financial assistance program, the Catalog of Federal Domestic Assistance (CFDA) number, and the total amount provided to subrecipients from each federal program. Federal financial assistance programs that have not been assigned a CFDA number are identified as CFDA Number XX.Uxx, where XX represents the federal grantor agency and Uxx represents an unknown extension number.

The Schedule includes all federal awards expended by the State during the year ended June 30, 2019, except for those programs administered by public universities and other component units, which are legally separate from the State. They are responsible for engaging other auditors to perform audits in accordance with the Uniform Guidance, if required.

To compile the Schedule, the Office of Administration required each department, agency, and office that expended direct and/or indirect federal funding during the state fiscal year to prepare a schedule of expenditures of federal awards. The schedules for the departments, agencies, and offices were combined to form the Schedule of Expenditures of Federal Awards for the State of Missouri.

B. Basis of Presentation

The accompanying Schedule includes the federal award activity of the State of Missouri for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance, which defines federal awards as federal financial assistance and cost-reimbursement contracts that non-federal entities receive or administer in the form of grants, loans, loan guarantees, non-cash assistance, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include other contracts that a federal agency uses to buy goods or services from a contractor. Because the Schedule presents only a selected portion of the operations of the State, it is not intended to and does



State of Missouri - Single Audit
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

not present the financial position, changes in net assets, or cash flows of the State.

C. Basis of Accounting

Most expenditures presented in the Schedule are reported on the cash basis of accounting, while some are presented on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, or Indian Tribal Governments*; or the cost principles contained in the Uniform Guidance; wherein certain types of expenditures are not allowable or are limited as to reimbursement.

D. Indirect Cost Rate

The state agencies administering the federal programs presented in the Schedule did not elect to use the de minimis cost rate per the Uniform Guidance.

2. Unemployment Insurance Expenditures

The Unemployment Insurance program (CFDA No. 17.225) is administered by the Department of Labor and Industrial Relations through a unique federal-state partnership that was founded upon federal law but implemented through state law. Benefits are paid from federal funds and state unemployment taxes that are deposited into the state's account in the Federal Unemployment Trust Fund. The state's administrative expenditures incurred under this program are funded by federal grants. For the purposes of presenting the expenditures of this program in the Schedule, both state and federal funds have been considered federal awards expended. The breakdown of the state and federal portions of the total program expenditures for the fiscal year ended June 30, 2019, is as follows:

State Portion (Benefits Paid)	\$253,178,292
Federal Portion (Benefits Paid)	4,504,430
Federal Portion (Administrative Costs)	<u>38,944,792</u>
Total Program Expenditures	<u>\$296,627,514</u>

3. Special Supplemental Nutrition Program for Women, Infants and Children (WIC) Rebates

The State received cash rebates from an infant formula manufacturer totaling \$33,717,005 on sales of formula to participants in the WIC program (CFDA No. 10.557) administered by the Department of Health and Senior Services (DHSS). This amount was excluded from total program expenditures. Rebate contracts with infant formula manufacturers are authorized by 7 CFR Section 246.16a as a cost containment measure. Rebates represent a reduction of



State of Missouri - Single Audit
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

expenditures previously incurred for WIC food benefit costs. The state was able to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

4. Medical Assistance Program (Medicaid) and Children's Health Insurance Program (CHIP) Prescription Drug Rebates

The state received cash rebates from drug manufacturers totaling \$485,741,642 (federal share) on purchases of covered outpatient drugs for participants in the Medicaid and the CHIP (CFDA Nos. 93.778 and 93.767) administered by the Department of Social Services - MO HealthNet Division. This amount was excluded from total program expenditures. Rebate contracts with drug manufacturers are authorized by 42 USC Section 1396r-8 as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for medical assistance costs.

5. HIV Care Formula Grants Prescription Drug Rebates

The State received cash rebates from drug manufacturers totaling \$32,279,507 on purchases of covered drugs for participants in the HIV Care Formula Grants program (CFDA No. 93.917) administered by the DHSS. This amount was excluded from total program expenditures. The allowable use of drug rebates is restricted by 42 USC Section 300ff-26(g). Rebates represent a reduction in expenditures previously incurred for program costs.

6. Federal Loan Guarantees

Because of the Healthcare and Education Affordability Reconciliation Act enacted March 30, 2010 (Public Law 111-152), the authority to make or ensure loans under the Federal Family Education Loans program (CFDA No. 84.032) ended June 30, 2010. The Department of Higher Education (DHE) will continue to act as the federal Department of Education's agent in fulfilling the responsibilities related to the outstanding guarantees. The original principal outstanding of all loans guaranteed by the DHE is \$1,036,972,994 as of June 30, 2019. The balance of defaulted loans (including principal and accrued interest) that the federal Department of Education imposes continuing compliance requirements of the DHE is \$227,629,703 as of June 30, 2019.



State of Missouri - Single Audit
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

7. Non-cash Assistance

The Schedule contains values for non-cash assistance for several programs.

Supplemental Nutrition Assistance Program (CFDA No. 10.551) expenditures totaling \$1,009,787,817 represent actual disbursements for client purchases of authorized food products through the use of the electronic benefits card program administered by the Department of Social Services - Family Support Division (DSS-FSD).

The Department of Elementary and Secondary Education distributes food commodities to school districts under the National School Lunch Program (CFDA No. 10.555). Distributions are valued at the cost of the food paid by the federal government and totaled \$30,866,249.

The DSS-FSD, through the Summer Food Service Program for Children (CFDA No. 10.559), provides United States Department of Agriculture (USDA)-donated foods to providers who serve free healthy meals to children and teens in low-income areas during the summer months when school is not in session. The DSS-FSD, through the Emergency Food Assistance Program (CFDA No. 10.569), provides USDA-donated foods for disaster relief and to six non-profit food banks for distribution to food pantries and community groups for feeding those in need. Distributions are valued at the federally assigned value of the product distributed and totaled \$34,825 for the Summer Food Service Program for Children and \$18,664,024 for the Emergency Food Assistance Program.

The DHSS distributes food commodities to low-income persons under the Commodity Supplemental Food Program (CFDA No. 10.565). Distributions are valued at the cost of the food paid by the federal government and totaled \$5,370,794.

The Department of Public Safety distributes excess federal Department of Defense (DOD) equipment to state and local law enforcement agencies under the DOD Excess Property Program (CFDA No. 12.U01). Property distributions totaled \$4,409,195 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 22.47 percent of the historical cost, or \$990,746.

The State Agency for Surplus Property distributes federal surplus property to eligible donees under the Donation of Federal Surplus Personal Property program (CFDA No. 39.003). Property distributions totaled \$7,110,200 when valued at the historical cost assigned by the federal government. Distributions are presented at the estimated fair market value of the property at the time of distribution, calculated as 22.47 percent of the historical cost, or \$1,597,662.



State of Missouri - Single Audit
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

The DHSS distributes vaccines to local health agencies and other health care professionals under the Immunization Cooperative Agreements program (CFDA No. 93.268). Distributions are valued at the cost of the vaccines paid by the federal government and totaled \$67,718,997.

The DHSS received donated equipment/supplies from Heart to Heart International, Inc. for activities related to the Centers for Disease Control (CDC) Opioid Crisis Grant Project under the Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises program (CFDA No. 93.391). Donated items are valued at the cost of the equipment purchased with funding from grant number 1 NU1ROT000013-01-00 from the Federal Department of Health and Human Services and totaled \$1,218,979.

State of Missouri - Single Audit

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Qualified

Unmodified for all opinion units except for the governmental activities and the General Fund, which were qualified.

Internal control over financial reporting:

- Material weaknesses identified? X yes no
- Significant deficiencies identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? X yes no
- Significant deficiencies identified? X yes none reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified for all major programs except for the following major programs that were qualified:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.659	Adoption Assistance
93.767	Children's Health Insurance Program
	Medicaid Cluster:
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance (2 CFR 200.516(a))?

X yes no



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Identification of major federal programs:

CFDA

<u>Number</u>	<u>Name of Federal Program or Cluster</u>
SNAP Cluster:	
10.551	Supplemental Nutrition Assistance Program
10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program
10.557	WIC Special Supplemental Nutrition Program for Woman, Infants, and Children
64.015	Veterans State Nursing Home Care
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
93.268	Immunization Cooperative Agreements
93.563	Child Support Enforcement
93.569	Community Services Block Grant
93.659	Adoption Assistance
93.667	Social Services Block Grant
93.767	Children's Health Insurance Program
Medicaid Cluster:	
93.775	State Medicaid Fraud Control Units
93.777	State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare
93.778	Medical Assistance Program
Disability Insurance/ SSI Cluster:	
96.001	Social Security Disability Insurance

Dollar threshold used to distinguish
between Type A and Type B programs: \$30,000,000

Auditee qualified as a low-risk auditee? _____ Yes X no



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section II - Financial Statement Findings

The findings related to the financial statement audit are reported in the Comprehensive Annual Financial Report - Report on Internal Control, Compliance, and Other Matters (Report No. 2020-010³). That report included the following findings:

- FS2019-001 Department of Social Services Financial Reporting Controls
- FS2019-002 Department of Natural Resources Capital Asset Controls

³ See report at <<https://app.auditor.mo.gov/Repository/Press/2020010733175.pdf>>.



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section III - Federal Award Findings and Questioned Costs

2019-001. Adoption Assistance Eligibility and Payments

Federal Agency:	Department of Health and Human Services
Federal Program:	93.659 Adoption Assistance 2018 - G1801MOADP 2019 - G1901MOADP
State Agency:	Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance
Questioned Costs:	\$17,600

As noted in our five previous audits⁴ of the Adoption Assistance program, DSS controls over eligibility and assistance payments are not sufficient to prevent and/or detect payments made on behalf of ineligible children and unallowable assistance payments. From the Adoption Assistance program, the CD made payments on behalf of 7 ineligible children and paid unallowable costs for 2 additional children. During the year ended June 30, 2019, the CD paid Adoption Assistance program benefits totaling about \$57 million for more than 13,300 children.

The Adoption Assistance program assists families in adopting eligible children with special needs by providing subsidy payments to adoptive parents. To be eligible to receive benefits under the program, eligibility requirements outlined at 42 USC Section 673 must be met. In addition, 42 USC Section 671(a)(20)(A) requires that prospective adoptive parent(s) must satisfactorily have met a criminal records check, including a fingerprint-based check. The DSS is required to enter into adoption subsidy agreements with adoptive parents who receive subsidy payments on behalf of the child. The nature of services to be provided and nonrecurring expenses to be paid must be stated in the subsidy agreement as required by 45 CFR Section 1356.40 and 45 CFR Section 1356.41. Subsidized costs may include maintenance, child care, and nonrecurring adoption expenses.

The subsidy agreement must be signed and in effect prior to or at the time of the final adoption decree per federal regulations and DSS policy. The DSS Child Welfare Manual Adoption Subsidy policy requires subsidy agreements be signed by both the adoptive parents and the DFAS Director to be considered in effect. Subsidy agreements are established by case workers and reviewed by supervisors in the local offices. After the subsidy agreements are signed by the adoptive parents and reviewed and approved by local office

⁴See single audit reports at <<https://app.auditor.mo.gov/AuditReports/AudRpt2.aspx?id=35>>, finding numbers 2018-004, 2015-005, 2014-008, 2011-15, and 2009-14.



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

supervisors, the agreements are sent to the Central Office Procurement Unit ((formerly the Contract Management Unit (CMU)) where the DFAS Director's (previously the CD Director's) signature is applied by Procurement Unit staff. In previous audits, the Director's signature was applied with a signature stamp, but is now applied as an electronic signature.

The CD also administers a state-funded adoption assistance program. CD personnel are responsible for determining if a child is qualified for federal Title IV-E adoption assistance or state (non-IV-E) assistance. Once a determination is made, CD personnel must enter the correct code into the Families and Children Electronic System (FACES) so that assistance payments come from the right program. Children who have been determined ineligible for federal Title IV-E adoption assistance benefits should only receive payments from the state-funded program.

To test compliance with these requirements, we reviewed eligibility and payment documentation for 60 children receiving Adoption Assistance. Assistance payments totaling approximately \$252,800 were made on behalf of these children during the year ended June 30, 2019. We identified payments made on behalf of 7 children ineligible for Adoption Assistance benefits and unallowable payments for 2 other children. Total known questioned costs for these errors represent approximately 11 percent of payments reviewed. If similar errors were made on the remaining population of Adoption Assistance program assistance payments, questioned costs could be significant.

Subsidy agreement not signed at the date of adoption For 1 case, the adoption subsidy agreement was not signed and in effect prior to or at the date of adoption.

The adoption subsidy agreement was not signed by the CD Director (i.e., not in effect) until approximately 15 months after the adoption decree. In addition, the adoptive parent's signature was not dated. Payments totaling \$3,804, made on behalf of the ineligible child during the year ended June 30, 2019, were unallowable. We question the federal share, or \$2,483 (approximately 65 percent). Payments for this child were charged to the Adoption Assistance program from December 2003 to June 2019.

Backdated subsidy agreements

For 4 cases, the DSS did not maintain adequate documentation to support that the subsidy agreements were signed and in effect prior to or at the date of adoption because the CD Director's signature date or the subsidy agreement effective date was backdated.

For 3 of these cases, with subsidy agreements prior to May 2008, the date of the CD Director's signature precedes the adoptive parent(s)' and local supervisors' signature dates, indicating the Director's signature (and thus, the effective date of the agreement) was backdated. Although all signature dates



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

were before the adoption date for each of these cases, because the CD Director's signature was backdated, we could not determine whether the subsidy agreement was signed and in effect prior to the adoption decree. CD officials indicated backdating of subsidy agreements by CMU personnel was permissible under DSS policy prior to May 2008, and backdating was utilized due to a backlog in processing and submitting subsidy agreements to the CMU. For another case, the subsidy agreement effective date (May 1, 2013) precedes the adoptive parents' and the CD Director's signatures; therefore, the effective date was likely backdated. During the year ended June 30, 2019, payments totaling \$17,489 were made on behalf of these 4 children, for which there is not adequate documentation to support that the subsidy agreements were signed and in effect prior to or at the date of the adoption decree. We question the federal share, or \$11,413 (approximately 65 percent). Payments for these 4 children were charged to the Adoption Assistance program from November 2004 to June 2019.

In May 2008, the CD issued a policy memo prohibiting backdating of subsidy agreements. The subsidy agreements for 3 of these cases were established prior to this directive. Federal resolutions of prior audit findings have required the DSS to pay back the costs associated with backdated subsidy agreements identified in the audits. However, the DSS has not attempted to identify all children for which the subsidy agreements were backdated, and as a result, it is likely additional children adopted prior to May 2008 are ineligible.

Background check

For 1 case, criminal background check results for one of the adoptive parents were not received until after the date of the subsidy agreement and adoption decree. Payments totaling \$1,902, made on behalf of the ineligible child during the year ended June 30, 2019, were unallowable. We question the federal share, or \$1,239 (approximately 65 percent). Payments for this child were charged to the Adoption Assistance program from September 2002 to June 2019.

State-only adoption

For 1 case, the subsidy agreement was a state-only contract incorrectly coded and claimed to the Adoption Assistance program. Payments totaling \$3,444, made on behalf of the ineligible child during the year ended June 30, 2019, were unallowable. We question the federal share, or \$2,248 (approximately 65 percent). Payments for this child were charged to the Adoption Assistance program from December 2009 to June 2019.

Unallowable assistance payments

For 2 cases, unallowable assistance payments were claimed for eligible children. For one child, the CD made a regular maintenance payment of \$235 twice, for the month of July 2018, when the child was determined to be eligible past the age of 18. For another case, a Guardian Ad-Litem payment of \$100 was inappropriately claimed. The unallowable assistance payments for these 2 children totaled \$335. We question the federal share, or \$217 (approximately 65 percent).



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Conclusions

The failure to implement adequate internal controls over eligibility and assistance payments can result in federal reimbursements for ineligible children and/or unallowable costs. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the CD and the DFAS strengthen and enforce policies and procedures regarding Adoption Assistance eligibility determinations and assistance payments. These procedures should ensure all adoption subsidy agreements are signed and in effect prior to the adoption, criminal background checks are obtained for all prospective adoptive parents, and payments are allowable. The DSS should review and correct the eligibility and payments for the children identified in this finding.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan states the DSS disagrees that policies and procedures regarding Adoption Assistance eligibility determinations need to be strengthened and enforced because the DSS implemented processes in fiscal year 2008 prohibiting backdating of subsidy agreements and continues to provide training regarding dating of subsidy agreements and allowable costs. However, as noted in the finding, the DSS has not attempted to identify all children for whom the subsidy agreements were backdated and redetermine eligibility for those children. Therefore, similar errors of noncompliance will likely continue until all children with backdated subsidy agreements age out of the program. In addition, 5 of the 9 errors were unrelated to the pre-2008 backdating practice. Therefore, this finding is valid and improvements are needed to ensure the Adoption Assistance program is administered in accordance with federal requirements.

2019-002.
Department of Social
Services Public Assistance
Cost Allocation Plan

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	84.126 Rehabilitation Services Vocational Rehabilitation Grants to States 2018 - H126A180037 2019 - H126A190037
	93.563 Child Support Enforcement 2018 - 1804MOCSES and 1804MOCEST 2019 - 1901MOCSES and 1901MOCEST
	93.659 Adoption Assistance 2018 - G1801MOADP 2019 - G1901MOADP
	93.667 Social Services Block Grant



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

2018 - 1801MOSOSR

2019 - 1901MOSOSR

State Agency: Department of Social Services (DSS) - Division of
Finance and Administrative Services (DFAS)
Type of Finding: Internal Control (Significant Deficiency)

As noted in our previous audit,⁵ DFAS controls over cost allocation are not sufficient to ensure administrative costs are accurately allocated to various federal programs in accordance with the proposed public assistance cost allocation plan (PACAP).

The DSS is required to develop, document, and implement a PACAP in accordance with 45 CFR Sections 95.501 to 95.519. The PACAP is a narrative document outlining procedures to allocate administrative costs to the various programs administered by the DSS, and must be reviewed and approved by the DHHS - Division of Cost Allocation Services (DHHS-CAS) and various federal grantor agencies. The DSS fully revised its PACAP, effective October 1, 2017, and submitted 5 amended proposed PACAPs (2 were revised) to the DHHS-CAS for review.⁶ With the exception of one part that was approved in September 2018,⁷ as of February 2020, the proposed PACAP was still under review by the DHHS-CAS. Rule 45 CFR 95.517 provides the DSS may claim federal financial participation under the proposed plan with the understanding that, if necessary, the DSS shall retroactively adjust its claims to the plan as subsequently approved by the DHHS-CAS.

DFAS personnel are responsible for preparing and submitting proposed PACAPs for approval and for ensuring costs are allocated in accordance with the proposed PACAP. To develop and implement the new proposed PACAP, the DSS contracted with a vendor to develop it, purchased the vendor's cost allocation system (AlloCAP system) for allocating costs to the various programs, and developed data input and output reports for the AlloCAP system. The AlloCAP system replaced the DFAS's previous procedures to allocate costs through various spreadsheets.

The proposed PACAP describes the procedures used to identify, measure, and allocate costs to the various programs administered by the DSS. Cost centers are used to classify costs based on the organizational structure of the DSS.

⁵See single audit reports at <<https://app.auditor.mo.gov/AuditReports/AudRpt2.aspx?id=35>>, finding number 2018-005.

⁶Periods October 1, 2017 to March 31, 2018; April 1, 2018 to June 30, 2018; July 1, 2018 to September 30, 2018; October 1, 2018 to December 31, 2018 (revised); January 1, 2019 to March 31, 2019 (revised); and April 1, 2019 to June 30, 2019.

⁷PACAP, Attachment 3 – Title IV-E Eligibility Rate Calculations, approved in a letter dated September 6, 2018, from the DHHS-CAS.



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

The AlloCAP system used about 350 cost centers during the quarter ended June 30, 2019. The proposed PACAP includes organizational charts reflective of the layout of cost centers, a description of activities performed by each cost center, a listing of federal and state programs benefitting from the cost centers, and procedures and methods used to allocate costs. Rule 45 CFR 95.507 outlines the various requirements of the PACAP.

Each quarter, DFAS personnel obtain expenditure data from the state's accounting system and import the data to the AlloCAP system. Manual adjustments are made to account for expenditures not reflected in the state's accounting system. The AlloCAP system produces data output reports showing total amounts to be allocated to various programs. DFAS personnel use the output reports to prepare and submit quarterly federal reports to the federal agencies. During the quarter ended June 30, 2019, the state allocated administrative costs totaling \$30.3 million (combined state and federal funds) to the Vocational Rehabilitation, Child Support Enforcement, Adoption Assistance, and Social Services Block Grant programs through the AlloCAP system.

In addition, the DFAS is responsible for monitoring and making changes to the PACAP and the AlloCAP system as needed. If changes are made that affect costs allocated to programs, the DFAS must submit a revised proposed PACAP to the DHHS-CAS and ensure changes are made to the AlloCAP system. DFAS personnel made numerous changes to both the proposed PACAP and the AlloCAP system throughout the year ended June 30, 2019. These changes were to remove cost centers, create new cost centers, or revise the names, descriptions, or allocation methodology of existing cost centers.

Internal controls

Although recommended in the previous audit, the DFAS did not establish and document adequate internal controls over cost allocation.

The DSS Corrective Action Plan and the Summary Schedule of Prior Audit Findings for prior audit finding number 2018-005 stated the DSS disagreed with the finding and did not take corrective action because (1) the DSS believes it has documented evidence to support internal controls and procedures, and (2) no deviations were found in audit sampling. However, the DFAS did not document various internal control procedures verbally described to auditors and internal control deficiencies can exist regardless of whether noncompliance is identified.

Documentation of internal controls

The DFAS does not have a documented system of internal controls to ensure the AlloCAP system provides for accurate, allowable, and proper allocations in accordance with the proposed PACAP.

DFAS personnel verbally described to auditors various internal control procedures established and performed to ensure the AlloCAP system



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

accurately allocated costs in accordance with the proposed PACAP. However, DFAS personnel did not document most of these procedures in the AlloCAP system procedures manual or maintain documentation they performed the procedures. Examples of internal controls verbally described but not documented include testing of AlloCAP system allocations; approval of system reports; and segregation of duties over, and review and approval of, revisions to the AlloCAP system. DSS officials indicated they believe the AlloCAP system procedures manual serves as documented evidence of internal controls and procedures; however, the manual does not address these procedures and DFAS personnel did not document that these procedures were performed.

Effective internal controls include policies and procedures designed to ensure compliance with federal regulations. These policies and procedures should require personnel to document when required procedures were performed.

PACAP and AlloCAP system changes The DFAS has not implemented procedures to document each change made to the proposed PACAP or the AlloCAP system or approval of the changes, and did not document procedures to test the changes for accuracy and consistency with the proposed PACAP.

During each quarter of the year ended June 30, 2019, the DFAS made changes to both the proposed PACAP and the AlloCAP system. Our comparison of the proposed PACAPs for the periods ended June 30, 2018, and June 30, 2019, determined the DFAS added 49, removed 12, and changed approximately 75 cost centers.

DFAS personnel did not maintain adequate documentation to support all changes or a complete log of all changes. We requested supporting documentation for all 8 changes identified in the proposed PACAP for the period April 1, 2019, to June 30, 2019. While DFAS personnel provided emails, meeting invitations, and other documentation showing discussions about certain changes; that documentation did not support the reasons and/or justification for 6 of the 8 changes. DFAS personnel indicated the Chief Financial Officer (CFO) and the Assistant CFO review all changes to the AlloCAP system; however, they could not provide documentation that any of these system changes were approved. In addition, DFAS personnel did not test the changes for accuracy and consistency with the proposed PACAP.

DFAS personnel stated they document changes to the proposed PACAP through the track change function of the electronic PACAP document and that changes to the AlloCAP system can be identified by comparing the current and prior quarter chart of accounts reports. In December 2018, DFAS personnel implemented the AlloCAP Approval Checklist and the AlloCAP Approval Tracking Sheet to document cumulative quarterly updates to the proposed PACAP and AlloCAP system. However, these documents and



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

methods do not provide proper support for the reason and/or justification of each change.

Documentation of changes, approvals, and testing are critical components of an internal control system designed to ensure data reliability and compliance with federal requirements. The AlloCAP system procedures manual, Chapter VII, states users are encouraged to manually document all changes made to the AlloCAP system because the system does not have an internal function that allows the user to automatically track changes made over time. The manual also states "after you make any single change, we recommend that you run the CAP and verify the results before proceeding to make other changes." In addition, according to the Government Accountability Office,⁸ as part of the control of master data, the organization should have an effective auditing and monitoring capability that allows changes to master data records to be recorded and reviewed where necessary.

Compliance test results

To determine if the DFAS followed its proposed PACAP when allocating costs to federal programs, we sampled 17 cost centers allocated during the quarter ended June 30, 2019, and determined each sampled cost center was supported and allocated in accordance with the proposed PACAP. However, without adequate internal controls, there is less assurance the other cost centers allocated using different methodologies, or cost centers applicable to other programs not audited as major programs, were allocated accurately and/or in accordance with the proposed PACAP.

Conclusions

The failure to implement adequate internal controls to ensure costs are allocated and reported in accordance with the proposed PACAP and federal requirements increases the risk that DFAS staff will not allocate an appropriate share of costs to programs, errors will not be detected timely, and federal grantor agencies will disallow costs charged to federal programs. Inadequate internal controls could hinder the department's ability to manage federal funds effectively and to comply with federal regulations.

Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States or the *Internal Control Integrated Framework*, issued by the Committee of

⁸ GAO, Report GAO-09-232G, *Federal Information System Controls Audit Manual*, February 2009, p. 425, <<https://www.gao.gov/products/gao-09-232g>>, accessed February 14, 2020.



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Sponsoring Organizations of the Treadway Commission." The *Standards for Internal Control in the Federal Government*, also known as the Green Book, requires management to develop and maintain documentation of its internal control system. Paragraph 3.10 of the Green Book states, "[e]ffective documentation assists in management's design of internal control by establishing and communicating the who, what, when, where, and why of internal control execution to personnel. Documentation also provides a means to retain organizational knowledge and mitigate the risk of having that knowledge limited to a few personnel, as well as a means to communicate that knowledge as needed to external parties, such as external auditors."

Rule 45 CFR 95.517(a) provides that "[a] state must claim FFP [federal financial participation] for costs associated with a program only in accordance with its approved cost allocation plan." Rule 2 CFR Section 200.405(a) states, "[a] cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received."

Recommendation

The DSS through the DFAS implement internal controls and procedures over the PACAP and the AlloCAP system to ensure costs charged to federal programs are accurate, allowable, properly allocated, and consistent with the proposed and/or approved PACAP. Internal controls should be adequately documented and monitored for compliance with applicable requirements. These controls should include sufficiently detailed policies and procedures; documentation of the reason, justification, and approvals of changes to the proposed PACAP and the AlloCAP system; documented testing of system changes; and a complete log of all changes.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DSS Corrective Action Plan states the DSS disagrees with the finding. The DSS asserts that because no deviations were found in audit sampling, the DSS has provided sufficient evidence to demonstrate internal controls and procedures to ensure costs charged to federal programs are accurate, allowable, and properly allocated. The DSS further disagrees because the department believes the finding is based on grants not sampled in this audit.

The department's claim that audit sample results support sufficient evidence of effective internal controls is not valid. We used *Audit Guide Government Auditing Standards and Single Audits (Audit Guide)*, published by the AICPA, for decisions regarding the reporting of internal control deficiencies. While the results of compliance testing should be considered when evaluating the operating effectiveness of internal controls, Audit Guide paragraph 9.46 states the absence of noncompliance detected by a compliance test does not provide audit evidence that controls related to a compliance requirement are



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

effective. Also, the department's claim that the finding is based on grants not sampled in this audit is not correct. As discussed with DSS officials on multiple occasions, the finding is based on our review of the department's controls over cost allocation, and we sampled cost centers used to allocate costs to the 4 applicable DSS major programs (listed at the beginning of the finding) in the year ended June 30, 2019, audit.

The DSS Corrective Action Plan lists various procedures, reports, and signatures supporting the preparation of the quarterly PACAP and federal financial reports. However, as stated in the finding, these items do not provide for sufficient evidence that the DSS is testing and ensuring AlloCAP system allocations are in accordance with the proposed PACAP. Most of the department's PACAP records are cumulative for a quarter and do not document sufficient detail, testing, or approval of each individual change. Also, as stated in the finding, the AlloCAP system manual does not address all of these procedures. Without appropriate documentation of internal controls, the DSS cannot demonstrate effective procedures over cost allocation.

Federal regulations require the DSS to maintain effective controls over, and accountability for, all funds of the DSS programs. Effective internal controls are well documented and include policies and procedures designed to ensure compliance with federal regulations. Because the DSS did not adequately establish and document such controls and procedures over cost allocation, this finding is valid.

2019-003.
CSBG and CSE Program
Subrecipient Risk
Assessments

Federal Agency:	Department of Health and Human Services
Federal Programs:	93.563 Child Support Enforcement (CSE) 2018 - 1804MOCSES and 1804MOCEST 2019 - 1901MOCSES and 1901MOCEST 93.569 Community Services Block Grant (CSBG) 2018 - 18B1MOCOSR 2019 - 19B1MOCOSR
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Family Support Division (FSD)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance

During the year ended June 30, 2019, the DSS did not prepare and document risk assessments for subrecipients of the CSBG and CSE programs to determine the nature, timing, and extent of monitoring procedures. During the year ended June 30, 2019, the DSS disbursed approximately \$18 million to 19 subrecipients for costs related to the CSBG program and approximately \$9 million to 69 subrecipients for costs related to the CSE program.



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Rule 45 CFR Section 75.352(b) requires the DSS to evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

DFAS and FSD personnel performed various procedures to monitor the CSBG and CSE program subrecipients; however, the monitoring procedures were not based on documented risk assessments. Monitoring procedures, which varied among the programs, generally included reviewing external audits, following up on corrective actions related to audit findings, reviewing periodic subrecipient reports, performing on-site visits, verifying invoices to supporting documentation, and/or testing cases handled by the subrecipients.

To comply with federal regulations, the DSS should develop procedures to ensure risk assessments are prepared for all subrecipients, and utilize the risk assessments in determining the nature, timing, and extent of monitoring procedures. Rule 45 CFR Section 75.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the DFAS and the FSD develop controls and procedures to ensure evaluations of each CSBG and CSE program subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward are performed, documented, and used for monitoring decisions as required by federal regulations.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) states the DSS partially agrees with the finding because the DSS has performed risk-based monitoring of the CSE and CSBG subrecipients in accordance with the Uniform Guidance. However, during the audit, DSS officials agreed they had not documented risk assessments on any of the 88 subrecipients of the CSBG and CSE programs, and the DSS acknowledges in the CAP that risk assessments were not consistently documented. Therefore, this finding is valid.

**2019-004.
CSBG Program Reporting**

Federal Agency:	Department of Health & Human Services (DHHS)
Federal Program:	93.569 Community Services Block Grant (CSBG) 2018 - 18B1MOCOSR
State Agency:	Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Type of Finding: Internal Control (Significant Deficiency) and
Noncompliance

The DSS does not have adequate procedures for preparation of the annual CSBG program federal financial report (SF-425), and as a result, amounts on the interim SF-425 report were misstated for the federal fiscal year ended September 30, 2018 (FFY18) grant. The DFAS overstated the federal share of unliquidated obligations by about \$7.8 million and understated the unobligated balance of federal funds by about \$7.8 million on this report.

The DSS (1) allocates 90 percent of its annual CSBG program award to 19 subrecipients based on relative percentages of impoverished populations in the areas served by each subrecipient, (2) executes annual federal fiscal year contracts with each subrecipient for the allocation amount plus any unused allocation from the prior year, and (3) distributes funds to the subrecipients based on subrecipient expenditures claimed on monthly invoices. The DSS allocates the remaining 10 percent for DSS administrative costs and contracts with various entities for training and other services. For the FFY18 award, the DSS executed contracts totaling about \$20.6 million to subrecipients and contractors. DSS records indicate the unpaid balances on those contracts as of September 30, 2018, totaled about \$3.8 million. This includes about \$2.2 million in unpaid invoices and about \$1.6 million in costs not yet billed to the DSS that the DSS included as carry forward funds in subsequent contracts for the applicable subrecipients and contractors.

Rule 45 CFR Section 75.341 requires the DSS to prepare and submit federal financial reports as required by the terms of the federal award, but not less than annually. The terms of the CSBG program award require the DFAS to complete an interim SF-425 report covering the first year of the grant period and a final report covering the entire 2-year grant period. To prepare the SF-425 report, the DFAS must record the total federal funds authorized, the federal share of expenditures, and the federal share of unliquidated obligations. The remaining unobligated balance of federal funds is automatically calculated as federal funds authorized less expenditures and unliquidated obligations. Rule 45 CFR Section 75.2 defines unliquidated obligations as the unpaid balance on contracts and subawards.

On the FFY18 grant interim SF-425 report, the DFAS reported unliquidated obligations as the total unspent FFY18 grant award of \$11.6 million rather than the total unpaid FFY18 contract amounts of \$3.8 million. By incorrectly reporting unliquidated obligations as the unspent FFY18 grant award, the DFAS overstated unliquidated obligations and understated the resulting unobligated balance at September 30, 2018, by about \$7.8 million. A CSBG State Assessment review performed by the DHHS, Administration for Children and Families, Office of Community Services, released in April



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

2019, similarly questioned the accuracy of amounts reported in federal reports.

It is essential the data reported in CSBG program federal financial reports is accurate to properly reflect the status of the grant. Rule 45 CFR Section 96.30(a) requires the DSS to establish fiscal controls and accounting procedures sufficient to permit preparation of the required reports.

Recommendation

The DSS through the DFAS establish controls and procedures to ensure CSBG program federal financial reports are accurately prepared in accordance with federal requirements. In addition, the DSS should review, revise, and resubmit previously submitted inaccurate federal reports.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DSS Corrective Action Plan states the DSS disagrees with the finding because the difference between records referenced in the finding is due to the accounting methodology for drawing and disbursing funds. However, as explained to DSS officials at the audit exit meeting held on February 18, 2020, the misstatements identified in the finding were not due to the manner in which the funds were drawn and disbursed, but rather were due to reporting unliquidated obligations as the unspent grant award amount instead of the unpaid contract amounts on the federal report. Therefore, this finding is valid.

2019-005.
Medicaid and CHIP
MAGI-Based Participant
Eligibility

Federal Agency:	Department of Health and Human Services
Federal Program:	93.767 Children's Health Insurance Program 2018 - 1805MO5021 2019 - 1905MO5021 93.778 Medical Assistance Program 2018 - 1805MO5MAP and 1805MO5ADM 2019 - 1905MO5MAP and 1905MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD) and Family Support Division (FSD)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance
Questioned Costs:	\$2,832

The DSS does not have sufficient controls to ensure compliance with eligibility redetermination requirements of the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP) for participants whose eligibility is based on their Modified Adjusted Gross Income (MAGI). In addition, the DSS does not have sufficient controls to ensure the eligibility status is updated in the claims payment system when participants are determined to be ineligible for benefits. Of the approximately



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

907,000 Medicaid and CHIP participants as of June 30, 2019, approximately 600,000 (66 percent) were MAGI-based participants.

To ensure MAGI-based participants continue to be eligible for benefits, 42 CFR Section 435.916 requires a redetermination of eligibility once every 12 months, or when circumstances affecting a participant's eligibility changes.

The Medicaid Eligibility Determination and Enrollment System (MEDES), implemented in January 2014, tracks eligibility information for MAGI-based participants, including redetermination due dates; and in some cases, performs redeterminations. Other redeterminations are performed manually by FSD eligibility specialists. Eligibility information is transferred from the MEDES into the Medicaid Management Information System (MMIS), the Medicaid claims payment system, nightly. MEDES operations have been problematic since implementation and the DSS continues to address system errors. DSS officials stated various system errors occurred in the initial years and DSS personnel made manual overrides to individual cases in the system to correct certain errors. However, some overrides led to additional errors and problems. DSS officials indicated the initial system errors have been resolved, but they have not identified and corrected all of the cases for which manual overrides were made.

To test compliance with eligibility requirements, we reviewed eligibility documentation for 60 MAGI-based participants, of which 45 participants required a redetermination during the year ended June 30, 2019. Medicaid and CHIP capitation and fee for service payments totaling approximately \$182,500 were made on behalf of these 60 participants during the year ended June 30, 2019. We identified 4 participants for which eligibility redeterminations were not performed as required and 1 ineligible participant for which the case was not closed in the MMIS. These errors represent approximately 9 percent (4 of 45) and 2 percent (1 of 60) of the participants reviewed. If similar errors were made on the remaining population of MAGI-based participants, errors and related questioned costs could be significant.

Eligibility redeterminations

For 2 of the 4 participants, the DSS did not perform the required eligibility redeterminations. One participant was last determined eligible in April 2015 and the other participant was last determined eligible in January 2017. For the 2 other participants, the eligibility redeterminations were initiated between 2 months and 2 years after they were due. DSS officials indicated the redeterminations were not performed as required for these 4 participants due to various system errors and limitations. For example, prior to June 2018, the system did not automatically initiate the redetermination process for some cases. In addition, DSS officials explained there was a period of time when the MEDES was incorrectly closing some cases before a redetermination could be performed. To prevent affected cases from being closed, DSS personnel manually overrode system controls. However, once the system



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

errors were corrected, the DSS did not remove the previously-established system overrides, which prevented the system from identifying the cases as needing redeterminations. Medicaid capitation and fee for service payments made during the year ended June 30, 2019, on behalf of the 2 participants for which eligibility redeterminations were not performed, totaled \$4,344. We question the federal share, or \$2,832 (65.20 percent).

Incorrect eligibility status

We identified 1 participant who became ineligible for MAGI-based benefits in 2016; however, a MEDES system error prevented the participant's MAGI-based eligibility case from being closed in the MMIS and the case was still open as of December 2019. As a result, the MMIS would have paid claims on behalf of this individual. However, because no payments occurred for this individual as a result of MAGI-based eligibility, there are no questioned costs.

Conclusions

The failure to implement adequate internal controls to ensure annual eligibility redeterminations are performed as required and participants' eligibility statuses in the MMIS are accurate can result in Medicaid and CHIP payments being made on behalf of ineligible individuals, which are unallowable costs of the federal program. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the MHD and the FSD strengthen internal controls over MAGI-based participant eligibility to ensure eligibility redeterminations are completed as required and that participants' eligibility statuses in the MMIS are accurate. In addition, the DSS should review and correct the eligibility for the ineligible participant identified in this finding.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.

**2019-006.
Medicaid Nursing Facility
Audits**

Federal Agency:	Department of Health and Human Services (DHHS)
Federal Program:	93.778 Medical Assistance Program 2018-1805MO5MAP and 1805MO5ADM 2019-1905MO5MAP and 1905MO5ADM
State Agency:	Department of Social Services (DSS) - MO HealthNet Division (MHD)
Type of Finding:	Internal Control (Material Weakness) and Noncompliance

The MHD has not established adequate internal controls to ensure audits of financial records of nursing facilities participating in the Medical Assistance Program (Medicaid) are conducted as required. During the year ended



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

June 30, 2019, the MHD made payments totaling approximately \$1.1 billion to over 500 nursing facility providers on behalf of Medicaid recipients.

In the Missouri Medicaid State Plan (State Plan), the DSS provided assurances and outlined procedures designed to collect uniform cost reports from each participating provider and to provide for periodic audits of financial and statistical records of participating providers.

Cost report audits

The MHD has not established a plan for providing periodic audits of cost reports or other provider financial information of participating providers, and only a few cost report audits have been performed in recent years. Cost reports serve as the primary method for nursing facilities to provide financial information to the MHD.

The State Plan, Attachment 4-19D, Findings and Assurances, states the MHD requires the filing of uniform cost reports by each participating provider and provides for periodic audits of the financial and statistical records of the providers. However, the MHD has not established a methodology for determining when audits are to be conducted.

According to MHD records, 0, 14, and 4 cost report audits were performed during each of state fiscal years 2019, 2018, and 2017, respectively. During the 3-year period, cost report audits covered less than 4 percent of the total nursing facility providers. Furthermore, the most recently completed audits (performed in fiscal year 2018) covered cost reports for fiscal years ended in 2016 and 2013.

MHD officials indicated they have outsourced cost report audits to a contractor for future periods. They also indicated they believe they have complied with the cost report audit requirements because they conducted audits in the past. They also stated they believe cost report audits are not necessary since the MHD does not use the cost reports to set rates and the federal regulations do not specifically require audits of cost reports. However, to ensure compliance with State Plan requirements, the MHD needs to establish and follow a plan for performing audits of cost reports or other financial information.

Independent audits

During the year ended June 30, 2019, the MHD did not ensure required independent financial audit reports were received for any of the facilities that began participating in the Medicaid program during the previous 2 years. The MHD's log of independent audits received showed no independent audits were received during fiscal year 2019.

The State Plan, Attachment 4-19D, page 36 (10)(D.4) requires nursing facilities in the first 2 full fiscal years of participation in the Medicaid program have an annual audit of the financial records used to prepare the annual cost reports. The audits are required to be performed by an



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

independent certified public accountant in accordance with Generally Accepted Accounting Principles and Generally Accepted Auditing Standards. DSS officials did not provide an explanation for not ensuring the independent audits were received.

Conclusions

To ensure compliance with the State Plan, the MHD should establish internal controls over required audits. When providers do not have periodic audits, there is an increased risk the submitted cost reports are not accurate and complete. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Recommendation

The DSS through the MHD establish and enforce a plan for periodic audits of cost reports or other financial information of nursing facilities and ensure independent audits are obtained in accordance with the State Plan.

Auditee's Response

We partially agree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement and any planned actions to address the finding.

Auditor's Comment

The DSS Corrective Action Plan (CAP) asserts the State Plan, Attachment 4-19D, referenced in the finding, is not part of the State Plan because the federal legislation that previously required the filing of cost reports and audits was repealed in 1997. However, this attachment is included in the State Plan document and 42 CFR Section 430.12(c)(1)(i) requires the State Plan to provide it will be amended whenever necessary to reflect changes in federal law, regulations, policy interpretations, or court decisions. The DSS has acknowledged no State Plan amendments have been submitted to the DHHS - Centers for Medicare and Medicaid Services to reflect the 1997 changes to the federal law.

The DSS CAP includes additional inaccurate claims: (1) The DSS CAP lists various audits and reviews performed by the DSS; however, those audits and reviews were of statistical reports or limited financial information. Currently, cost reports are the only method for reporting of complete financial information. (2) The DSS CAP states the DSS provided auditors documentation that the DSS performed 5 (instead of 0) cost report audits and received independent audits for 2 (instead of 0) new facilities during the year ended June 30, 2019. However, the DSS did not provide appropriate evidence for any of these audits. These audits were not listed in the log of audits provided to auditors on August 8, 2019, and DSS officials did not provide complete records in response to discussions with auditors about the errors on December 12, 2019, February 11, 2020, and March 2, 2020. Even if auditors were provided these records, the DSS would not have demonstrated



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

compliance with the State Plan as the majority of the nursing facilities still have not had a cost report audit. Because the DSS failed to comply with the State Plan, the finding is valid.

2019-007.
Medicaid Developmental
Disabilities
Comprehensive Waiver
Per Diem Rates

Federal Agency: Department of Health and Senior Services (DHHS)
Federal Program: 93.778 Medical Assistance Program
2018-1805MO5MAP and 1805MO5ADM
2019-1905MO5MAP and 1905MO5ADM
State Agency: Department of Mental Health (DMH) - Division of
Developmental Disabilities (DD)
Type of Finding: Noncompliance
Questioned Costs: \$244,757

As noted in our prior four audit reports,⁹ the DD continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services (HCBS), Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) program, but did not retain adequate documentation to support these rates. As a result, the DD could not demonstrate some amounts paid were allowable costs of the Comprehensive Waiver program.

The DD with its six habilitation centers and five regional offices is responsible for the direct administration of various Medical Assistance Program (Medicaid)-funded HCBS programs for children and adults with disabilities, including the Comprehensive Waiver program. Various types of services are allowed under the waiver, including residential habilitation services provided to 1,609 participants in group homes and 5,116 participants served by individualized supported living (ISL) providers during the year ended June 30, 2019. Residential habilitation services include care, supervision, and skills training in activities of daily living, home management, and community integration. Providers are paid a per diem rate for each participant receiving these services, based on the individual's needs. Certain costs, such as room and board, are not allowed to be included in per diem rates under the waiver program. During the year ended June 30, 2019, per diem payments for group home services totaled approximately \$132 million, and per diem payments for ISL services totaled approximately \$599 million.

In October 2013, the DD began phasing in acuity-based per diem rates to replace historical rates for residential habilitation services, and renewed the Comprehensive Waiver in July 2016 to include the new rates. However these acuity-based per diem rates were not fully phased in as of June 30, 2019.

⁹See single audit reports at <<https://app.auditor.mo.gov/AuditReports/AudRpt2.aspx?id=35>>, finding numbers 2018-014, 2017-017, 2016-006, and 2015-015.



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Payments at the historical per diem rates are expressed as a percentage of the acuity-based rates, but some of these rates exceed 100 percent of the acuity-based rate. For participants who received residential habilitation services during the year ended June 30, 2019, DD officials indicated the DMH paid acuity-based per diem rates for approximately 97 percent of the participants in group homes and approximately 33 percent of the participants in ISL placements, and historical per diem rates for the remaining 3 percent and 67 percent, respectively. DMH officials indicated the per diem rates for the remaining group homes are expected to be standardized by 2021. A corrective action plan approved by the federal DHHS - Centers for Medicare and Medicaid Services (DHHS-CMS), Division of Medicaid Field Operations - North in June 2019, states the rates for ISL providers are planned to be fully implemented by 2024.

To test compliance with various Comprehensive Waiver program requirements, we tested 60 payments to service providers during the year ended June 30, 2019. Of these 60 payments, 25 were to ISL providers, and 16 were to group homes for habilitation services. The DD did not retain documentation to support per diem rates, paid at historical rates exceeding acuity-based rates, for 2 of the 16 group home habilitation service payments tested. The DD retained the group home individual plans of care and cost of living allowance (COLA) notices supporting some per diem rate increases. However, these documents did not show how the rates were originally determined or what costs were included in the per diem rates. The remaining 25 ISL and 14 group home payments were based on acuity-based per diem rates or historical rates that were less than or equal to acuity-based rates. Payments to providers for habilitation services provided to the 2 participants during the year ended June 30, 2019, for which the historical per diem rates were not supported or exceeded acuity-based rates, totaled \$375,336. We question the federal share, or \$244,757 (65.21 percent).

Audits performed by the DHHS - Office of Inspector General (DHHS-OIG), *Missouri Claimed Unallowable and Unsupported Medicaid Payments for Group Home Habilitation Services*, released in August 2015, and *Missouri Claimed Unallowable and Unsupported Medicaid Payments for Individualized Supported Living Habilitation Services*, released in March 2016, noted similar concerns with unsupported per diem rates for some group home payments and noted some ISL payments included unapproved and unallowable costs.

In July 2018, the DHHS-CMS, Division of Medicaid and Children's Health Operations issued a decision letter stating it did not concur with our fiscal year 2017 audit finding because the DMH changed to the acuity-based rate-setting method for residential habilitation per diem rates, effective July 2016. However, as noted above, payments to providers for those participants that have not been transitioned from the historical per diem rates to the acuity-



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

based per diem rates, are not adequately supported and documented as required by federal regulations. Similar errors of noncompliance will likely continue until all participants are transitioned to the acuity-based rate model.

Without proper documentation of the payment rates, the DD cannot demonstrate that payments based on these rates are proper and only include allowable costs. Rule 42 CFR Section 447.203(a) states "[t]he agency must maintain documentation of payment rates. . . ." Rule 2 CFR Section 200.403(g) states costs must be adequately documented to be allowable. Also, the approved DD Comprehensive Waiver Program Application, Appendix I: Financial Accountability, section I-2(e), states "[r]ecords documenting the audit trail of adjudicated claims (including supporting documentation) are maintained by the Medicaid agency, the operating agency (if applicable), and providers of the waiver services for a minimum period of 3 years." Adequate documentation of habilitation services per diem rates is necessary to ensure compliance with the federal requirements related to the Comprehensive Waiver program and to ensure only allowable costs are included in the per diem rates.

Recommendation

The DMH through the DD continue to transition all per diem rates paid to providers for residential habilitation services provided under the Comprehensive Waiver program from historical rates to acuity-based rates and ensure documentation to support per diem rates is maintained as required.

Auditee's Response

We disagree with the auditor's finding. Our Corrective Action Plan includes an explanation and specific reasons for our disagreement.

Auditor's Comment

The DMH Corrective Action Plan states the DMH disagrees with the finding because all existing rates are now a factor of a rate study, the rate study serves as the documentation for all residential rates paid, and any other forms of documentation are irrelevant. However, as stated in the finding, payments to providers for any participants at historical per diem rates that exceed 100 percent of amounts calculated using the rate study are not adequately supported and documented, as required by federal regulations. Therefore, this finding is valid. Similar errors of noncompliance will likely continue until all participants are at or below 100 percent of the amounts calculated using the approved rate methodology.

2019-008.
MVC SEFA

Federal Agency:	Department of Veterans Affairs
Federal Program:	64.015 Veterans State Nursing Home Care
State Agency:	Missouri Veterans Commission (MVC)
Type of Finding:	Internal Control (Significant Deficiency) and Noncompliance

The MVC's controls and procedures related to the preparation of the schedule of expenditures of federal awards (SEFA) were not sufficient; and as a result,



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

expenditures reported on the MVC SEFA submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the statewide SEFA for the year ended June 30, 2019, were misstated. If the misstatement had not been identified during the audit, Veterans State Nursing Home Care program expenditures would have been overstated by approximately \$758,000 in the statewide SEFA as shown below:

Reported Expenditures	Actual Expenditures	Overstated
\$73,197,173	\$72,439,625	\$757,548

The errors resulted from the incorrect compilation of per diem reimbursements from Statewide Advantage for Missouri (SAM II) Financial system records. Although the MVC SEFA stated expenditures were reported on the accrual basis of accounting, which was the MVC's practice in prior years; expenditures were actually reported on the cash basis of accounting. By reporting on the cash basis, June 2018 per diem reimbursements received in July 2018 were included and June 2019 per diem reimbursements received in July 2019 were not included, overstating reported expenditures by \$134,940. Similarly, all retroactive per diem reimbursements received during state fiscal year 2019 were included, instead of only those related to state fiscal year 2019 services, overstating reported expenditures by an additional \$622,608. In total, these errors resulted in the overstatement of federal expenditures by \$757,548. The errors occurred without detection due to (1) staff turnover, (2) the absence of documented procedures for preparing the SEFA, and (3) inadequate review procedures. After we notified the MVC of these errors, the MVC submitted a revised SEFA to the DOA, and the DOA included the revised amount in the statewide SEFA.

Rule 2 CFR Section 200.510(b) requires the recipient of federal awards to prepare a SEFA including federal awards expended for each federal program. Rule 2 CFR Section 200.303(a) requires the non-federal entity to "[e]stablish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award." Effective internal controls should include procedures to ensure federal expenditures are accurately reported on the SEFA.

Recommendation

The MVC implement controls and procedures to prepare and submit an accurate SEFA to the DOA.

Auditee's Response

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address the finding.



State of Missouri - Single Audit
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

**Additional State Auditor's
Reports**

The Missouri State Auditor's Office regularly issues audit reports on various programs, agencies, and divisions of the state of Missouri. Audit reports may include issues related to the administration of federal programs. We reviewed the reports issued from April 2019 to March 2020 and noted there were no reports that relate to a federal program and were required to be reported in the Schedule of Findings and Questioned Costs in accordance with the Uniform Guidance.

State of Missouri - Single Audit

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2019

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The Uniform Guidance requires the auditor to follow up on prior audit findings; perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and report, as a current year audit finding, when the auditor concludes the schedule materially misrepresents the status of any prior audit finding.



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

Michael L. Parson
Governor



Sarah H. Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: <http://www.oa.mo.gov/acct>
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

The Uniform Guidance requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all audit findings included in the prior audit's Schedule of Findings and Questioned Costs. The Schedule is also to report the status of findings included in the prior audit's Summary Schedule of Prior Audit Findings, except those that were corrected, no longer valid, or not warranting further action.

The attached documents are the Summary Schedule of Prior Audit Findings for the year ended June 30, 2019, and includes all findings from the audit for the Fiscal Year ended June 30, 2018, and certain similar findings from the audits for the Fiscal Years ended June 30, 2017, 2016, 2015, 2014, 2013, 2012, 2011, and 2010.

These documents were prepared by the applicable State agencies as noted with each prior year finding.



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-001. Department of Revenue Financial Reporting Controls

State Agency: Department of Revenue (DOR)

The DOR did not have adequate controls and procedures over financial reporting of sales and use tax accounts receivables following the implementation of a new computerized system in September 2017. As a result, sales and use tax accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the *Missouri Comprehensive Annual Financial Report* for the year ended June 30, 2018, was misstated. In addition, the data was not submitted to the DOA timely.

Recommendation:

The DOR implement controls and procedures to prepare and submit accurate and timely financial reports to the DOA.

Status of Finding:

The Department implemented procedures and controls to submit accurate and timely financial reports to the DOA.

Contact Person: Nancy Holtschneider

Phone Number: 751-5236



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-002. Department of Corrections SAM II User Account Controls

State Agency: Department of Corrections (DOC)

The DOC did not establish adequate controls to ensure Statewide Advantage for Missouri (SAM II) Financial system users at the DOC were prevented from approving transactions they created without independent review or approval.

Recommendation:

The DOC establish procedures to restrict SAM II Financial system users from approving expenditure transactions they create.

Status of Finding: Corrective action was taken.

Contact Person: Gil Long
Phone Number: 573-526-3258



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-003. Department of Social Services SAM II User Account Controls

State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DSS-DFAS did not establish adequate controls to ensure Statewide Advantage for Missouri (SAM II) Financial system users at the DSS were prevented from approving transactions they created without independent review or approval.

Recommendation:

The DSS through the DFAS establish procedures to restrict SAM II Financial system users from approving expenditure transactions they create.

Status of Finding:

Completed. Monthly reviews are conducted to ensure system controls are also in place to prevent a user from approving transactions they create.

Contact Person: Gina Jacobs/Theresa McDonald
Phone Number: 751-2171



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-004. Adoption Assistance Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.659 Adoption Assistance
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Division of
Finance and Administrative Services (DFAS)
Questioned Costs: \$28,963 (2018)

DSS controls over eligibility were not sufficient to prevent and/or detect payments made on behalf of ineligible children. The CD made payments on behalf of ineligible children, and could not provide documentation to demonstrate that another child met the various program eligibility requirements. Some adoption subsidy agreements were not signed and in effect prior to or at the date of adoption; and for some agreements, the CD Director's signature date was apparently backdated.

Recommendation:

The DSS through the CD and the DFAS strengthen and enforce policies and procedures regarding Adoption Assistance eligibility determinations. These procedures should ensure all adoption subsidy agreements are signed and in effect prior to adoption and ensure eligibility determinations are proper, documented, and retained. In addition, the DSS should review and correct the eligibility for the children identified in this finding.

Status of Finding:

Since the audit findings from the 2018 audit, CD and DFAS have strengthened and enforced policies and procedures regarding Adoption Assistance eligibility determinations by completing the following steps. A Practice Alert was sent out to appropriate CD staff and FCCM contractors regarding the policy implemented in May of 2008 clarifying initial adoption agreements and subsequent amendments shall not be backdated. Training for new and current staff to assure service start dates are after the date of the director's signature on the agreements are ongoing. This is relayed through one on one phone calls and emails, as well as information on meeting agendas with subsidy staff as appropriate. CD Central Office staff have worked hand in hand with DFAS staff to enforce these policies and procedures through communication and teamwork. Training with the IV-E Eligibility Analysts on criteria for applicable/non-applicable children for the adoption subsidy determination has been provided through supervisors. Eligibility segments and payments were corrected for the youth identified in the finding.

Contact Person: Amy Martin and Jodi Lodewegen
Phone Number: 573-751-2542



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-005A. Department of Social Services Public Assistance Cost Allocation Plan

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
93.659 Adoption Assistance
93.558 Temporary Assistance for Needy Families
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DFAS did not have a documented system of internal controls to ensure the contractor properly designed the AlloCAP system to provide for accurate, allowable, and proper allocations in accordance with the proposed public assistance cost allocation plan (PACAP). In addition, the DFAS did not implement procedures to document changes made to the proposed PACAP or the AlloCAP system or approval of such changes, and did not document procedures to test the changes for accuracy and consistency with the proposed PACAP.

Recommendation:

The DSS through the DFAS implement controls and procedures over the PACAP and the AlloCAP system to ensure costs charged to federal programs are accurate, allowable, properly allocated, and consistent with the proposed and/or approved PACAP. Internal controls should be adequately documented and monitored for compliance with applicable requirements. These controls should include policies and procedures, a log of changes to the PACAP and the AlloCAP system, and documentation of approvals and testing of system changes.

Status of Finding:

The DSS disagrees with this recommendation.

Audit Requirements for Federal Awards are covered under 2 CFR 200. Under section 200.516 subpart 7, auditors are required to indicate whether an audit finding represents an isolated instance or a systematic problem. Instances identified must be related to the universe and the number of cases examined and be quantified in terms of dollar value. The auditor should report whether the sampling was a statistically valid sample.

As noted in the audit finding, the sample selected included 14 cost centers allocated during the quarter ending March 31, 2018 and for every cost center examined, it was determined that all costs were supported and allocated in accordance with the proposed PACAP. No deviations were found in the tested sample to support that the DSS did not effectively design, implement, or put controls in place to prevent detection of non-compliance.

In addition to the successful results of the tested sample supporting DSS' position, the DSS has provided sufficient evidence to demonstrate internal controls and procedures to ensure costs charged to federal programs are accurate, allowable, and properly allocated.

Effective October 1, 2017, the DSS transitioned from utilizing an indirect cost rate methodology allocated manually on a spreadsheet to implementing a PACAP to directly allocate through cost pools which is allocated systematically in a proprietary cost allocation system. Implementation of a thoroughly documented PACAP coupled with the AlloCAP system supports that DSS has strengthened internal controls and procedures. Additionally, the DSS has provided documented evidence to support the internal controls and procedures over PACAP and AlloCAP which includes but is not limited to: (1) All changes made to the PACAP narrative are submitted in track changes



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

format to Cost Allocation Services (CAS) for review and evaluation by federal partners; (2) The submitted PACAP narrative is provided to the Grants Unit in addition to a summary of the quarterly changes which is prepared by the Cost Allocation Manager to assist the Grants Unit in ensuring that AlloCAP matches the PACAP narrative exactly; (3) The AlloCAP manual outlining procedures for the quarterly cost allocation process; (4) Grant approval tracking sheets which document all levels of approval for each grant sheet from preparation to submission; and (5) Reports directly from the AlloCAP system showing the allocation methodology matches the PACAP as submitted quarterly.

The DSS' internal controls were and continue to be a component of the successful implementation of the PACAP and AlloCAP system in order to ensure accuracy and compliance with federal requirements as supported by the sample results reviewed under this audit.

The DSS can provide the documented evidence to support the internal controls and procedures over PACAP and AlloCAP again if needed.

Contact Person: Kristen Pattrin
Phone Number: 573-751-2542



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-005B. Department of Social Services Public Assistance Cost Allocation Plan

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
93.659 Adoption Assistance
93.558 Temporary Assistance for Needy Families
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DFAS did not include an estimated cost impact analysis in the proposed public assistance cost allocation plan (PACAP), as required by federal regulations.

Recommendation:

The DSS through the DFAS prepare and submit an estimated cost impact analysis as part of the PACAP, as required by federal regulations.

Status of Finding:

The DSS disagrees with this finding; however, the DSS has already corresponded with Cost Allocation Services (CAS) regarding submission of cost impact statements.

As noted in the audit finding, the PACAP narrative states that the DSS will notify the CAS of any significant funding changes as a result of the proposed PACAP implementation. The cost impact statements were submitted to CAS on August 22, 2019 as promised via previous correspondence with CAS.

Contact Person: Kristen Pattrin
Phone Number: 573-751-2542



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-006. Child Care Eligibility Case Reviews

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)

The DSS did not ensure monthly supervisory case reviews were completed as required for FSD eligibility specialists who perform eligibility determinations of households participating in the Child Care Development Fund (Child Care) subsidy program. Also, the case review policy did not require that case reviews be completed timely.

Recommendation:

The DSS through the CD and the FSD ensure monthly supervisory case reviews are performed as required by DSS policy and strengthen the policy to indicate when the reviews should be performed.

Status of Finding:

Effective July 1, 2019, the Child Care Case Review policy was updated through a memorandum to all FSD staff to clarify when Eligibility Specialist Supervisors need to complete case reviews. In the department's corrective action plan to this finding, there was reference to DSS sending an "All About Child Care" email reminder to Eligibility Specialist Supervisors to complete required case reviews. This email reminder was not sent because the updated policy required review by all supervisors in lieu of sending an email.

Contact Person: Marianne Dawson
Phone Number: (573) 522-2294



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-007. Child Care Payments

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Family Support Division (FSD)
Questioned Costs: \$586 (2018)
Similar Findings: 2017-010, 2016-002A, 2015-002, 2014-005, 2013-009, 2012-11A&B, 2011-14A, and 2010-16A

DSS controls over Child Care Development Fund (Child Care) subsidy provider payments were not sufficient to prevent and/or detect improper payments to child care providers. The DSS had only limited procedures to monitor payments to providers, and overpayments were made to some providers.

Recommendation:

The DSS through the CD and the FSD continue to review, strengthen and enforce policies and procedures regarding Child Care subsidy provider payments. These procedures should include sufficient monitoring of provider payments and follow up on errors identified.

Status of Findings:

The Child Care Business Information Solution (CCBIS) will replace paper attendance records and will capture attendance electronically. This will allow for greater control of attendance tracking, invoicing, and monitoring for provider compliance. The CCBIS is scheduled to be delivered to all child care providers by March 31, 2020 and will be fully implemented by June 30, 2020.

Claims have been entered or adjustments have been made for agreed upon unallowable costs.

Contact Person: Marianne Dawson
Phone Number: (573) 522-2294



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-008. Child Care Provider Monitoring

Federal Agency: Department of Health and Human Services
Federal Program: 93.575 Child Care and Development Block Grant
93.596 Child Care Mandatory and Matching Funds of the Child Care and Development Fund
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Similar Findings: 2017-011 and 2016-002B

The DSS' procedures to follow up on provider noncompliance identified during Child Care Review Team (CCRT) reviews were not sufficient. The CCRT and the CD did not have established criteria or guidance for determining the type and extent of follow-up action, if any, to address identified provider noncompliance. For some reviews that appeared to require follow up, the CCRT required the providers to repay the overpayments, but took no further action to address the provider noncompliance, such as referring the provider to the CD for training or other corrective action, or conducting a follow-up review in a timely manner.

Recommendation:

The DSS through the DFAS and the CD continue to strengthen and enforce procedures to ensure proper follow up on noncompliance identified during CCRT reviews is performed.

Status of Findings:

The CCRT had previously established the following procedures:

- Notify all child care providers of new future monitoring and follow-up processes.
- Update entrance letters to clarify requirements for submitting attendance records to the DSS.
- If the review finds error rates of 5% or more, DSS's notification letter to the provider references Educare training as an option to be completed within 45 days of the date of the letter.
- A follow up review will be conducted of the first full month's records following the 45-day Educare option provided in the decision letter.
- If the provider has an error rate in excess of 5% in the follow up desk review (FUDR), an additional follow up will be conducted.
- If the provider has an error rate in excess of 5% after second follow up desk (FUDR2) review, the provider will be referred to Early Childhood and Prevention Services Section for corrective action.

In addition to what the DSS had previously stated in their corrective action plan, new tools and entrance letters were developed to be effective July 1, 2019.

Currently the CCRT has assigned or completed 1,087 provider reviews from July 1, 2018 to present. Thirty provider reviews are now pending for the FUDR2 at which time if they are over the 5% they will be referred to Early Childhood and Prevention Services Section.

Contact Person: Brenda Labella
Phone Number: 573-526-6806



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-009. Foster Care Case Management Contract Payment Reviews

Federal Agency: Department of Health and Human Services
Federal Program: 93.658 Foster Care - Title IV-E
State Agency: Department of Social Services (DSS) - Children's Division (CD) and Division of Finance and Administrative Services (DFAS)
Questioned Costs: \$172 (2018)

The DFAS did not establish adequate internal controls to ensure certain Foster Care assistance payments to foster care case management (FCCM) contractors were allowable and adequately supported.

Recommendation:

The DSS through the CD and the DFAS strengthen monitoring controls and procedures over FCCM contractor payments to ensure costs claimed to the Foster Care program as assistance payments are allowable and adequately supported. Detailed reviews of data submitted by the FCCM contractors should include reviews of foster care payment rates and supporting documentation.

Status of Finding:

The DSS disagrees with this recommendation.

The Foster Care payment was allowable as the child was IV-E eligible and in a reimbursable placement. The rate paid should have been slightly less due to the child's age. This occurred due to timing of system changes with the FCCM and is a unique instance. Based on the finding, the selected sample population of \$271,000 included 60 items of which \$50,700 and 9 children correspond to FCCMs. The sample identified \$266 (\$172 federal share) of questioned costs pertaining to FCCMs which results in a potential deviation of 0.10% of the total and 0.52% corresponding to FCCMs and is deemed by the DSS to be immaterial. In addition to the immateriality of questioned costs, the DAB upheld that FCCMs are a contractor of the DSS pursuant to decision 2681. In accordance with the DAB decision, the DSS will not request documentation from FCCMs for review that would be required of a subrecipient as doing so would be imposing extraneous requirements of contractors. As evidenced by the sample tested under this audit, the DSS has demonstrated sufficient monitoring controls and procedures over FCCM contractor payments to ensure accuracy and compliance with federal requirements.

Additionally, child placement and IV-E eligibility are not uploaded to the system by the vendor. Placement and eligibility for all children in the care of Children's Division are housed in the same area of the system regardless of internal versus external case management.

Payment data for children case managed by a FCCM is uploaded to the state's system. Once payments are uploaded, the data runs through case management and eligibility code to determine the payment fund to assign. The system is programmed to only allow a IV-E Foster Care claim if the child is determined to meet Title IV-E eligibility criteria and is in an allowable placement to Title IV-E. Therefore, payments for foster care could only be claimed to the grant if the child was in a foster home setting where a family would receive a payment to meet the needs of the child(ren) in their care and if both the child and the placement were eligible.

Contact Person: Kristen Pattrin
Phone Number: 573-751-2542



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-010. TANF Work Participation Sanctions

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families (TANF)
State Agency: Department of Social Services (DSS) - Family Support Division (FSD)
Questioned Costs: \$171 (2018)

The FSD did not have adequate controls to ensure TANF program recipients who failed to meet work participation requirements were sanctioned. The FSD's procedures to monitor subrecipients responsible for referring TANF program recipients to the FSD for failure to meet work participation requirements were not sufficient; and as a result, a recipient was not sanctioned and continued to receive full benefits.

Recommendation:

The DSS through the FSD continue to review, strengthen, and enforce controls to ensure TANF program recipients who fail to meet work participation requirements are sanctioned as required, or referred to the FSD for exemption.

Status of Finding:

The DSS disagrees with this audit finding. Although it is important to continue to review, strengthen, and enforce controls regarding TANF work participation sanctions, the DSS asserts the amounts referenced in this finding are immaterial. Regarding the immateriality, there was an error rate of less than 2% regarding the costs under review and an error rate of 5% regarding the cases under review.

The DSS agrees that internal controls are imperative to reducing errors and has successfully implemented controls to ensure clients are timely sanctioned. While the TANF regulations do not provide a threshold or an acceptable error rate, this is below what is required in other programs.

Contact Person: Jeriane Jaegers-Brenneke
Phone Number: (573) 751-1078



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-011. TANF Subrecipient Risk Assessments

Federal Agency: Department of Health and Human Services
Federal Program: 93.558 Temporary Assistance for Needy Families (TANF)
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) and Family Support Division (FSD)

The DSS did not prepare risk assessments for some TANF program subrecipients to determine the nature, timing, and extent of monitoring procedures. DFAS and FSD subrecipient monitoring procedures were not based on documented risk assessments.

Recommendation:

The DSS through the DFAS and the FSD strengthen controls and procedures to ensure evaluations of each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward are performed and used for monitoring decisions as required by federal regulations.

Status of Finding:

The DSS continues to perform risk based monitoring of subrecipients in accordance with Uniform Guidance. In addition, DSS has developed a standardized process to document risk assessments performed and is working to implement this process across the department.

Contact Person: Alicia Kolb
Phone Number: 573-751-2432



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-012. VOCA Subrecipient Monitoring

Federal Agency: Department of Health and Human Services
Federal Program: 16.575 Crime Victim Assistance (CVA)
State Agency: Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS)

The DFAS did not perform monitoring reviews in accordance with its monitoring policy for the CVA program, also known as the Victims of Crime Act (VOCA) program.

Recommendation:

The DSS through the DFAS ensure VOCA program subrecipients are monitored in accordance with the monitoring policy.

Status of Finding:

DSS updated policy and completed all onsite monitoring on or before 9/30/19 as required by OJP.

Contact Person: Kristin Morgan
Phone Number: (573) 522-3730



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-013. MO HealthNet Division Provider Eligibility

Federal Agency: Department of Health and Human Services
Federal Program: 93.767 Children's Health Insurance Program
93.778 Medical Assistance Program
State Agency: Department of Social Services (DSS) - MO HealthNet Division (MHD) and
Missouri Medicaid Audit and Compliance (MMAC)
Similar Findings: 2017-013 and 2016-003A

The DSS did not establish effective internal controls over and did not fully implement federal revalidation requirements for providers participating in the Medical Assistance Program (Medicaid) and the Children's Health Insurance Program (CHIP). As of June 30, 2018, the DSS had not performed required revalidations for 48 percent of Medicaid and CHIP providers requiring revalidation.

Recommendation:

The DSS through the MHD and MMAC continue to implement internal controls designed to ensure Medicaid and CHIP provider revalidations are performed every 5 years as required by federal regulations.

Status of Findings:

During SFY-2019, MMAC contracted with the state Medicaid Management Information System (MMIS) fiscal agent to develop a provider revalidations portal in the same system providers use to submit their electronic claims to MHD. The electronic portal became operational on January 7, 2019. The new portal allows providers to electronically update their enrollment information and upload any needed documentation. The portal allows the MMAC Provider Enrollment Unit (PEU) to process revalidations applications more quickly and without duplicate data entry.

During SFY-2019, MMAC completed revalidations for 18,703 MHD providers. MMAC also deactivated the MHD enrollments of 7,239 providers who did not respond to revalidation requests or submit required information. As of June 30, 2019, MMAC had eliminated the backlog of overdue provider revalidations.

There were 284 enrolled organizational providers who had not completed the revalidation process and were scheduled to be deactivated on June 30, 2019, but were left in an active status at the request of Department of Health and Senior Services, Division of Senior and Disability Services, Department of Mental Health, and MHD due to legitimate "access to care" issues. The MMAC PEU continued to work with those providers to promptly complete their revalidation applications.

Prior to September 2016, MMAC had already implemented monthly eligibility screening and monitoring requirements, the collection of enrollment application fees, fingerprint-based criminal history checks, and assignment of provider risk categories. MMAC had also notified all active providers of the revalidation requirements prior to September 2016 and posted MMAC's revalidation schedule on its website.

Although the DSS did not revalidate all providers prior to September 24, 2016, during the period from September 24, 2016 to June 30, 2019 all of the 60,000+ enrolled MHD providers (including those that had not been revalidated) were screened monthly against more federal and state databases than are required by Centers for Medicare and Medicaid Services to verify their continued eligibility to participate in the Medicaid program.

Contact Person: Dale Carr
Phone Number: 573-751-5296



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-014. Medicaid Developmental Disabilities Comprehensive Waiver Per Diem Rates

Federal Agency: Department of Health and Human Services
Federal Program: 93.778 Medical Assistance Program
State Agency: Department of Mental Health (DMH) - Division of Developmental Disabilities (DD)
Questioned Costs: \$732,022 (2018)
Similar Findings: 2017-017, 2016-006, and 2015-015

The DD continued to pay historical per diem rates to providers for residential habilitation services provided to participants of the Home and Community Based Services, Developmental Disabilities Comprehensive Waiver (Comprehensive Waiver) program, but did not retain adequate documentation to support these rates. As a result, the DD could not demonstrate some amounts paid were allowable costs of the Comprehensive Waiver Program.

Recommendation:

The DMH through the DD continue to transition all per diem rates paid to providers for residential habilitation services provided under the Comprehensive Waiver program from historical rates to acuity-based rates, ensure documentation to support per diem rates is maintained as required, and ensure the rates only include allowable costs.

Status of Findings: The Centers for Medicaid and Medicare (CMS) has notified the Division that it is suspending a disallowance for this finding pending completion of a corrective action plan that has been approved for the Division of Developmental Disabilities. The result of the correction action plan will be to align rates paid to providers with the approved rate methodology for this service.

Contact Person: Gary Schanzmeyer
Phone Number: 573-751-8666



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-015A. State Emergency Management Agency Subrecipient Monitoring

Federal Agency: Federal Emergency Management Agency
Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA fiscal department did not perform risk assessments for all Public Assistance program subrecipients, as required by the Recovery Division Monitoring Policy and the Uniform Guidance. In addition, the policy did not address when subrecipient risk assessments should be performed, and the fiscal department's practice provided for risk assessments that were not effective.

Recommendation:

The SEMA, through the fiscal department ensure evaluations of each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward are performed as required by the Uniform Guidance.

Status of Finding: Corrected and Closed

Contact Person: Shelly Honse
Phone Number: 573-526-7324



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-015B. State Emergency Management Agency Subrecipient Monitoring

Federal Agency: Federal Emergency Management Agency
Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA fiscal department did not monitor all Public Assistance program subrecipients at least annually as required by the Recovery Division Monitoring Policy. In addition, the fiscal department did not use the prepared risk assessments to determine the type of monitoring necessary for each subrecipient.

Recommendation:

The SEMA through the fiscal department review, strengthen, and enforce policies and procedures regarding subrecipient monitoring.

Status of Finding: Corrected and Closed

Contact Person: Shelly Honse
Phone Number: 573-526-7324



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-015C. State Emergency Management Agency Subrecipient Monitoring

Federal Agency: Federal Emergency Management Agency
Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA did not establish procedures to ensure Public Assistance program subrecipients minimized the time elapsed between receipt of funds to disbursement of funds for program purposes.

Recommendation:

The SEMA establish controls and procedures to ensure subrecipients comply with SEMA policy and federal regulations requiring subrecipients to minimize the time elapsed between the receipt of federal funds to disbursement of the funds.

Status of Finding: Corrected and Closed

Contact Person: Shelly Honse
Phone Number: 573-526-7324



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-016A. State Emergency Management Agency Subrecipient Audits and Awards

Federal Agency: Federal Emergency Management Agency
Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA did not establish controls and procedures to follow up on subrecipient audit findings of the Public Assistance program. The SEMA did not follow up on or issue management decisions on audit findings as required by federal regulations.

Recommendation:

The SEMA strengthen internal controls and procedures to follow up on subrecipient audit findings related to Public Assistance program awards and issue management decisions for the applicable audit findings as required by federal regulations.

Status of Finding: Corrected and Closed

Contact Person: Shelly Honse
Phone Number: 573-526-7324



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-016B. State Emergency Management Agency Subrecipient Audits and Awards

Federal Agency: Federal Emergency Management Agency
Federal Program: 97.036 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
State Agency: Department of Public Safety - State Emergency Management Agency (SEMA)

The SEMA did not establish internal controls to ensure subawards included all federal award information required by federal regulations. The subrecipient award letters did not identify the Catalog of Federal Domestic Assistance (CFDA) number and name as required by federal regulations.

Recommendation:

The SEMA strengthen internal controls and procedures to communicate all required federal award information to subrecipients at the time of the subaward as required by federal regulations.

Status of Finding: Corrected and Closed

Contact Person: Shelly Honse
Phone Number: 573-526-7324



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-017. MoDOT Project Closeouts and Final Vouchers

Federal Agency: Federal Highway Administration
Federal Program: 20.205 Highway Planning and Construction
State Agency: Missouri Department of Transportation (MoDOT)
Questioned Costs: \$19,432 (2018)

The MoDOT's procedures related to preparation and review of Highway Planning and Construction program project closeouts and final vouchers were not sufficient to ensure the proper reporting of total project costs and the proper determination of the federal and state/local shares of project costs. As a result, the MoDOT incorrectly reported the costs of 2 projects, causing an overstatement of the federal share of costs for one project and an incorrect allocation of local entity matching funds for another project.

Recommendation:

The MoDOT strengthen project closeout procedures to ensure project costs, including federal and state/local share, are accurately reported on final vouchers.

Status of Finding:

Corrective action was taken.

Contact Person: Todd Grosvenor, Financial Services Director
Phone Number: 573-751-4626



State of Missouri - Single Audit
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2019

2018-018. MoDOT Subrecipient Risk Assessments

Federal Agency: Federal Highway Administration
Federal Program: 20.205 Highway Planning and Construction
State Agency: Missouri Department of Transportation (MoDOT)

The MoDOT did not adequately perform and document risk assessments of Highway Planning and Construction program subrecipients (local public agencies (LPAs)), and did not use prepared risk assessments to determine the nature, timing, and extent of monitoring procedures.

Recommendation:

The MoDOT ensure risk of noncompliance with federal statutes, regulations, and terms and conditions of the subaward is assessed on each LPA, and used for monitoring decisions as required by federal regulations. Policies and procedures should be strengthened to define risk assessment criteria; require risk assessments to be completed and documented; and include guidelines for using the risk assessments to determine the nature, timing, and extent of monitoring procedures.

Status of Finding:

The Financial Services, Design, Audits and Investigations, Multimodal, Highway Safety and Traffic, Maintenance and Transportation Planning divisions developed standard procedures for performing and documenting risk assessments of federal program subrecipients (LPAs) and guidelines to determine the nature, timing and extent of monitoring activities. Training was provided to all staff responsible for performing risk assessments and monitoring federal program subrecipients (LPAs).

Contact Person: Todd Grosvenor, Financial Services Director
Phone Number: 573-751-4626

State of Missouri - Single Audit

Corrective Action Plans

Year Ended June 30, 2019

The Uniform Guidance requires the auditee to prepare a Corrective Action Plan (CAP) for each finding reported in the Schedule of Findings and Questioned Costs. The CAPs were prepared by the management of the applicable state agencies.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

Michael L. Parson
Governor



Sarah H. Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
(573) 751-2971
INTERNET: <http://www.oa.mo.gov/acct>
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

CORRECTIVE ACTION PLANS

The State of Missouri's Office of Administration, Division of Accounting respectfully submits the following Corrective Action Plans for the findings related to the Statewide Single Audit for fiscal year ended June 30, 2019. Each Corrective Action Plan was prepared by the State agency noted.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Social Services (DSS)

Audit Finding Number: FS2019-001 – Financial Reporting Controls

Name of the contact person responsible for corrective action: Kristen Pattrin

Anticipated completion date for corrective action: Not applicable

Recommendation: The DSS through the DFAS implement controls and procedures to prepare and submit accurate accounts receivable reports to the DOA.

DSS Response: The DSS disagrees with this finding. The Department has internal controls and procedures in place to prepare and submit accurate accounts receivable reports to the Division of Accounting. In fact, the accounts receivable balance was correct as originally reported.

Although the department did revise the SFY 2019 CAFR accounts receivable report after submission and upon discussion with the SAO, the department's original position, in reporting the accounts receivables as received after August (or as a deferred inflow for reporting purposes) was a more conservative approach for the financial statements. Additionally, the DSS does view this as a difference of opinion in how this information is captured, as a revenue versus as a deferred inflow.

The department does and will continue to submit accurate accounts receivable reports to the Division of Accounting.

Corrective action plan is as follows: Not applicable.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Missouri Department of Natural Resources

Audit Finding Number: FS2019-002 Capital Asset Controls

Name of the contact person: Jennifer Eddy

Responsible for corrective action: Tracy Farris

Anticipated completion date for corrective action: June 30, 2020

Corrective action planned is as follows:

Our specific action steps include the following:

- As part of our revised internal physical inventory process, the Department has converted its inventory schedule from a CY system to a FY system; this change should make CAFR reporting easier and more straightforward.
- The Department has implemented procedures to record the specific completion date for each physical inventory to ensure we have the documentation necessary to demonstrate we are completing inventories annually.
- The Department completed all physical inventories for CY 2019 by December 31, 2019, and records the status of all capital assets. We are working now to complete reconciliation of the CY information with FY 2020 information, which will bring our CY and FY data together moving forward. We anticipate that process will be complete at the close of the fiscal year.

The Department does not propose any corrective action beyond the actions described in this response.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Social Services (DSS) – Children’s Division
(CD) and Division of Finance and Administrative Services
(DFAS)

Audit Finding Number: 2019-001 Adoption Assistance Eligibility and Payments

Name of the contact person

Responsible for corrective action: Amy Martin and Jodi Lodewegen

Anticipated completion date for corrective action: April 30, 2020.

Recommendation: The DSS through the CD and the DFAS strengthen and enforce policies and procedures regarding Adoption Assistance eligibility determinations and assistance payments. These procedures should ensure all adoption subsidy agreements are signed and in effect prior to the adoption, criminal background checks are obtained for all prospective adoptive parents, and payments are allowable. The DSS should review and correct the eligibility and payments for the children identified in this finding.

DSS Response: The DSS partially agrees with this finding.

The DSS agrees with correcting the eligibility and payments for the children identified in this finding. The questioned costs of \$17,600 out of the annual \$40 million federal share claim will be returned on the March 2020 quarterly report filed no later than April 30, 2020. Since 66% of the questioned costs were due to action taken before the 2008 policy change, this is not indicative of current caseload or practices.

The DSS disagrees with strengthening and enforcing policies and procedures regarding Adoption Assistance eligibility determinations. The Department implemented new processes in FY 2008 regarding backdating subsidy agreements as stated in the prior audit response and demonstrated during the review. The DSS continues to provide new worker and refresher trainings of adoption assistance staff regarding adoption assistance agreement requirements and quality assurance reviews to ensure service start dates of the agreement are as of or after the Director’s signature on the agreement and ensuring start dates are on or prior to the date of adoption to assure eligibility for IV-E funds. The DSS continues provide training to IV-E Eligibility Analysts on reviewing adoption



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

assistance payments to ensure they are allowable. Additionally DSS has internal steps in place to ensure agreements have proper signatures and effective dates. Documentation of these processes and trainings were provided to the SAO audit crew during the review.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Social Services (DSS) – Division of Finance and Administrative Services (DFAS)

Audit Finding Number: 2019-002 - Public Assistance Cost Allocation Plan

Name of the contact person
responsible for corrective action: Kristen Pattrin

Anticipated completion date for corrective action: Not Applicable

Recommendation: The DSS through the DFAS implement internal controls and procedures over the PACAP and the AlloCAP system to ensure costs charged to federal programs are accurate, allowable, properly allocated, and consistent with the proposed and/or approved PACAP. Internal controls should be adequately documented and monitored for compliance with applicable requirements. These controls should include sufficiently detailed policies and procedures; documentation of the reason, justification, and approvals of changes to the proposed PACAP and the AlloCAP system; documented testing of system changes; and a complete log of all changes.

DSS Response: The DSS firmly disagrees with this finding/recommendation.

Audit Requirements for Federal Awards are covered under 2 CFR 200. Under section 200.516 subpart 7, auditors are required to indicate whether an audit finding represents an isolated instance or a systematic problem. Instances identified must be related to the universe and the number of cases examined and be quantified in terms of dollar value. The auditor should report whether the sampling was a statistically valid sample.

As noted in the audit finding, the sample selected included 17 cost centers allocated during the quarter ending June 30, 2019 and for every cost center examined, it was determined all costs were supported and allocated in accordance with the proposed Public Assistance Cost Allocation Plan (PACAP). No deviations were found in the tested sample to support that the DSS did not effectively design, implement, or put controls in place to prevent detection of non-compliance. In the prior year audit the sample selected included 14 cost centers allocated during the quarter ending March 31, 2018 and for every cost center



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

examined, it was determined all costs were supported and allocated properly as well. Thus DSS has demonstrated consistently the system in place produces accurate results.

DSS offered additional cost pools for sampling; however the SAO audit crew conveyed, as those programs were not in the scope of the SWSA, a sample from grants outside of the scope would not be taken and reviewed.

Since results of the tested sample supports the Department's position, the DSS has provided sufficient evidence to demonstrate internal controls and procedures to ensure costs charged to federal programs are accurate, allowable, and properly allocated. Therefore DSS disagrees with the finding as 100% of the sample taken was accurate and compliant with federal requirements. Additionally DSS further disagrees with the finding as it is based on grants not sampled in this audit.

Effective October 1, 2017, the DSS transitioned from utilizing an indirect cost rate methodology allocated manually on a spreadsheet to implementing a PACAP to directly allocate through cost pools which is allocated systematically in a proprietary cost allocation system. Implementation of a thoroughly documented PACAP coupled with the AlloCAP system supports that DSS has strengthened internal controls and procedures. Cost Allocation Services (CAS) requires DSS to document quarterly changes in a specific format, consisting of submission of summary of changes in Section III of the PACAP as well as submitting the PACAP in track change format from the previous version. DSS has been in compliance with this requirement each quarter, which was demonstrated through the documentation provided to the SAO audit crew. Additionally, the DSS has provided documented evidence to support the internal controls and procedures over PACAP and AlloCAP which includes but is not limited to: (1) the Chief Financial Officer and the Assistant Chief Financial Officer sign the internal approval sheet of PACAP changes prior to submission and the Chief Financial Officer signs each formal PACAP submission; (2) the Cost Allocation Manager submits PACAP narrative and a summary of quarterly changes to the Grants Unit to assist the Grants Unit in ensuring that AlloCAP matches the PACAP narrative exactly; (3) the AlloCAP manual outlines procedures for the quarterly cost allocation process; (4) the AlloCAP quarterly preparation is documented on grant approval tracking sheets with signatures from the Grants Unit Manager, Assistant Chief Financial Officer, and Chief Financial Officer each quarter prior to grant claiming; and (5) reports are produced directly from the AlloCAP system showing the allocation methodology matches the PACAP as submitted quarterly. Specifically the Chart of Accounts reports produced from AlloCAP from present quarter compared to prior quarter document the changes were in accordance with the submitted PACAP.

The DSS' internal controls were and continue to be a component of the successful implementation of the PACAP and AlloCAP system in order to ensure



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

accuracy and compliance with federal requirements as supported by the sample results reviewed under this audit.

DSS had a conversation regarding the prior year finding with the prior year audit crew. Although DSS disagreed with the prior finding, DSS was willing to consider further steps to implement if these steps would provide a greater comfort level. The signature page was discussed and implemented in addition to the current adequate process as requested.

Corrective action planned is as follows: Not applicable



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Social Services (DSS)

Audit Finding Number: 2019-003 – CSBG and CSE Program Subrecipient Risk Assessments

Name of the contact person

Responsible for corrective action: John Ginwright and Kimberley Sprenger

Anticipated completion date for corrective action: Documentation of the Child Support Enforcement (CSE) risk assessments will be completed by March 31, 2020. Documentation of the Community Services Block Grant (CSBG) risk assessments will be completed by June 30, 2020.

Recommendation: The DSS through the DFAS and the FSD develop controls and procedures to ensure evaluations of each CSBG and CSE program subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward are performed, documented, and used for monitoring decisions as required by federal regulations.

DSS Response: The DSS partially agrees with this finding. The DSS plans and performs monitoring of subrecipients based on federal requirements, risk assessments, and effective, efficient use of resources. The DSS has performed risk based monitoring of the CSE and CSBG subrecipients in accordance with Uniform Guidance and will continue to do so. However, the DSS acknowledges that risk assessments were not consistently documented. The DSS has developed a process to document risk assessments performed and is working to implement this process across the department.

Corrective action planned is as follows: Documentation of the CSE risk assessments will be implemented by March 31, 2020. Documentation of the risk assessments for CSBG will be implemented by June 30, 2020.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Social Services (DSS)

Audit Finding Number: 2019-004 – CSBG Program Reporting

Name of the contact person

Responsible for corrective action: Kristen Pattrin and Sheena Frazer

Anticipated completion date for corrective action: Not applicable.

Recommendation: The DSS through the DFAS establish controls and procedures to ensure CSBG program federal financial reports are accurately prepared in accordance with federal requirements. In addition, the DSS should review, revise, and resubmit previously submitted inaccurate federal reports.

DSS Response: The DSS disagrees with this finding. In accordance with the DSS' 12/21/2018 response letter to the Administration for Children and Families (ACF) CSBG Missouri State Assessment Draft Monitoring Report, the accounting methodology employed for drawing and disbursing the CSBG award funds to eligible entities was based on the "first-in, first-out" approach. While the DSS contended the accounting records and methodologies were in compliance with the general terms and conditions of the grant and 45 CFR 75.309(a)(b), it acknowledged ACF's request to discontinue the "first-in, first-out" approach. On 6/26/2019 following issuance of the ACF CSBG Missouri State Assessment Final Monitoring Report, the DSS again acknowledged ACF's request to discontinue use of the "first-in, first-out" accounting method and confirmed the work being completed with the Community Action Agencies and other internal actions to affect the change that was implemented on October 1, 2019. As such, the difference between records referenced in the finding is due to the accounting methodology employed for drawing and disbursing CSBG award funds to eligible entities during the referenced time period.

Corrective action planned is as follows: Not applicable. The DSS disagrees with this finding and does not plan to resubmit the previously submitted FFY 18 federal reports.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Social Services (DSS) – MO HealthNet Division (MHD) and Family Support Division (FSD)

Audit Finding Number: 2019-005 – Medicaid and CHIP MAGI-Based Participant Eligibility

Name of the contact person
responsible for corrective action: Heather Atkins

Anticipated completion date for corrective action: September 1, 2020

Recommendation: The DSS through the MHD and the FSD strengthen internal controls over MAGI-based participant eligibility to ensure eligibility redeterminations are completed as required and that participants' eligibility statuses in the MMIS are accurate. In addition, the DSS should review and correct the eligibility for the ineligible participant identified in this finding.

DSS Response: The DSS agrees with the finding. Missouri Eligibility Determination and Enrollment System (MEDES) functionality to complete annual redeterminations was not complete until 6/2018. Prior to full implementation, MEDES was unable to complete systematic auto renewals and population of required pre-populated review forms. Since full implementation in 2018, FSD has strengthened controls as the system has been updated to automatically initiate the annual eligibility redetermination process. DSS staff will continue to strengthen controls and monitor the process to ensure eligibility redeterminations in MEDES are completed as required and accurate in MMIS. Additionally, the DSS has taken actions to close the eligibility case noted in the recommendation.

The questioned costs identified in this finding are \$2,832, federal share. The total computable amount of \$4,344 will be reduced from the annual expenditures of \$3.1 billion for the MAGI population.

It should also be noted that the SAO reviewed 60 ABD participants and no errors were found.

Corrective action planned is as follows: The DSS is developing a monthly report to identify overdue reviews. DSS will analyze the reports to determine if



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

additional policy or system updates are necessary. To address accuracy in the MMIS system, DSS is implementing a Continuous Case Improvement review on MAGI cases targeting the findings and trends of this audit. The Department will develop training and guidance for staff when needs are identified.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Social Services (DSS) - MO HealthNet Division
(MHD)

Audit Finding Number: 2019-006 – Medicaid Nursing Facility Audits

Name of the contact person
responsible for corrective action: Rebecca Rucker

Anticipated completion date for corrective action: October 2020

Recommendation: The DSS through the MHD establish and enforce a plan for periodic audits of cost reports or other financial information of nursing facilities and ensure independent audits are obtained in accordance with the State Plan.

DSS Response: DSS partially agrees with the finding.

DSS agrees the State Plan language should be reviewed and updated. However, Attachment 4-19D (or TN00-18) Findings and Assurances that the State Auditor references in the finding is not part of Missouri's State Plan.

The DSS disagrees with the remainder of the findings. The Findings and Assurances that outlined procedures to collect uniform cost reports and the periodic audit of financial and statistical records was an annual assurance and finding required until the Boren Amendment and its corresponding regulations were repealed by the Balanced Budget Act of 1997. The purpose of the Boren Amendment was to require the State Medicaid Agency to consider the costs of efficient and economic providers in setting rates. In considering the costs of the efficient and economic providers, the State Medicaid Agency was required to collect uniform cost reports and audit financial and statistical records of the providers, among other requirements. Once the Boren Amendment was repealed, the costs of efficient and economic providers did not need to be considered in setting rates. The Findings and Assurances that the State Medicaid Agency provided each year were no longer required after 2000, and were no longer considered part of the State Plan.

The finding states that MHD is not fulfilling the requirement of periodic auditing of providers' financial and statistical records; however, MHD provided a list of



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

financial and statistical records that it audits or reviews, which in addition to cost reports, includes provider credit balance reports, Certificate of Need (CoN) reports, and NFRA cycle reports.

The Auditor's report stated that MHD performed 0 cost report audits in 2019. MHD provided supplemental documentation of 5 cost report audits before the finding was complete; however, these audits were not reflected in the finding.

In the Auditor's report it is documented that MHD did not receive independent audits in 2019 for new facilities established in the past two years. MHD received independent audits from two facilities in FY2019. Of the remaining new facilities that entered the nursing facility program in the last two years, the independent audits are not due until 2020/2021.

MHD has contracted with an outside vendor to perform audits of the nursing facility cost reports to assist with changes that resulted from new legislation. The contractor will collect the cost reports from the providers and ensure the cost reports are complete and submitted on a timely basis. In addition, the vendor will ensure the independent audits are received according to the State Plan.

Corrective Action Plan is as follows: DSS will review and update the State Plan language to ensure the current processes are reflected and any known changes to processes within the Nursing Facility program at the time the plan is submitted. The updated State Plan will be submitted no later than October 2020.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Department of Mental Health

Audit Finding Number: 2019-007 Medicaid Developmental Disabilities
Comprehensive Waiver Per Diem Rates

Name of the contact person
Responsible for corrective action: Bryan Connell

Anticipated completion date for corrective action: Not applicable

The agency does not agree with the audit findings and believes that a corrective action is not required. Explanation and specific reasons are as follows:

Although some rates are at a level established prior to the rate methodology change, as stated last year, all existing rates are now a factor of the rate study and therefore any other forms of documentation are irrelevant. The rate study serves as the documentation for all residential rates paid. The Division of Developmental Disabilities is under a corrective action plan (CAP) with the Centers for Medicare and Medicaid Services (CMS) that requires the division to standardize its Individualized Supported Living rates according to the current approved rate methodology (which is based on the rate study) by July 1 2024. The division anticipates completing the CAP by July 1 2023.



State of Missouri - Single Audit
Corrective Action Plans
Year Ended June 30, 2019

**State of Missouri
Single Audit
Corrective Action Plan
Year Ended June 30, 2019**

State Agency: Missouri Veterans Commission

Audit Finding Number: 2019-008 DPS-MVC SEFA

Name of the contact person

Responsible for corrective action: Terressa Sherlock

Completion date for corrective action: December 9, 2019

Corrective action planned is as follows:

In the Fiscal Year 2019 SEFA report, MVC reported actual expenditures rather than accrual basis expenditures in the initial report dated August 30, 2019. Immediately upon notification from the auditor's office of an error in the expenditure amount listed on the report, MVC updated the report with accurate accrual basis expenditures and returned the amended report to both the Auditor's office and to the Office of Administration. The amended report is dated December 5, 2019.

MVC recognizes the audit finding on CFDA 64.015 Veterans State Nursing Home Care, and has implemented internal controls to mitigate reoccurrence in the future. Beginning in December of 2019, Fiscal and Administrative Manager initiated the changes to internal processes to address this issue.



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019



NICOLE GALLOWAY, CPA
Missouri State Auditor

September 10, 2019

Ms. Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
221 West High Street, Room 240
Jefferson City, MO 65101

Dear Acting Director Tidball:

I am writing this letter to express concern regarding delays in the annual Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019.

The SAO has three audit crews at DSS auditing 22 significant accounts and seven major programs. Due to the number and size of the DSS significant accounts and major programs as well as new federal audit requirements regarding Medicaid eligibility, we ensured we began audit work with ample time to meet audit deadlines. The MO HealthNet Division (MHD) audit crew began audit field work on June 12, 2019, followed by the Children's Division (CD) audit crew on June 17 and the Family Support Division (FSD) audit crew on June 24. As discussed with DSS personnel during entrance conferences, the audit crews are required to finalize CAFR audit field work by November 15, 2019, to ensure timely issuance of the CAFR audit; and single audit field work by December 31, 2019, to ensure that the SAO can finalize and submit the statewide single audit report by the March 31, 2020, deadline.

To meet audit deadlines, beginning in fiscal year 2016, the DSS and SAO agreed upon document and meeting request procedures and timeframes for requests. These deadlines are not being met by the DSS.

Since our audits began two and a half months ago, the SAO has not been provided appropriate access to DSS program personnel and has experienced significant delays in receiving the requested items necessary to perform the audits timely. If this continues, we could be forced to issue a qualified opinion on the CAFR opinion units and/or major programs.

Specifically, the SAO has encountered the following examples of roadblocks in our audit work:

1. Requested documents are not received timely within the agreed-upon timeframes (see below).
2. Requests are not properly or completely fulfilled. We have received incorrect or partial information, requiring additional follow-up that subsequently is not answered by DSS staff.
3. Answers to audit questions are not complete or sufficient to address the questions.
4. Meetings are not held timely and are being rescheduled. While the DSS has agreed to schedule meetings within one week, meetings are often scheduled over two weeks after our request. Meetings were scheduled up to five weeks (CD and MHD) and 3.5 weeks (FSD) after requested.



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

5. DSS personnel have told auditors they are unable to hold meetings with Division of Finance and Administrative Services (DFAS) personnel during the month of October 2019. Not having access to DFAS personnel for one month effectively stops work for significant audit areas during that month.
6. Appropriate DSS personnel are not present at meetings, requiring additional meetings and follow up questions. As an example, for a CD audit meeting, scheduled for three weeks after requested, the appropriate personnel were not present so the meeting had to be re-scheduled. However, the second meeting was not scheduled until five weeks later, a total of almost two months after the meeting was initially scheduled. For another FSD meeting, which took two weeks to schedule, no DSS personnel showed up to the scheduled meeting.
7. A fully functional method of transmitting electronic records to auditors has yet to be established. It took the DSS over 6 weeks to establish one File Transfer Protocol site; however, the site is still not fully functional and the DSS did not upload all requested files to that site. Some records were placed on a shared website for auditors over 2 weeks ago, but access to that site is yet to be provided. In addition, over 350 records were placed on another shared website, but not in an appropriate manner for auditor use.
8. Most CAFR survey responses related to the significant accounts have not been submitted. These were due to the Office of Administration on August 15, 2019.

Section 29.130, RSMo, provides, "The state auditor shall have free access to all offices of this state for the inspection of such books, accounts and papers as concern any of his duties." Section 29.235.1(1), RSMo, provides that the auditor and her authorized agent are authorized to:

Examine all books, accounts, records, reports, vouchers of any state agency or entity subject to audit, insofar as they are necessary to conduct an audit under this chapter, provided that the auditor complies with state and federal financial privacy requirements prior to accessing financial records including provisions presented in chapter 408 and provided that the auditor or other public entity reimburses the reasonable documentation and production costs relating to compliance with examination by the auditor or auditor's authorized agents that pertain to:

- (a) Amounts received under a grant or contract from the federal government or the state or its political subdivisions;
- (b) Amounts received, disbursed, or otherwise handled on behalf of the federal government or the state.

Also, 2 CFR 200.508(d) (Uniform Guidance), mandates that a state entity that expends federal awards which must be audited, such as DSS, must "[p]rovide the auditor with access to personnel, accounts, books, records, supporting documentation, and other information as needed for the auditor to perform the audit required." Additionally, audit standards this office is required to follow under state and federal law require the auditor obtain sufficient, appropriate audit evidence to support audit conclusions and opinions. Such audit evidence includes communications with appropriate auditee personnel.

While SAO staff have adhered to the agreed-upon procedures, DSS staff have not. The table below summarizes the SAO requests to the DSS from June 12 to August 28, 2019:



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

	Number of requests	Requests completed on time	Requests completed late	
CD crew	84	60%	40%	17 requests outstanding, 9 overdue (1-29 days)
FSD crew	31	35%	65%	8 requests outstanding, 3 overdue (38-43 days)
MHD crew	75	79%	21%	42 requests outstanding, 14 overdue (1-29 days)

Clear, immediate, and significant change to the DSS's cooperation is needed. Requests are not being properly fulfilled and our auditors are not receiving the items needed to conduct the audits. Due to the lack of cooperation from DSS staff, the following final deadlines are being implemented for the audits:

	Estimated Field Work Completion Date	Outstanding Audit Requests- Final Deadline
CD crew - CAFR Audit	11/15/2019	10/15/2019
CD crew - Single Audit	12/31/2019	11/30/2019
FSD crew - Single Audit	10/31/2019	9/30/2019
MHD crew - CAFR Audit	11/15/2019	10/15/2019
MHD crew - Single Audit	12/31/2019	11/30/2019

The DSS should fulfill all outstanding audit requests no later than the final deadlines listed above. Audit field work will continue after the final deadlines and the SAO will continue reviewing the items received as of those dates. The SAO will also submit follow up requests and exception listings, if necessary, pertaining to those items. The DSS must make all extension requests no later than one month prior to the final deadline.

The DSS's adherence to the previously-agreed upon deadlines and the final deadlines is critical to the timely completion of these audits. The SAO will provide monthly letters showing the status of the DSS's compliance with the previously-agreed upon deadlines.

We need the DSS's full commitment and cooperation in this matter. If the DSS is unable to meet these deadlines, please let me know so that the SAO can consider how to proceed with this audit. Feel free to reach out to me if there are any further questions.

Sincerely,

Michael A. Moorefield
Chief of Staff

cc: Governor Michael L. Parson
Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019



NICOLE GALLOWAY, CPA
Missouri State Auditor

October 4, 2019

Ms. Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
221 West High Street, Room 240
Jefferson City, MO 65101

Dear Acting Director Tidball:

This letter is an update to my September 10, 2019 letter regarding delays in the annual Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019, as well as a response to your letter of October 3, 2019 replying to my letter. The September 10 letter expressed concerns that the SAO had not been provided appropriate access to DSS program personnel and had experienced significant delays in receiving the requested items necessary to perform the audits timely. The letter outlined the requests to date, including those in which the DSS did not meet previously-agreed upon deadlines. In an effort to meet audit deadlines, the letter also communicated final deadlines for audit requests.

As a reminder, the following final deadlines were implemented for the audits:

	Estimated Field Work Completion Date	Outstanding Audit Requests- Final Deadline
CD crew - CAFR Audit	11/15/2019	10/15/2019
CD crew - Single Audit	12/31/2019	11/30/2019
FSD crew - Single Audit	12/13/2019*	11/15/2019*
MHD crew - CAFR Audit	11/15/2019	10/15/2019
MHD crew - Single Audit	12/31/2019	11/30/2019

*Please note that the FSD audit crew estimated fieldwork completion date has been extended to December 13, 2019, due to the addition of the Child Support Enforcement program as a major program. Therefore, the final deadline for the FSD crew-Single Audit has been extended to November 15, 2019.

The DSS should fulfill all outstanding audit requests no later than the final deadlines listed above. The DSS must make all extension requests no later than one month prior to the final deadline.

In this letter, I am providing an update regarding the DSS's fulfillment of our audit requests. While all Family Support Division (FSD) crew and MO HealthNet Division (MHD) crew outstanding requests as of August 28, 2019, and identified in the September 10 letter, have now been fulfilled, three Children's Division (CD) crew requests remained outstanding as shown in the table below. Additionally, subsequent requests were completed late or are overdue, and timely access to appropriate DSS staff has not always been provided.



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

The table below lists the overdue CD crew requests identified in the September 10, 2019 letter still overdue as of September 30, 2019:

Request number	Item(s) requested	Request date	Due date	Number of days overdue
19-SAO-CD-DFAS-014B	Internal Control/Risk Questions	07/30/19	08/06/19	55
19-SAO-CD-DFAS-042	Fraud Risk Questions	07/23/19	07/30/19	62
19-SAO-CD-DFAS-047	Single Audit Planning Inquiry Questions	07/30/19	08/06/19	55

The table below summarizes the SAO requests to the DSS from June 12 to September 30, 2019:

	Number of requests	Requests completed on time	Requests completed late	
CD crew	135	71 (59%)	49 (41%)	15 requests outstanding, 6 overdue (4-62 days)
FSD crew	42	17 (44%)	22 (56%)	3 requests outstanding, 0 overdue
MHD crew	147	79 (55%)	65 (45%)	3 requests outstanding, 0 overdue

Many of the above requests were late or overdue because (1) the requests were initially not properly or completely fulfilled and additional follow up was needed; (2) DSS personnel did not ask for clarification of request terms until the request deadline; (3) auditors were denied access to DSS program personnel to discuss and develop the request; (4) DSS personnel questioned the reason for the request; and/or (5) DSS personnel initially denied a meeting request because a similar meeting was held during the previous audit. Incomplete and challenged requests, as well as the lack of access to appropriate DSS personnel, have led to additional inefficiencies for both the SAO and the DSS.

In addition, the DSS has not submitted to the Office of Administration (OA), the Accounts Receivable - MHD survey for presentation in the CAFR. The survey was due August 15, 2019. The MHD crew is unable to begin audit procedures and make requests related to this material account until the survey is prepared. Prompt submission of this survey and strict adherence to the agreed-upon deadlines will be necessary for us to give an opinion on these accounts receivables.

Also, I would like to address some of the items you mention in your October 3, 2019 letter. First, per your request, we believe weekly meetings will be helpful to discuss our requests and resolve issues. Our managers and in-charges are available for such meetings Monday through Thursday. We would suggest that we schedule a meeting each Monday, at 10 a.m. Please schedule such meetings, beginning October 14 and through December 23, 2019. For any meetings that fall on state holidays, please schedule the following Tuesday (e.g., the first meeting should be October 15, 2019, at 10 a.m.).

Second, regarding Single Audit requests, you state the DSS will strive to respond to all current outstanding requests by the final deadlines and the DSS cannot assure response by the final deadlines for requests submitted since the date of your letter (October 3, 2019). Please note that if the DSS waits until the final deadlines to fulfill current outstanding requests, you will miss the previously-agreed upon deadlines and the requests will be considered late. The Single Audit final deadlines are November 15,



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

2019, for the FSD crew and November 30, 2019, for the CD and MHD crews, so the previously-agreed upon deadlines for any subsequent requests would also be prior to the final deadlines. Also remember that all extension requests should be made no later than one month prior to the final deadline. As communicated in my September letter, any requests not received by the final deadlines will be evaluated for impact on our audit opinions.

Third, you state the DSS will be directing any questions or requests for CAFR information from the SAO to the OA. While we will request and obtain the DSS's CAFR survey responses from the OA, as in prior audits, we will continue to request support for the CAFR surveys from the DSS. This support is maintained by the DSS and not the OA.

Finally, as you know, these audits are mandated by the federal government for recipients of federal funds. In your letter, you state that the DSS staff complete audit responses "in addition to full time jobs." It is disconcerting that the DSS considers mandated federal audits for programs receiving federal funds outside of the full-time duties of its staff.

The DSS's adherence to the previously-agreed upon deadlines and the final deadlines is critical to the timely completion of these audits. We need the DSS's full commitment and cooperation in this matter. If the DSS is unable to meet these deadlines, please let me know so that the SAO can consider how to proceed with this audit. Feel free to reach out to me if there are any further questions.

Sincerely,

Michael A. Moorefield
Chief of Staff

cc: Governor Michael L. Parson
Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

Supplemental listing of outstanding/overdue request numbers for SAO requests,
as of September 30, 2019

	Request Number	Due Date	Number of days overdue
CD crew	19-SAO-CD-DFAS-014B	08/06/19	55
	19-SAO-CD-DFAS-021B	10/02/19	
	19-SAO-CD-DFAS-026A	10/01/19	
	19-SAO-CD-DFAS-038D	09/26/19	4
	19-SAO-CD-DFAS-039	8/08/19	53
	19-SAO-CD-DFAS-042	07/30/19	62
	19-SAO-CD-DFAS-047	08/06/19	55
	19-SAO-CD-DFAS-048A	09/30/19	
	19-SAO-CD-DFAS-049A	09/23/19	7
	19-SAO-CD-DFAS-066A	10/01/19	
	19-SAO-CD-DFAS-071A	10/02/19	
	19-SAO-CD-DFAS-077B	10/01/19	
	19-SAO-CD-DFAS-086	09/30/19	
	19-SAO-CD-DFAS-087	09/30/19	
	19-SAO-CD-DFAS-088	09/30/19	
FSD crew	Request 19 FSD - 037	10/15/19	
	Request 19 FSD - 040	10/11/19	
	Request 19 FSD - 042	10/7/19	
MHD crew	19-SAO-MHD-47Q	10/7/19	
	19-SAO-MHD-50Q	10/7/19	
	19-SAO-MMAC-44	10/21/19	



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019



NICOLE GALLOWAY, CPA
Missouri State Auditor

November 6, 2019

Ms. Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
221 West High Street, Room 240
Jefferson City, MO 65101

Dear Acting Director Tidball:

This letter is an update to my September 10, 2019 and October 4, 2019 letters regarding delays in the annual Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019, as well as a response to your letter of October 18, 2019 replying to my October 4 letter. The previous letters outlined our concerns and communicated final deadlines for audit requests.

As discussed in our recent meetings, the DSS's cooperation on the audits has improved since my previous letters. I appreciate the department's efforts to fulfill our requests more timely. All outstanding requests identified in the previous letters have now been fulfilled. During the week of October 14, 2019, we met with DSS staff to reconcile all outstanding/overdue requests. The reconciled listing shows as of September 30, 2019, there were 19 outstanding requests and 5 overdue requests (7-62 days). To address your October 18, 2019 letter, I have attached a reconciled listing of outstanding/overdue requests as of September 30, 2019.

I have also attached a listing of outstanding requests as of October 31, 2019. There were 18 outstanding requests and no overdue items as of October 31, 2019.

The table below summarizes the SAO requests to the DSS from June 12 to October 31, 2019:

	Number of requests	Requests completed on time	Requests completed late	
CD crew	184	113 (66%)	58 (34%)	13 requests outstanding, 0 overdue
FSD crew	62*	30 (55%)	25 (45%)	4 requests outstanding, 0 overdue
MHD crew	190	120 (64%)	69 (36%)	1 request outstanding, 0 overdue

* 3 requests were cancelled

Many of the above requests were late because of the reasons outlined in the previous letters.



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

The DSS's continued adherence to the previously-agreed upon deadlines and the final deadlines is critical to the timely completion of these audits. Feel free to reach out to me if there are any further questions.

Sincerely,

A handwritten signature in blue ink, which appears to read "Michael A. Moorefield", is positioned above the printed name.

Michael A. Moorefield
Chief of Staff

cc: Governor Michael L. Parson
Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

Reconciled listing of outstanding/overdue request numbers for SAO requests,
as of September 30, 2019

	Request Number	Due Date	Number of days overdue
CD crew	19-SAO-CD-DFAS-014B	08/06/19	55
	19-SAO-CD-DFAS-021B	10/02/19	
	19-SAO-CD-DFAS-026A	10/01/19	
	19-SAO-CD-DFAS-039	08/08/19	53
	19-SAO-CD-DFAS-042	07/30/19	62
	19-SAO-CD-DFAS-047	08/06/19	55
	19-SAO-CD-DFAS-048A	09/30/19	
	19-SAO-CD-DFAS-049A	09/23/19	7
	19-SAO-CD-DFAS-066A	10/01/19	
	19-SAO-CD-DFAS-077B	10/01/19	
	19-SAO-CD-DFAS-086	10/07/19	
	19-SAO-CD-DFAS-087	10/07/19	
	19-SAO-CD-DFAS-088	10/07/19	
	Request 19 FSD - 037	10/15/19	
	Request 19 FSD - 040	10/17/19	
MHD crew	Request 19 FSD - 042	10/07/19	
	19-SAO-MHD-47Q	10/07/19	
	19-SAO-MHD-50Q	10/07/19	
	19-SAO-MMAC-44	10/07/19	



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

Supplemental listing of outstanding/overdue request numbers for SAO requests,
as of October 31, 2019

	Request Number	Initial Due Date	Extended Due Date	Number of days overdue
CD crew	19-SAO-CD-DFAS-045a	11/06/2019		
	19-SAO-CD-DFAS-103a	11/07/2019		
	19-SAO-CD-DFAS-113	10/28/2019	11/01/2019	
	19-SAO-CD-DFAS-115a	11/07/2019		
	19-SAO-CD-DFAS-116	11/26/2019		
	19-SAO-CD-DFAS-116a	11/27/2019		
	19-SAO-CD-DFAS-117	11/08/2019		
	19-SAO-CD-DFAS-118	11/05/2019		
	19-SAO-CD-DFAS-119	11/05/2019		
	19-SAO-CD-DFAS-121	11/06/2019		
	19-SAO-CD-DFAS-122	11/06/2019		
	19-SAO-CD-DFAS-123	11/07/2019		
	19-SAO-CD-DFAS-126	11/07/2019		
FSD crew	19-SAO-FSD-11A	11/05/2019		
	19-SAO-FSD-54	11/07/2019		
	19-SAO-FSD-55	11/07/2019		
	19-SAO-FSD-56	11/07/2019		
MHD crew	19-SAO-MHD-188	11/18/2019		



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019



NICOLE GALLOWAY, CPA
Missouri State Auditor

December 4, 2019

Ms. Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
221 West High Street, Room 240
Jefferson City, MO 65101

Dear Acting Director Tidball:

This letter is an update to my previous letters¹ regarding delays in the annual Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019. The previous letters outlined our concerns and communicated final deadlines for audit requests.

The DSS's cooperation on the audits has overall improved since my previous letters. However, since my November 6, 2019 letter and as discussed in our recent meetings, we received some resistance on requests related to two Children's Division crew audit areas². Rather than initially providing the information requested, DSS personnel (1) questioned our objectives and scope, (2) claimed the information was not available or would be difficult to provide, and (3) provided incomplete information. Similar to the problems outlined in the previous letters, the DSS's failure to provide records upon request has hindered and delayed audit work on these two areas. Department officials should be reminded that full cooperation on all audit requests is needed.

I appreciate the department's overall efforts to fulfill our requests more timely. All outstanding requests identified in the previous letters have been fulfilled. I have attached a listing of outstanding requests as of November 30, 2019. There were 4 outstanding requests and no overdue items as of November 30, 2019.

The table below summarizes the SAO requests to the DSS from June 12 to November 30, 2019:

	Number of requests	Requests completed on time	Requests completed late	
CD crew	216	156 (73%)	58 (27%)	2 requests outstanding, 0 overdue
FSD crew	74*	43 (61%)	28 (39%)	0 requests outstanding, 0 overdue
MHD crew	203	132 (66%)	69 (34%)	2 requests outstanding, 0 overdue

* 3 requests were cancelled

¹ Letters of September 10, 2019, October 4, 2019, and November 6, 2019

² CAFR accounts receivable survey and Income Maintenance Random Moment Time Study



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

Many of the above requests were late because of the reasons outlined in the previous letters.

The DSS's continued adherence to the previously-agreed upon deadlines and the final deadlines is critical to the timely completion of these audits. Feel free to reach out to me if there are any further questions.

Sincerely,

A handwritten signature in blue ink, which appears to read "Michael A. Moorefield", is positioned above the printed name.

Michael A. Moorefield
Chief of Staff

cc: Governor Michael L. Parson
Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

Supplemental listing of outstanding/overdue request numbers for SAO requests,
as of November 30, 2019

	Request Number	Initial Due Date	Extended Due Date	Number of days overdue
CD crew	19-SAO-CD-DFAS-144	12/02/2019	12/04/2019	N/A
	19-SAO-CD-DFAS-117a	11/26/2019	12/09/2019	N/A
MHD crew	19-SAO-MHD-215	11/28/2019	12/03/2019	NA
	19-SAO-MHD-216	11/28/2019	12/03/2019	NA



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019



NICOLE GALLOWAY, CPA
Missouri State Auditor

January 7, 2020

Ms. Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
221 West High Street, Room 240
Jefferson City, MO 65101

Dear Acting Director Tidball:

This letter is an update to my previous letters¹ regarding delays in the annual Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019. The previous letters outlined our concerns and communicated final deadlines for audit requests.

The DSS's cooperation on the audits improved since my previous letter of December 4, 2019. I appreciate the department's efforts to fulfill our requests more timely. All outstanding requests identified in the previous letters have been fulfilled. I have attached a listing of outstanding requests as of December 31, 2019. There were 9 outstanding requests and 1 overdue item as of December 31, 2019.

The table below summarizes the SAO requests to the DSS from June 12 to December 31, 2019:

	Number of requests	Requests completed on time	Requests completed late	
CD crew	257	192 (77%)	58 (23%)	7 requests outstanding, 0 overdue
FSD crew	81*	48 (62%)	29 (38%)	1 request outstanding, 1 overdue
MHD crew	221	148 (67%)	72 (33%)	1 request outstanding, 0 overdue

* 3 requests were cancelled

Many of the above requests were late because of the reasons outlined in the previous letters.

¹ Letters of September 10, 2019, October 4, 2019, November 6, 2019, and December 4, 2019



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

The DSS's continued adherence to the previously-agreed upon deadlines and the final deadlines is critical to the timely completion of these audits. Feel free to reach out to me if there are any further questions.

Sincerely,

A handwritten signature in blue ink, which appears to read "Michael A. Moorefield", is positioned above the printed name.

Michael A. Moorefield
Chief of Staff

cc: Governor Michael L. Parson
Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

Supplemental listing of outstanding/overdue request numbers for SAO requests,
as of December 31, 2019

	Request Number	Initial Due Date	Extended Due Date	Number of days overdue
CD crew	19-SAO-CD-DFAS-110d	01/07/2020		NA
	19-SAO-CD-DFAS-153b	01/03/2020		NA
	19-SAO-CD-DFAS-160	01/03/2020		NA
	19-SAO-CD-DFAS-161	01/03/2020		NA
	19-SAO-CD-DFAS-163	01/06/2020		NA
	19-SAO-CD-DFAS-164	01/07/2020		NA
	19-SAO-CD-DFAS-164a	01/07/2020		NA
FSD crew	19-SAO-FSD-066	12/26/2019		5
MHD crew	19-SAO-MHD-227	01/08/2020		NA



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019



NICOLE GALLOWAY, CPA
Missouri State Auditor

February 4, 2020

Ms. Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
221 West High Street, Room 240
Jefferson City, MO 65101

Dear Acting Director Tidball:

This letter is an update to my previous letters¹ regarding delays in the annual Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019. The previous letters outlined our concerns and communicated final deadlines for audit requests. As discussed in those letters, the DSS delays in providing items requested were significant; and as a result, we encountered significant inefficiencies and difficulties in performing both audits.

The DSS's cooperation on the audits improved since my previous letters. I appreciate the department's efforts to fulfill our requests more timely. All outstanding requests identified in the previous letters have been fulfilled. I have attached a listing of outstanding requests as of January 31, 2020. There were 3 outstanding requests and no overdue items as of January 31, 2020. The table below summarizes the SAO requests to the DSS from June 12 to January 31, 2020:

	Number of requests	Requests completed on time	Requests completed late	
CD crew	280	221 (79%)	58 (21%)	1 request outstanding, 0 overdue
FSD crew	83*	50 (63%)	30 (37%)	0 requests outstanding, 0 overdue
MHD crew	227	153 (68%)	72 (32%)	2 requests outstanding, 0 overdue

* 3 requests were cancelled

Many of the above requests were late because of the reasons outlined in the previous letters.

¹ Letters of September 10, 2019, October 4, 2019, November 6, 2019, December 4, 2019, and January 7, 2020



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

We finalized our audit of the CAFR on January 9, 2020 and we are wrapping up the Statewide Single Audit. In the coming weeks, we will be requesting final information, meetings to exit our findings, and DSS responses to our findings. The DSS's continued adherence to the previously-agreed upon deadlines is critical to the timely completion of the Statewide Single Audit. Feel free to reach out to me if there are any further questions.

Sincerely,

A handwritten signature in blue ink, which appears to read "Michael A. Moorefield", is written over a horizontal line.

Michael A. Moorefield
Chief of Staff

cc: Governor Michael L. Parson
Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

Supplemental listing of outstanding/overdue request numbers for SAO requests,
as of January 31, 2020

	Request Number	Initial Due Date	Extended Due Date	Number of days overdue
CD crew	19-SAO-CD-DFAS-173A	02/05/2020		
MHD crew	SAO-MHD-113-Q	02/05/2020		
	SAO-MHD-230	02/05/2020		



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019



NICOLE GALLOWAY, CPA
Missouri State Auditor

March 5, 2020

Ms. Jennifer Tidball, Acting Director
Missouri Department of Social Services
Broadway State Office Building
221 West High Street, Room 240
Jefferson City, MO 65101

Dear Acting Director Tidball:

This letter is a final update to my previous letters¹ regarding delays in the annual Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019. We finalized our audit of the CAFR on January 9, 2020 and we are wrapping up the Statewide Single Audit. As discussed in my previous letters, the DSS delays in providing items requested were significant; and as a result, we encountered significant inefficiencies and difficulties in performing both audits.

All outstanding requests identified in the previous letters have been fulfilled and there were no outstanding requests as of February 28, 2020. The table below summarizes ALL SAO requests to the DSS from June 12 to February 28, 2020:

	Number of requests	Requests completed on time	Requests completed late	
CD crew	287	229 (80%)	58 (20%)	0 requests outstanding
FSD crew	83*	50 (63%)	30 (37%)	0 requests outstanding
MHD crew	227	163 (72%)	64 (28%)	0 requests outstanding

* 3 requests were cancelled

Many of the above requests were late because of the reasons outlined in the previous letters.

¹ Letters of September 10, 2019, October 4, 2019, November 6, 2019, December 4, 2019, January 7, 2020, and February 4, 2020



Appendix A
State of Missouri - Single Audit
Letters to the Department of Social Services Regarding
Audit Delays
Year Ended June 30, 2019

For the Statewide Single Audit, we have held exit meetings for all DSS findings, and are awaiting DSS responses and Corrective Action Plans for 4 findings. These responses and Corrective Action Plans are due March 6, 2020. The DSS's adherence to these deadlines is critical to the timely completion of the Statewide Single Audit. Feel free to reach out to me if there are any further questions.

Sincerely,

A handwritten signature in blue ink, which appears to read "Michael A. Moorefield", is positioned above the printed name.

Michael A. Moorefield
Chief of Staff

cc: Governor Michael L. Parson
Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019



MICHAEL L. PARSON, GOVERNOR • JENNIFER TIDBALL, ACTING DIRECTOR

P.O. BOX 1527 • BROADWAY STATE OFFICE BUILDING • JEFFERSON CITY, MO 65102-1527
WWW.DSS.MO.GOV • 573-751-4815 • 573-751-3203 FAX

October 3, 2019

Michael A. Moorefield, Chief of Staff
Missouri State Auditor
Missouri State Capitol
201 West Capitol Avenue
Jefferson City, MO 65101

Dear Mr. Moorefield:

Thank you for your September 10, 2019 letter bringing to my attention your concerns. My apologies for not responding sooner. In my more than my two decades with the department of social services (DSS) in mostly a financial role, I have never received a letter such as this from the SAO. I have spent time with our team trying to understand what has set this year apart from other years and resulted in your letter of concern.

I am disappointed leadership from our respective teams has not been able to resolve concerns with DSS's response to the Missouri State Auditor's team. DSS had a changed in the Chief Financial Officer (CFO) in July. I am aware that on more than one occasion new DSS CFO, Patrick Luebbering shared his contact information with the State Auditor's team and offered to be of any assistance. Mr. Luebbering is not new to our Department and has worked with leadership on the Missouri State Auditor's DSS team in the past. To ensure effective communication and resolution of any concerns, DSS is requesting a weekly meeting with the Missouri State Auditor's managers and in-charge auditors during the FY 2019 Statewide Single Audit fieldwork and thereafter if the weekly meeting continues to add value. DSS will commit to the availability of DSS audit team leadership at this meeting. DSS will suggest Friday afternoons as a good weekly meeting time to close out any concerns from the previous week and plan for the upcoming week. Alicia Kolb from our DSS team will reach out to schedule that meeting.

Effective communication is paramount to success and commitment by each of our teams. A face to face weekly meeting will help facilitate the work. However, I do want to take the time to address each of the eight points you make in your September 10, 2019, correspondence.

1. **DSS should plan to respond timely by agreed-upon on deadlines.** If for some reason DSS cannot respond by that deadline, DSS will notify the State Auditor's team with an explanation and new, target date to respond to the request. There are times when DSS will need more time to respond to inquiries.

AUXILIARY AIDS AND SERVICES ARE AVAILABLE UPON REQUEST TO INDIVIDUALS WITH DISABILITIES

TDD / TTY: 800-735-2966

RELAY MISSOURI: 711

Missouri Department of Social Services is an Equal Opportunity Employer/Program.



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Michael A. Moorefield
October 3, 2019
Page 2

For example, DSS has not responded to a list of fraud related questions by the State Auditor team's requested timeframes. These questions are extremely broad and redundant, meaning the same question appears to be asked multiple ways in the same document. DSS wants to ensure a response to these types of questions is legally sufficient.

To ensure any overdue requests were addressed, the DSS team immediately (afternoon September 10, 2019) reached out to the in-charge auditors for detailed information to reconcile our department's outstanding list with the status of requests table on the top of page 3 of your letter. DSS never received a detailed list from the MHD in-charge auditor, but did receive a detailed list from the other two crews. After a second attempt to obtain the detailed list from the MHD in-charge, she advised that "all the requests listed in the letter have been resolved." Cooperation in providing the detail behind the summary of SAO requests in your letter would have been helpful; however, clearly teams are busy and other items may take priority.

I appreciate you providing deadlines for responses. DSS will strive to respond to all current outstanding Single Audit requests by the *Outstanding Audit Requests – Final Deadline* column in the second table on page 3 of your letter. DSS cannot assure response by the final deadlines to Single Audit requests submitted since the date of this letter. DSS will submit CAFR Audit responses through the Office of Administration. The DSS team will be directing any questions or requests for information on the CAFR to the Office of Administration.

2. **DSS responses to requests will be complete to the best of DSS's knowledge and ability.** DSS audit team leadership wants to ensure the State Auditor's team is receiving complete and accurate information. The weekly Friday meeting between leadership should provide an opportunity to elevate any concerns with DSS responses. Due to the size and complexity of the programs there will be times when DSS has to follow up on initial responses. The DSS team shared that sometimes the question DSS thought was being asked was not the question the auditor wants answered. There will need to be back and forth dialogue in these instances.

Additionally, the DSS team shared that if there are multiple questions in one request, DSS will answer as many as they can and send a partial response to help keep the auditor's work moving. If the State Auditor's team prefers for DSS to hold any responses until all responses are complete, that change can be made.

DSS staff time to complete responses is in addition to full time jobs, and the SAO recently added another performance audit to the current DSS work. While we want to be responsive, we do question the role of the audited agency in responding to a recent request for all backup documents supporting the SEFA (request from CD-DFAS crew dated 09/17/19). This is thousands of payment documents, HR records, etc. The SAO should be able to find these documents using SAM II, and DSS is happy to supplement with data from other payment systems. The DSS was responsive to the SAO and did provide the SAO with various grant sheets and federal grant reports in response to this request, and the SAO staff did indicate in a recent meeting that the request was vague. The SAO has recently provided clarity regarding what documents they are still needing to support the SEFA.



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Michael A. Moorefield
October 3, 2019
Page 3

3. **This concern is addressed in #2 above.**
4. **DSS will schedule and hold meetings within two weeks of a request.** The DSS team understood the agreement to be that the meeting was scheduled in a week's timeframe, and not necessarily held. The weekly Friday leadership meeting may help resolve issues so that few meetings need to be scheduled; however, DSS will not assume the Friday meeting takes the place of any other requested meeting by the State Auditor's team.
5. **Most Division of Finance and Administrative Services (DFAS) staff are available for meetings during the month of October.** During an August 13 meeting, the DFAS Grants team requested that questions or requests to the Grants team be sent prior to October or after October since October is the month DSS must file all quarterly and annual federal reports. During this time the small Grants team is dedicated 100% to timely and accurate filing of federal reports. These are the same reports that will be audited in the FY 2020 Single State Audit. Other DFAS team members are available to meet in October and if time allows, Grants team members may attend. Perhaps there was a miscommunication or misunderstanding on the availability of DFAS to support the State Auditor's team during October.
6. **DSS will ensure appropriate representation at meetings.** DSS leadership and DSS audit team leadership are fully aware of the expectation to have the appropriate representation in meetings concerning the Single State Audit. To plan accordingly, it is helpful to understand the scope and topics to be discussed in the meeting.
7. **DSS understands a fully functional method of transmitting electronic records is now in place.** DSS acknowledges establishing the File Transfer Protocol site did take longer than expected. In reviewing that process, I suggested to DSS audit team leadership that in the future direct communication between the SAO and ITSD, the DSS IT support may be helpful in expediting the resolution of any related issues. DSS in the middle of this process is not value added. I do want to make sure you are aware that the issue with the 350 records was brought to the attention of DSS audit team leadership the morning of September 9 (the day before the date of your letter of concern) and DSS immediately reached out to ITSD and the DSS agency owning the data to resolve the issue.
8. **DSS continues to work closely with the Office of Administration on CAFR survey responses.** Thank you for pointing out the DSS internal deadline to the Office of Administration. As expressed earlier in this letter, DSS will submit CAFR Audit responses through the Office of Administration. The DSS team will be directing any questions or requests for CAFR information from the SAO to the Office of Administration.

During my 20 plus years with the Department, DSS has always been able to work cooperatively with the SAO. It is my expectation and belief that our DSS team today continues that tradition. As I have said several times in this response, communication is key to resolution of current issues and the ability to continue to work effectively together. I look forward to our leadership teams supporting the Single State Audit, establishing a consistent



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Michael A. Moorefield
October 3, 2019
Page 4

form of communication. Should I be able to address specific concerns around outstanding items or other pain points that put SAO timeframes in jeopardy, please feel free to reach out to me directly.

Sincerely,

A handwritten signature in cursive script, reading "Jennifer R. Tidball".

Jennifer Tidball
Acting Director

JT/ds

Cc: Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019



MICHAEL L. PARSON, GOVERNOR • JENNIFER TIDBALL, ACTING DIRECTOR

P.O. BOX 1527 • BROADWAY STATE OFFICE BUILDING • JEFFERSON CITY, MO 65102-1527
WWW.DSS.MO.GOV • 573-751-4815 • 573-751-3203 FAX

October 18, 2019

Michael A. Moorefield, Chief of Staff
Missouri State Auditor
Missouri State Capitol
201 West Capitol Ave
Jefferson City, MO 65101

Dear Mr. Moorefield:

This correspondence is in response to your October 4, 2019 letter which included a detailed list of outstanding/overdue SAO requests, as of September 30, 2019. Your letter stresses the importance of DSS's adherence to previously-agreed upon deadlines and emphasizes how critical the final deadlines are to the completion of the Comprehensive Annual Financial Report (CAFR) audit and Statewide Single Audit for fiscal year 2019. It is important that SAO request due dates are listed accurately. Below please find a reconciliation of the supplemental listing shared in your October 4, 2019 letter with the DSS's dates. The changes in due dates are supported by supplemental emails (provided as attachments) from SAO team members. DSS confirmed through correspondence with SAO team members that three of the six requests shown in your letter as overdue were not overdue. In addition to the overdue items, DSS confirmed that certain other SAO request due dates in the October 4, 2019 letter of outstanding requests, were inaccurate.

Request Number	SAO Due Date Referenced in SAO 10/4/19 Letter	DSS Due Date	Date Completed	DSS Comments
19-SAO-CD_DFAS-014B	8/6/2019	8/6/2019	10/2/2019	
19-SAO-CD_DFAS-021B	10/2/2019	10/2/2019	10/2/2019	
19-SAO-CD_DFAS-026A	10/1/2019	10/1/2019	10/1/2019	
19-SAO-FSD-037	10/15/2019	10/16/2019	10/2/2019	The SAO cancelled this request on 10/2/19
19-SAO-CD_DFAS-038D	9/26/2019	9/26/2019	9/25/2019	Confirmed not overdue - DSS submitted the response prior to the due date and prior to the 10/4/19 SAO letter; the SAO confirmed this was an error in a follow-up email after the receipt of the 10/4/19 SAO letter (<i>Attachment 1</i>).

AUXILIARY AIDS AND SERVICES ARE AVAILABLE UPON REQUEST TO INDIVIDUALS WITH DISABILITIES

TDD / TTY: 800-735-2966

RELAY MISSOURI: 711

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Appendix B
 State of Missouri - Single Audit
 Department of Social Services Responses to the
 September 10, 2019, and October 4, 2019, Letters
 Year Ended June 30, 2019

Michael A. Moorefield
 Page 2

Request Number	SAO Due Date Referenced in SAO 10/4/19 Letter	DSS Due Date	Date Completed	DSS Comments
19-SAO-CD_DFAS-039	8/8/2019	8/8/2019	8/1/2019; 10/4/19	Confirmed not overdue - DSS received an email from C. Grotzinger (SAO) on 8/1/19 this request was considered closed and complete (<i>Attachment 2</i>). C. Grotzinger (SAO) sent the list of outstanding items on 9/13/19 corresponding with the 9/10/19 SAO letter; this list did not include 19-SAO-CD_DFAS-039 as overdue therefore this item was understood to be considered complete by the SAO (<i>Attachment 3</i>).
19-SAO-FSD-040	10/11/2019	10/17/2019	10/9/2019	Due date is 10/17/19, not 10/11/19 as stated in the 10/4/19 SAO letter. Confirmed with In-charge on 10/8/19.
19-SAO-CD_DFAS-042	7/30/2019	8/21/2019	10/4/2019	
19-SAO-FSD-042	10/7/2019	10/7/2019	10/4/2019	
19-SAO-MMAC-044	10/21/2019	10/28/2019	10/2/2019	
19-SAO-MHD-047Q	10/7/2019	10/8/2019	10/1/2019	
19-SAO-CD_DFAS-047	8/6/2019	8/28/2019	10/4/2019	
19-SAO-CD_DFAS-048A	9/30/2019	9/30/2019	9/30/2019	
19-SAO-CD_DFAS-049A	9/23/2019	9/27/2019	9/27/2019	Confirmed not overdue - This was due 9/23/19. SAO granted an extension until 9/27/19 (<i>Attachment 4</i>). The extension was not reflected in the 10/4/19 SAO letter.
19-SAO-MHD-050Q	10/7/2019	10/8/2019	10/2/2019	
19-SAO-CD_DFAS-066A	10/1/2019	10/1/2019	10/1/2019	
19-SAO-CD_DFAS-071A	10/2/2019	10/2/2019	9/26/2019	DSS sent the response prior to the date of the 10/4/19 SAO letter (<i>Attachment 5</i>).
19-SAO-CD_DFAS-077A	10/1/2019	10/1/2019	10/1/2019	
19-SAO-CD_DFAS-086	9/30/2019	10/7/2019	10/4/2019	SAO made the request on 9/30/19; the SAO confirmed this was an error in a follow-up email after the receipt of the 10/4/19 SAO letter (<i>Attachment 6</i>).



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Michael A. Moorefield
Page 3

19-SAO-CD_DFAS-087	9/30/2019	10/7/2019	10/4/2019	SAO made the request on 9/30/19; the SAO confirmed this was an error in a follow-up email after the receipt of the 10/4/19 SAO letter (<i>Attachment 7</i>).
19-SAO-CD_DFAS-088	9/30/2019	10/7/2019	10/3/2019	SAO made the request on 9/30/19; the SAO confirmed this was an error in a follow-up email after the receipt of the 10/4/19 SAO letter (<i>Attachment 8</i>).

I understand our leadership teams began a weekly meeting the week of October 14. I am hopeful these meetings will help improve communication. I am always available to you and your audit teams to help resolve issues related to DSS's responsiveness to your office.

Sincerely,

Jennifer R. Tidball
Acting Director

JRT:bsb

cc: Commissioner Sarah Steelman, Office of Administration
Stacy Neal, Office of Administration
Tammie Brown, Department of Health and Human Services, Office of Inspector General



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Pattrin, Kristen

Attachment 1

From: travis.owens@auditor.mo.gov
Sent: Saturday, October 5, 2019 6:07 AM
To: Pattrin, Kristen
Cc: Kolb, Alicia; Grotzinger, Charity
Subject: RE: FW: 19-SAO-CD-DFAS-038d_Review documentation.docx

I'm copying Charity in case I am wrong on this answer but based on the available documentation I have, I agree this request appears to have been completed prior to the due date. We will try to determine internally so that this does not happen again as I believe they plan to continue with the monthly letters and since we are starting the weekly meetings.

I apologize for the error.

-Travis

From: Pattrin, Kristen
Sent: Fri, 4 Oct 2019 22:25:22 +0000
To: Owens, Travis
Cc: Kolb, Alicia
Subject: FW: 19-SAO-CD-DFAS-038d_Review documentation.docx

Travis,



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

See the email below and attachments. I noticed in the letter received by Acting Director Tidball this item was showing with a due date of 9/26/19 and still not received as of 9/30/19 (4 days overdue). Please see the response was sent on 9/25/19 at 7:44AM. Can you please let me know why this is showing overdue or let me know if it is shown in error.

Thanks!

Kristen

From: Dowd, Kim <kim.dowd@dss.mo.gov<mailto:kim.dowd@dss.mo.gov>>
Sent: Wednesday, September 25, 2019 7:44 AM
To: Patterson, Ryan <ryan.patterson@auditor.mo.gov<mailto:ryan.patterson@auditor.mo.gov>>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov<mailto:Alicia.M.Kolb@dss.mo.gov>>; Grotzinger, Charity <charity.grotzinger@auditor.mo.gov<mailto:charity.grotzinger@auditor.mo.gov>>
Subject: RE: 19-SAO-CD-DFAS-038d_Review documentation.docx

From: Ryan Patterson <Ryan.Patterson@auditor.mo.gov<mailto:Ryan.Patterson@auditor.mo.gov>>
Sent: Thursday, September 19, 2019 9:58 AM
To: Dowd, Kim <kim.dowd@dss.mo.gov<mailto:kim.dowd@dss.mo.gov>>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov<mailto:Alicia.M.Kolb@dss.mo.gov>>; Grotzinger, Charity <charity.grotzinger@auditor.mo.gov<mailto:charity.grotzinger@auditor.mo.gov>>
Subject: 19-SAO-CD-DFAS-038d_Review documentation.docx

Kim,

Please see the attached request

Thank you

Ryan Patterson
Missouri State Auditor's Office
Staff Auditor I

Note: This message was originally sent securely with Proofpoint Secure Messaging, and has been automatically decrypted for you at the gateway.



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Attachment 2

Patrin, Kristen

From: Kolb, Alicia
Sent: Wednesday, October 16, 2019 8:45 AM
To: Patrin, Kristen
Subject: FW: 19-SAO-CD-DFAS-039_DFAS-10 Access, SAMII/DFAS-10 reconciliation example, and LOC

Please see the below correspondence. I'll drop by when you are out of your meetings.

Thanks.

Alicia

From: Dowd, Kim <kim.dowd@dss.mo.gov>
Sent: Wednesday, October 16, 2019 8:42 AM
To: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Subject: FW: 19-SAO-CD-DFAS-039_DFAS-10 Access, SAMII/DFAS-10 reconciliation example, and LOC

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Thursday, August 1, 2019 3:19 PM
To: Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: RE: 19-SAO-CD-DFAS-039_DFAS-10 Access, SAMII/DFAS-10 reconciliation example, and LOC

Yes close

From: Dowd, Kim
Sent: Thursday, August 1, 2019 2:50 PM
To: Charity Grotzinger
Cc: Kolb, Alicia
Subject: RE: 19-SAO-CD-DFAS-039_DFAS-10 Access, SAMII/DFAS-10 reconciliation example, and LOC

So is this request closed?

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Thursday, August 1, 2019 2:49 PM



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

To: Dowd, Kim <kim.dowd@dss.mo.gov>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Subject: RE: 19-SAO-CD-DFAS-039_DFAS-10 Access, SAMII/DFAS-10 reconciliation example, and LOC

We have determined that the use of LOC was in the wrong context last audit. LOC is basically the V160P and the V974B. Therefore, you have already provided the award letters for the LOC I need. Yeah, one less thing you have to do on this request!!

From: Dowd, Kim <kim.dowd@dss.mo.gov>
Sent: Thursday, August 1, 2019 2:44 PM
To: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Subject: RE: 19-SAO-CD-DFAS-039_DFAS-10 Access, SAMII/DFAS-10 reconciliation example, and LOC

Charity, do you have an example of the letter of credit you are requesting? I think you sent one but I can't find it anywhere.

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Thursday, July 18, 2019 8:54 AM
To: Dowd, Kim <kim.dowd@dss.mo.gov>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>; Schenck, Seth <Seth.Schenck@auditor.mo.gov>; Patterson, Ryan <ryan.patterson@auditor.mo.gov>
Subject: 19-SAO-CD-DFAS-039_DFAS-10 Access, SAMII/DFAS-10 reconciliation example, and LOC

Kim,

Please see attached request. LOC stands for Letter of Credit. Prior audit requests are referenced in the request itself.

Thanks.

Charity Grotzinger, CFE, CGAP
Senior Auditor I

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Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Patrin, Kristen

Attachment 3

From: Kolb, Alicia
Sent: Wednesday, October 16, 2019 10:18 AM
To: Patrin, Kristen
Subject: FW: DSS Outstanding Audit Requests (CD-DFAS)

Alicia

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Tuesday, September 10, 2019 5:02 PM
To: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Subject: RE: DSS Outstanding Audit Requests (CD-DFAS)

Tried to reverse my log, and I am coming up one outstanding request short from the 08/29/19 date...However, the highlighted ones were the 9 still outstanding at the time. As indicated, they may have been fulfilled at this time.

<u>Request Number</u>	<u>Document Requested</u>	<u>Date Requested</u>	<u>Due Date</u>
19-SAO-CD-DFAS-014b	IC and Risk Consideration Questions	7/30/2019	8/6/2019
19-SAO-CD-DFAS-018a	End of FY19 reports CB496, ACF696, SF425, RSA2, ACF-196F and Grant Reports	7/22/2019	8/13/2019
19-SAO-CD-DFAS-027c	Accounts Payable examples	8/29/2019	09/05/19
19-SAO-CD-DFAS-032b	DFAS drawdown questions	7/31/2019	8/7/2019
19-SAO-CD-DFAS-042	Fraud related questions	7/23/2019	7/30/2019
19-SAO-CD-DFAS-047	SWSA Planning Inquiry Memo Questions	7/30/2019	8/6/2019
19-SAO-CD-DFAS-051b	Contract follow up request	8/22/2019	8/29/2019
19-SAO-CD-DFAS-053	AA File Request	08/13/19	09/03/19
19-SAO-CD-DFAS-057	RMTS-CD results database in Access for QE 12-31-18	8/20/2019	8/27/2019
19-SAO-CD-DFAS-058	Entry Correction Example	8/22/2019	8/29/2019



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

19-SAO-CD-DFAS-061	FORU Cash Management Reports	8/22/2019	8/29/2019
19-SAO-CD-DFAS-062	NRLG Exceptions	08/23/19	08/30/19
19-SAO-CD-DFAS-063	DYS billback questions	08/27/19	09/03/19
19-SAO-CD-DFAS-64	Allocation Stat Report	08/28/19	09/07/19
19-SAO-CD-DFAS-65	Expenditure question	08/28/19	09/07/19
19-SAO-CD-DFAS-066	DFAS Safes Listing and Meeting Request	08/28/19	09/04/19

From: Kolb, Alicia
Sent: Tuesday, September 10, 2019 4:36 PM
To: Charity Grotzinger
Subject: RE: DSS Outstanding Audit Requests (CD-DFAS)

Please provide the support for what is referenced in the letter.

Thank you.

Alicia

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Tuesday, September 10, 2019 4:35 PM
To: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Subject: RE: DSS Outstanding Audit Requests (CD-DFAS)

Those were requests as of 08/29/19, therefore, some have since been received. Are you wanting a back dated list or would you prefer a current list in order to reconcile our records to?

From: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Sent: Tuesday, September 10, 2019 4:24 PM
To: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Cc: Luebbering, Patrick <Patrick.Luebbering@dss.mo.gov>
Subject: DSS Outstanding Audit Requests (CD-DFAS)

Charity,

The department received the letter the SAO's Chief of Staff, Mr. Michael Moorefield, sent to the DSS' Acting Director, Jennifer Tidball. Regarding the chart on page 3 of the referenced letter, the SAO CD-DFAS crew's records reflect 17 audit requests as outstanding and 9 overdue requests. This email respectfully



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

requests the details of which audit requests are being referenced in this letter as outstanding and as overdue so that we can reconcile to our records and ensure timely response to this request. When can we expect to receive this detailed list from you?

Thank you.

Alicia Kolb
Department of Social Services
Compliance Services Unit
(573) 751-2432



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Patrin, Kristen

Attachment

From: Kolb, Alicia
Sent: Wednesday, October 16, 2019 10:37 AM
To: Patrin, Kristen
Subject: FW: 19SAO-CD-DFAS-049a_IT/IS follow up

Alicia

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Monday, September 23, 2019 3:57 PM
To: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Cc: Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: RE: 19SAO-CD-DFAS-049a_IT/IS follow up

Request received and noted.

From: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Sent: Monday, September 23, 2019 3:54 PM
To: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Cc: Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: RE: 19SAO-CD-DFAS-049a_IT/IS follow up

I would like to request an extension on this response to allow more time to review. Please approve the new deadline of Friday, 9/27, and we will send our response prior to that date if the response is complete.

Thank you.

Alicia

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Monday, September 23, 2019 12:19 PM
To: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Cc: Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: RE: 19SAO-CD-DFAS-049a_IT/IS follow up



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

This is supportive documentation for our internal controls for all DSS IT/SD regardless of program or application.

From: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Sent: Monday, September 23, 2019 12:17 PM
To: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Cc: Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: FW: 19SAO-CD-DFAS-049a_IT/IS follow up

Are you asking for this for a specific DSS application?

Thank you.

Alicia

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Sent: Friday, September 20, 2019 10:52 AM
To: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Cc: Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: RE: 19SAO-CD-DFAS-049a_IT/IS follow up

I have attached an old version of one we obtain in past audit. I had also provided the location in which you can go to retrieve (4th one down under "Manuals") in prior email (I do not have access as it asks for a user name and password):

<http://dssweb.cds.state.mo.us/ist/>

"



ITSD Home	Resources ▾	Forms ▾	Security	Training ▾	People ▾
------------------	--------------------	----------------	-----------------	-------------------	-----------------

HELPFUL LINKS	MANUALS	APPLICATIONS
→ Callbook	→ ITSD/DSS Systems Development & Maintenance Manual	→ Supply/E-Store
→ Deferred Compensation Plan	→ ITSD/DSS Policy & Procedure	→ ITRAK Database
→ Database Reload Calendar	→ ITSD/DSS Camera Operators' Guide (Digital)	→ Jira Issue Tracking
→ Maintenance Calendar (DSS)	→ ITSD/DSS Disaster Recovery Plan	→ MOBIUS
→ Maintenance Calendar (ITSD)	→ OA Administrative Policy Manual	→ On-Line Help Desk
→ OA Intranet	→ OHD Customer Training	→ STROBE
→ On-Line Help Desk		→ Password Reset
→ CICS Production Statistics		
→ Technology Services Document Center		

From: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>
Sent: Friday, September 20, 2019 9:27 AM
To: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Cc: Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: FW: 19SAO-CD-DFAS-049a_IT/IS follow up



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

What system is this request specific to, for the Disaster Recovery Plan?

Thanks.

Alicia

From: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>

Sent: Monday, September 16, 2019 1:24 PM

To: Dowd, Kim <kim.dowd@dss.mo.gov>

Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>; Davis, Christina <Christina.Davis@dss.mo.gov>

Subject: 19SAO-CD-DFAS-049a_IT/IS follow up

See attached request

Charity Grotzinger, CFE, CGAP
Senior Auditor I

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Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Patrin, Kristen

Attachment 5

From: Kolb, Alicia
Sent: Wednesday, October 16, 2019 10:58 AM
To: Patrin, Kristen
Subject: FW: 19-SAO-CD-DFAS-071a_State Plan Approval
Attachments: 19-SAO-CD-DFAS-071a_State Plan Approval 9.26.19.docx

Alicia

From: Dowd, Kim
Sent: Thursday, September 26, 2019 1:05 PM
To: Patterson, Ryan <ryan.patterson@auditor.mo.gov>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>; Grotzinger, Charity <charity.grotzinger@auditor.mo.gov>
Subject: RE: 19-SAO-CD-DFAS-071a_State Plan Approval

From: Ryan Patterson
Sent: Wednesday, September 25, 2019 3:20 PM
To: Dowd, Kim
Cc: Kolb, Alicia ; Grotzinger, Charity
Subject: 19-SAO-CD-DFAS-071a_State Plan Approval

Kim,

Please see the attached request

Thank you

Ryan Patterson
Missouri State Auditor's Office
Staff Auditor I



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Missouri Department of Social Services SAO Audit Request Form			
Audit Title:	SWSA FY 19 – July 1, 2018 through June 30, 2019		
Audit Crew:	DSS-CD	DSS Program:	CD-DFAS
Date of Request:	9/25/2019	Auditor Name:	Ryan Patterson
Request Number:	19-SAO-CD-DFAS-71a	Type of Request**:	Question/Document
Request			
<p>In our FY18 audit, we received the document attached to this request along with the state plan. Was there a similar document for the state plan submission we received from request 71? If so we would like to request that document</p> <p>Please advise if it seems we are misunderstanding some aspect of the state plan</p> <p>The IV-E state plan you currently have been provided is the Missouri approved IV-E state plan and has not changed since the date indicated on the provided correspondence. In our preliminary discussions about this audit we advised that there are portions of the state plan which will have to be provided and approved by our Region VII partners. To date those sections have not been finalized and therefore not approved as part of the Missouri IV-E state plan. We will provide as changes are approved.</p> <p>Thank you</p>			
I attest that if this document request includes a request for protected health information (PHI) that I have an appropriate business-related reason for requesting the information and have requested the minimum necessary to accomplish the purpose for which use or disclosure is sought.			
Legal Authority under HIPAA to receive PHI without authorization:			
Signature: Ryan Patterson		Date: 9/25/2019	
(Return Form to Kim Dowd, Audit Liaison, DSS-CD)			
FOR DSS USE ONLY			
Date Due:		Date Completed:	9/25/19
Unit:		DSS Staff:	Amy Martin

**Type of Request:

1

- Data requests – 3 weeks
- File requests – 4 weeks
- Document requests, SAO questions and report requests– 1 week
- Prior audit findings – 6 weeks
- Meeting Requests – 1 week to schedule meeting



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Pattrin, Kristen

Attachment 6

From: Travis Owens <Travis.Owens@auditor.mo.gov>
Sent: Saturday, October 5, 2019 6:17 AM
To: Pattrin, Kristen; Grotzinger, Charity; Patterson, Ryan
Cc: Kolb, Alicia; Dowd, Kim
Subject: RE: 19-SAO-CD-DFAS-086_Prefund Questions

Based on the information I have available I agree with you. I apologize for the error; appears something may have went wrong in our tracker file where the sent date and due date got mixed up. If we have additional info to add then Charity will respond.

From: Pattrin, Kristen <Kristen.D.Pattrin@dss.mo.gov>
Sent: Friday, October 4, 2019 5:11 PM
To: Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>; Ryan Patterson <Ryan.Patterson@auditor.mo.gov>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>; Travis Owens <Travis.Owens@auditor.mo.gov>; Dowd, Kim <kim.dowd@dss.mo.gov>
Subject: 19-SAO-CD-DFAS-086_Prefund Questions

Charity and Ryan,

Please find the response to the request 19-SAO-CD-DFAS-086 attached. Additionally, the list of outstanding items in a letter to the Acting Director Tidball had this item with a due date of 9/30/19, however it appears as shown below and on the attached request that is the date of the request. DSS has this listed with a due date of 10/7/19. Please confirm.

Thanks

Kristen Pattrin



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Pattrin, Kristen

Attachment 7

From: travis.owens@auditor.mo.gov
Sent: Saturday, October 5, 2019 6:18 AM
To: Pattrin, Kristen; Grotzinger, Charity; Andrews, Zach
Cc: Kolb, Alicia; Dowd, Kim
Subject: RE: FW: 19-SAO-CD-DFAS-087_SEFA Instructions - due to SAO 10/7/19

Based on the information I have available I agree with you. I apologize for the error; appears something may have went wrong in our tracker file where the sent date and due date got mixed up. If we have additional info to add then Charity will respond.

From: Pattrin, Kristen
Sent: Fri, 4 Oct 2019 21:55:19 +0000
To: Grotzinger, Charity; Andrews, Zach
Cc: Kolb, Alicia; Owens, Travis; Dowd, Kim
Subject: FW: 19-SAO-CD-DFAS-087_SEFA Instructions - due to SAO 10/7/19

Charity and Zach,

Please find the documents requested to fulfill 19-SAO-CD-DFAS-087 attached. Additionally, the list of outstanding items in a letter to the Acting Director Tidball had this item with a due date of 9/30/19, however it appears as shown below and on the attached request that is the date of the request. DSS has this listed with a due date of 10/7/19. Please confirm.

Thanks

Kristen Pattrin



Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

From: Zach Andrews
Sent: Mon, 30 Sep 2019 21:13:51 +0000
To: Dowd, Kim
Cc: Kolb, Alicia
Subject: 19-SAO-CD-DFAS-087_SEFA Instructions

Hi,

Attached is request # 19-SAO-CD-DFAS-087, I have attached the previous year's instructions.

Thank you,

Zach Andrews
Staff Auditor II
Missouri State Auditor's Office
Zach.Andrews@auditor.mo.gov<mailto:Zach.Andrews@auditor.mo.gov>
573-751-4213

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Appendix B
State of Missouri - Single Audit
Department of Social Services Responses to the
September 10, 2019, and October 4, 2019, Letters
Year Ended June 30, 2019

Pattrin, Kristen

Attachment 8

From: Travis Owens <Travis.Owens@auditor.mo.gov>
Sent: Saturday, October 5, 2019 6:15 AM
To: Pattrin, Kristen
Cc: Kolb, Alicia; Grotzinger, Charity
Subject: RE: 19-SAO-CD-DFAS-088

Based on the information I have available I agree with you. I apologize for the error; appears something may have went wrong in our tracker file where the sent date and due date got mixed up. If we have additional info to add then Charity will respond.

From: Pattrin, Kristen <Kristen.D.Pattrin@dss.mo.gov>
Sent: Friday, October 4, 2019 5:19 PM
To: Travis Owens <Travis.Owens@auditor.mo.gov>
Cc: Kolb, Alicia <Alicia.M.Kolb@dss.mo.gov>; Charity Grotzinger <Charity.Grotzinger@auditor.mo.gov>
Subject: 19-SAO-CD-DFAS-088

Travis,

The attached request was received on 9/30/19 and had a due date of 10/7/19, however we responded on 10/3/19. I noticed it is listed on the letter received by Acting Director Tidball with a due date of 9/30/19. Please confirm the actual due date was 10/7/19.

Thanks

Kristen



Nicole Galloway, CPA

Missouri State Auditor

**Compilation of 2019 Federal Forfeiture
Reports**

Report No. 2020-013

March 2020

auditor.mo.gov

Compilation of 2019 Federal Forfeiture Reports

Table of Contents

State Auditor's Compilation	2
-----------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Summary of Information Reported for Justice Funds	5
B	Summary of Information Reported for Treasury Funds.....	10
C	Law Enforcement Agencies Not Filing a 2019 ACA Form - Equitable Sharing Agreement and Certification	15



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

Section 513.653.1, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to file a copy of the federal form entitled "ACA Form - Equitable Sharing Agreement and Certification" regarding federal seizures and the proceeds therefrom to the State Auditor's Office. Although Section 513.653.1, RSMo, only requires my office to receive these reports, we compiled the information the law enforcement agencies filed with us. We have not audited the forms submitted and, accordingly, do not express an opinion or any other form of assurance on them, including whether or not an agency is in compliance with the statute. The primary objectives of this compilation were to:

1. Identify the reporting status of law enforcement agencies.
2. Summarize the information reported.

Conclusions regarding compliance cannot be made for law enforcement agencies that did not submit a form.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits: Kelly Davis, M.Acct., CPA, CFE
Senior Analyst: Jill Wilson, MBA

Compilation of 2019 Federal Forfeiture Reports

Executive Summary

Executive Summary

Section 513.653, RSMo, requires law enforcement agencies involved in using the federal forfeiture system under federal law to annually file a copy of the federal form entitled "ACA Form - Equitable Sharing Agreement and Certification" regarding federal seizures and the proceeds received therefrom with the State Auditor's Office (SAO) by February 15th for the previous calendar year. The law provides that any law enforcement agency that intentionally or knowingly fails to comply with the reporting requirement shall be ineligible to receive state or federal funds that would otherwise be paid to such agency for law enforcement, safety, or criminal justice purposes.

The U.S. Departments of Justice and Treasury publication, *Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies*, states "the Department of Justice and Department of Treasury Asset Forfeiture Programs are, first and foremost, law enforcement programs. They remove the tools of crime from criminal organizations, deprive wrongdoers of the proceeds of their crimes, recover property that may be used to compensate victims, and deter crime." Any state or local law enforcement agency that directly participates in an investigation or prosecution resulting in a federal forfeiture may request an equitable share of the net proceeds of the forfeiture. Equitably shared funds must be used for law enforcement purposes, except as noted in the publication, and must increase or supplement the resources of the receiving law enforcement agency. In addition to reporting requirements under state law, there are also various program mandated accounting, reporting, and audit requirements.

To determine the law enforcement agencies to notify of the required filing with the SAO, we requested information from the Missouri Department of Public Safety (DPS). The DPS compiled a list of law enforcement agencies using information from the Peace Officer Standards and Training (POST) program and the Justice Assistance Grants (JAG) distribution lists. The SAO notified the listed agencies of the requirement to submit a copy of the required form if the agencies participated in the federal forfeiture system. According to DPS personnel, the list does not represent a complete list of all agencies, but includes all agencies with commissioned officers or drug task forces receiving funding from the DPS.

There were 675 agencies on the DPS list provided to our office. An additional 3 agencies, not included on the list provided by the DPS, filed reports with the SAO. Officials from 10 political subdivisions associated with agencies on the DPS list indicated those agencies were not in operation during 2019. Those agencies are identified on Appendix C. This report indicates agencies that filed copies of the form by February 29, 2020.



Compilation of 2019 Federal Forfeiture Reports Executive Summary

The following table summarizes these reports.

Reporting Status	Number	Percentage
Number of agencies reporting (Appendix A and B)	154	22.71
Number of agencies not reporting (Appendix C)	524	77.29
Total Possible Reports	678	100.00

A total of 154 agencies filed a copy of the federal form with the SAO. These agencies are identified on Appendixes A and B.

Of the 675 agencies included in the list provided by DPS, 524 did not provide a copy of the form. Agencies were not required to provide a copy of the form if they did not participate in the federal forfeiture system. These agencies are identified on Appendix C.

Conclusions regarding compliance cannot be made for non-reporting agencies. This compilation work is not an audit and, as such, no verification was performed as to whether these agencies did or did not participate in the federal forfeiture system.

Appendix A
 Compilation of 2019 Federal Forfeiture Reports
 Summary of Information Reported for Justice Funds

		Justice Funds								
		Fiscal Year	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance
	Name	End								
1	Ballwin Police Department	12/31/2018	37,388.92	0.00	0.00	0.00	662.40	38,051.32	0.00	38,051.32
2	Bates County Sheriff's Office	12/31/2018	0.00	8,505.90	0.00	0.00	1.93	8,507.83	6,995.00	1,512.83
3	Bellefontaine Neighbors Police Department	6/30/2019	54,358.34	32,216.28	0.00	0.00	0.00	86,574.62	21,565.24	65,009.38
4	Belton Police Department	3/31/2019	12,858.19	7,883.80	0.00	0.00	38.63	20,780.62	20,434.46	346.16
5	Billings Police Department	12/31/2018	946.43	0.00	0.00	0.00	0.00	946.43	234.95	711.48
6	Bolivar Police Department	12/31/2018	5,405.99	0.00	0.00	0.00	0.00	5,405.99	0.00	5,405.99 C
7	Bollinger County Sheriff's Office	12/31/2018	1,560.23	0.00	0.00	0.00	19.00	1,579.23	42.06	1,537.17
8	Boone County Sheriff's Office	12/31/2018	32,568.43	98,748.29	0.00	0.00	573.38	131,890.10	0.00	131,890.10
9	Boonville Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
10	Branson Police Department	12/31/2018	12,130.72	0.00	0.00	0.00	36.22	12,166.94	0.00	12,166.94 D
11	Brentwood Police Department	12/31/2018	128,797.42	72,688.00	0.00	0.00	0.00	201,485.42	39,589.00	161,896.42
12	Bridgeton Police Department	12/31/2018	442,427.28	73,581.95	0.00	0.00	0.00	516,009.23	105,009.39	410,999.84
13	Brookfield Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
14	Buchanan County Drug Strike Force	12/31/2018	81,494.18	301.58	0.00	0.00	0.00	81,795.76	81,795.76	0.00 C
15	Buchanan County Sheriff's Office	12/31/2018	13,970.09	0.00	58,118.75	0.00	0.00	72,088.84	25,102.32	46,986.52 C
16	Buckner Police Department	9/30/2019	67.83	0.00	0.00	0.00	0.00	67.83	0.00	67.83 C
17	Butler County Sheriff's Office	12/31/2018	2,357.00	0.00	0.00	0.00	0.00	2,357.00	1,527.15	829.85 C
18	Cabool Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
19	Callaway County Sheriff's Office	12/31/2018	6,543.70	0.00	0.00	0.00	113.25	6,656.95	1,800.00	4,856.95
20	Camden County Sheriff's Office	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
21	Camdenton Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 AB
22	Cameron Police Department	9/30/2019	340.00	0.00	0.00	0.00	0.00	340.00	0.00	340.00 C
23	Cape Girardeau County Sheriff's Office	12/31/2018	28,975.10	5,454.44	0.00	0.00	754.38	35,183.92	0.00	35,183.92
24	Cape Girardeau Police Department	6/30/2019	38,817.44	245,059.57	0.00	0.00	0.00	283,877.01	0.00	283,877.01
25	Charleston Department of Public Safety	4/30/2019	7,253.77	0.00	0.00	0.00	16.64	7,270.41	0.00	7,270.41
26	Chesterfield Police Department	12/31/2018	146,515.36	21,247.17	0.00	0.00	0.00	167,762.53	72,198.88	95,563.65
27	Christian County Sheriff's Office	12/31/2018	61,901.58	52,321.05	0.00	0.00	1,923.40	116,146.03	12,394.00	103,752.03
28	Clay County Sheriff's Office	12/31/2018	26,482.94	74,460.36	0.00	0.00	0.00	100,943.30	13,938.49	87,004.81 E
29	Clayton Police Department	9/30/2019	124,613.83	764.64	0.00	0.00	2,069.43	127,447.90	41,316.95	86,130.95
30	Clinton County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
31	Cole County Sheriff's Office	12/31/2018	6,874.92	0.00	0.00	0.00	0.00	6,874.92	0.00	6,874.92
32	Columbia Police Department	9/30/2019	46,576.34	11,620.42	0.00	0.00	0.00	58,196.76	0.00	58,196.76 C
33	Cottleville Police Department	12/31/2018	27,095.73	0.00	0.00	0.00	0.00	27,095.73	27,095.73	0.00
34	Crawford County Sheriff's Office	12/31/2018	3,096.18	0.00	0.00	0.00	17.11	3,113.29	3,113.29	0.00 C

Appendix A
Compilation of 2019 Federal Forfeiture Reports
Summary of Information Reported for Justice Funds

			Justice Funds								
			Beginning	Equitable				Total	Equitable	Ending	
			Equitable	Equitable	Sharing Funds			Equitable	Equitable	Equitable	
Fiscal Year			Sharing Fund	Sharing Funds	Received from	Other Income	Interest	Sharing Funds	Sharing Funds	Sharing Funds	
End			Balance	Received	Task Force		Income	Received	Spent	Balance	
Name											
35	Creve Coeur Police Department	6/30/2019	8,676.20	4,456.10	0.00	0.00	0.00	13,132.30	0.00	13,132.30	AD
36	Crystal City Police Department	3/31/2019	105.10	0.00	0.00	0.00	0.00	105.10	0.00	105.10	D
37	Dent County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
38	Dexter Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
39	Dunklin County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
40	East Central Drug Task Force/Audrain County Sheriff's Office	12/31/2018	129,582.27	0.00	0.00	0.00	292.67	129,874.94	52,061.13	77,813.81	
41	Eureka Police Department	6/30/2019	8,047.66	0.00	0.00	0.00	7.67	8,055.33	0.00	8,055.33	
42	Festus Police Department	9/30/2019	8,693.19	22,064.80	0.00	0.00	404.11	31,162.10	10,142.49	21,019.61	D
43	Florissant Police Department	11/30/2018	249,454.32	58,576.69	0.00	174.38	1,475.84	309,681.23	66,733.23	242,948.00	
44	Foristell Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
45	Franklin County Narcotics Enforcement Unit	12/31/2018	147,357.39	36,542.07	0.00	0.00	617.65	184,517.11	62,017.48	122,499.63	
46	Franklin County Sheriff's Office	12/31/2018	157.47	0.00	0.00	0.00	2.15	159.62	0.00	159.62	
47	Fredericktown Police Department	9/30/2019	5,090.85	0.00	0.00	0.00	78.98	5,169.83	5,162.28	7.55	D
48	Frontenac Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
49	Fulton Police Department	12/31/2018	45,360.50	0.00	0.00	500.00	619.13	46,479.63	982.28	45,497.35	
50	Grain Valley Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
51	Grandview Police Department	9/30/2019	9,278.84	0.00	0.00	0.00	0.00	9,278.84	6,495.00	2,783.84	
52	Greene County Prosecuting Attorney's Office	12/31/2018	0.00	5,921.18	0.00	0.00	64.71	5,985.89	0.00	5,985.89	F
53	Greene County Sheriff's Office	12/31/2018	20,325.10	47,819.49	0.00	10,758.92	532.12	79,435.63	32,795.14	46,640.49	
54	Grundy County Sheriff's Office	12/31/2018	226,714.31	171,101.03	5,000.00	0.00	0.00	402,815.34	94,171.00	308,644.34	
55	Hannibal Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
56	Hayti Police Department	6/30/2019	29,199.40	0.00	0.00	0.00	0.00	29,199.40	20,000.00	9,199.40	
57	Hazelwood Police Department	6/30/2019	24,051.47	45,180.56	0.00	0.00	0.00	69,232.03	20,099.26	49,132.77	
58	Henry County Sheriff's Office	12/31/2018	0.00	23,986.26	0.00	0.00	0.00	23,986.26	0.00	23,986.26	
59	Howell County Sheriff's Office	12/31/2018	6,127.99	0.00	0.00	0.00	53.17	6,181.16	3,000.00	3,181.16	
60	Independence Police Department	6/30/2019	221,722.41	3,176.06	0.00	0.00	4,188.36	229,086.83	109,716.91	119,369.92	
61	Jackson County Sheriff's Office	12/31/2018	83,367.17	50,663.40	0.00	0.00	1,269.00	135,299.57	64,549.49	70,750.08	D
62	Jackson Police Department	12/31/2018	14,446.83	368.55	0.00	0.00	0.00	14,815.38	2,956.39	11,858.99	
63	Jasper County Drug Task Force	6/30/2019	74,992.90	4,265.49	0.00	0.00	3.37	79,261.76	79,261.76	0.00	
64	Jasper County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
65	Jefferson City Police Department	10/31/2019	115,885.96	11,620.42	0.00	0.00	2,040.20	129,546.58	8,000.00	121,546.58	
66	Jefferson County Municipal Enforcement Group	6/30/2019	35,296.74	4,355.32	0.00	0.00	1,158.26	40,810.32	5,844.30	34,966.02	
67	Jefferson County Sheriff's Office	12/31/2018	146,278.16	217,210.74	0.00	0.00	5,890.15	369,379.05	53,503.35	315,875.70	
68	Johnson County Sheriff's Office	12/31/2018	22,102.39	0.00	0.00	0.00	419.54	22,521.93	0.00	22,521.93	

Appendix A
Compilation of 2019 Federal Forfeiture Reports
Summary of Information Reported for Justice Funds

		Justice Funds								
			Beginning Equitable Sharing Fund	Equitable Sharing Funds	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance
	Name	Fiscal Year End	Balance	Received						
69	Joplin Police Department	10/31/2019	156,574.38	0.00	0.00	0.00	5,459.20	162,033.58	0.00	162,033.58
70	Kansas City International Airport Police Division	4/30/2019	273,267.11	23,869.34	0.00	0.00	4,625.66	301,762.11	54,081.70	247,680.41
71	Kansas City Police Department	4/30/2019	1,839,964.41	243,954.57	0.00	300.00	35,540.24	2,119,759.22	439,360.99	1,680,398.23
72	Kirksville Police Department	12/31/2018	0.00	12,400.00	0.00	0.00	0.00	12,400.00	0.00	12,400.00
73	Kirkwood Police Department	3/31/2019	127,352.44	89,124.77	0.00	0.00	2,697.05	219,174.26	124,157.96	95,016.30
74	Lafayette County Sheriff's Office	12/31/2018	27,772.35	60,585.79	0.00	0.00	0.00	88,358.14	65,359.39	22,998.75
75	Lake Area Narcotics Enforcement Group	6/30/2019	14,562.63	0.00	0.00	0.00	31.08	14,593.71	14,593.71	0.00
76	Lawrence County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
77	Lebanon Police Department	6/30/2019	8,413.17	0.00	0.00	0.00	0.00	8,413.17	592.28	7,820.89
78	Lee's Summit Police Department	6/30/2019	478,060.48	27,156.75	0.00	0.00	8,255.20	513,472.43	240,615.26	272,857.17
79	Lincoln County Sheriff's Office	12/31/2018	38,804.27	29,612.80	0.00	0.00	810.49	69,227.56	58,803.57	10,423.99 AC
80	Maplewood Police Department	6/30/2019	14,738.18	98.59	0.00	0.00	26.46	14,863.23	2,159.50	12,703.73
81	Marion County, NEMO Task Force	6/30/2019	18,939.48	0.00	0.00	0.00	0.00	18,939.48	750.00	18,189.48 C
82	Maryland Heights Police Department	12/31/2018	146,580.82	521,373.67	0.00	0.00	9,827.27	677,781.76	95,073.48	582,708.28
83	Maryville Department of Public Safety	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
84	Mid-Missouri Unified Strike Team and Narcotics Group (MUSTANG)	12/31/2018	140,289.91	3,105.43	0.00	0.00	0.00	143,395.34	23,737.28	119,658.06 F
85	Missouri State Highway Patrol	6/30/2019	823,408.57	328,722.71	0.00	85,681.02	15,310.72	1,253,123.02	375,963.00	877,160.02
86	Moberly Police Department	6/30/2019	4,320.59	0.00	0.00	0.00	0.00	4,320.59	0.00	4,320.59
87	Monett Police Department	3/31/2019	527.01	0.00	0.00	0.00	0.00	527.01	0.00	527.01
88	Morgan County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
89	Newton County Sheriff's Office	12/31/2018	8,792.18	23,108.44	0.00	0.00	102.47	32,003.09	5,000.00	27,003.09 C
90	Nixa Police Department	12/31/2018	4,825.73	0.00	0.00	0.00	87.58	4,913.31	0.00	4,913.31
91	Normandy Police Department	9/30/2019	103,694.28	0.00	0.00	0.00	0.00	103,694.28	46,560.62	57,133.66
92	O'Fallon Police Department	12/31/2018	394,155.68	98,230.80	0.00	0.00	7,615.46	500,001.94	193,993.85	306,008.09
93	Overland Police Department	6/30/2019	142,408.90	67,440.19	0.00	0.00	17.72	209,866.81	79,887.53	129,979.28
94	Ozark Police Department	12/31/2018	16,289.96	52,962.81	0.00	8,700.00	421.61	78,374.38	73,920.40	4,453.98 C
95	Park Hills Police Department	9/30/2019	375,028.33	0.00	0.00	0.00	2,102.32	377,130.65	15,496.77	361,633.88
96	Peculiar Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
97	Pemiscot County Sheriff's Office	12/31/2018	143,995.69	46,249.90	0.00	0.00	323.24	190,568.83	51,011.83	139,557.00
98	Perry County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
99	Perryville Police Department	3/31/2019	953.99	0.00	0.00	0.00	0.00	953.99	900.00	53.99 C
100	Pettis County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
101	Phelps County Prosecuting Attorney's Office	12/31/2018	323,316.65	37,721.54	0.00	37,311.50	2,222.48	400,572.17	129,036.31	271,535.86 F
102	Phelps County Sheriff's Office	12/31/2018	3,259,741.23	470,243.34	0.00	15,369.27	13,978.53	3,759,332.37	2,228,860.76	1,530,471.61

Appendix A
Compilation of 2019 Federal Forfeiture Reports
Summary of Information Reported for Justice Funds

Justice Funds										
Name	Fiscal Year End	Beginning Equitable Sharing Fund	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
		Balance	Received	Task Force			Received	Spent	Balance	
103 Platte County Sheriff's Office	12/31/2018	136,138.79	22,664.71	0.00	0.00	2,886.50	161,690.00	10,323.36	151,366.64	
104 Pleasant Valley Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
105 Poplar Bluff Police Department	12/31/2018	32,331.11	7,433.24	0.00	0.00	0.00	39,764.35	11,060.34	28,704.01	D
106 Portageville Police Department	4/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
107 Pulaski County Prosecuting Attorney's Office	12/31/2018	1,706.17	0.00	0.00	0.00	0.00	1,706.17	0.00	1,706.17	
108 Raytown Police Department	10/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
109 Richmond Heights Police Department	6/30/2019	282,553.26	75,951.40	0.00	0.00	0.00	358,504.66	46,316.41	312,188.25	
110 Ripley County Sheriff's Office	12/31/2018	7,824.83	0.00	0.00	0.00	344.57	8,169.40	4,699.00	3,470.40	
111 Rock Hill Police Department	3/31/2019	1,419.61	0.00	0.00	0.00	0.00	1,419.61	1,419.61	0.00	
112 Rolla Police Department	9/30/2019	0.00	22,625.33	1,705.64	0.00	86.21	24,417.18	10,801.72	13,615.46	
113 Scotland County Sheriff's Office	12/31/2018	2,548.47	0.00	0.00	0.00	13.40	2,561.87	0.00	2,561.87	AC
114 Sedalia Police Department	3/31/2019	19,332.64	103,439.98	0.00	0.00	0.00	122,772.62	50,207.41	72,565.21	
115 Shelbina Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
116 Shrewsbury Police Department	12/31/2018	536.03	37,115.02	0.00	0.00	0.00	37,651.05	0.00	37,651.05	C
117 Sikeston Department of Public Safety	6/30/2019	85,250.70	53,599.91	0.00	0.00	101.73	138,952.34	73,975.50	64,976.84	
118 South Central Drug Task Force	6/30/2019	1,636.21	15,560.63	3,000.00	3,653.09	0.00	23,849.93	23,849.93	0.00	G
119 Southeast Missouri (SEMO) Drug Task Force	6/30/2019	368,815.59	10,445.67	0.00	16,051.63	4,452.42	399,765.31	168,477.56	231,287.75	
120 Springfield Police Department	6/30/2019	152,473.20	63,484.71	0.00	0.00	2,158.18	218,116.09	134,743.23	83,372.86	
121 Springfield-Branson National Airport Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
122 St. Ann Police Department	12/31/2018	0.00	140,713.54	0.00	0.00	0.00	140,713.54	126,123.43	14,590.11	
123 St. Charles City Police Department	12/31/2018	100,235.91	47,958.82	0.00	0.00	0.00	148,194.73	11,397.60	136,797.13	
124 St. Charles County Police Department	12/31/2018	1,243,237.00	1,161,838.44	80,740.86	19,214.09	27,370.19	2,532,400.58	932,867.35	1,599,533.23	
125 St. Charles County Prosecuting Attorney's Office	12/31/2018	187,027.63	142,573.96	0.00	0.00	4,350.20	333,951.81	58,580.33	275,371.48	
126 St. Charles County Regional Drug Task Force	12/31/2018	52,705.41	246,600.05	0.00	0.00	976.43	300,281.89	46,631.13	253,650.76	
127 St. Clair Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
128 St. Francois County Sheriff's Office	12/31/2018	10,205.75	67,181.12	0.00	12,115.21	633.50	90,135.58	11,761.00	78,374.58	
129 St. John Police Department	12/31/2018	183,079.40	74,357.37	0.00	98.99	31.14	257,566.90	147,332.32	110,234.58	
130 St. Joseph Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
131 St. Louis Airport Police Department	6/30/2019	2,158,051.95	191,372.20	0.00	14,826.83	50,520.38	2,414,771.36	85,658.78	2,329,112.58	
132 St. Louis County Police Department	12/31/2018	1,375,639.53	803,464.92	0.00	11,791.58	25,888.85	2,216,784.88	531,474.71	1,685,310.17	D
133 St. Louis Metropolitan Police Department	6/30/2019	1,439,175.20	413,247.20	0.00	0.00	173.83	1,852,596.23	226,867.80	1,625,728.43	
134 St. Peters Police Department	9/30/2019	192,488.02	73,866.00	0.00	0.00	0.00	266,354.02	22,747.47	243,606.55	
135 St. Robert Police Department	12/31/2018	8,709.52	0.00	0.00	0.00	0.00	8,709.52	0.00	8,709.52	
136 Ste. Genevieve County Sheriff's Office	12/31/2018	1,852.50	0.00	0.00	0.00	0.00	1,852.50	0.00	1,852.50	

Appendix A
 Compilation of 2019 Federal Forfeiture Reports
 Summary of Information Reported for Justice Funds

		Justice Funds								
Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
137	Strafford Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
138	Sullivan Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
139	Sunset Hills Police Department	12/31/2018	193.33	0.00	0.00	0.00	0.00	193.33	0.00	193.33
140	Taney County Sheriff's Office	12/31/2018	3,765.92	0.00	0.00	0.00	50.50	3,816.42	511.39	3,305.03
141	Texas County Sheriff's Office	12/31/2018	12.00	0.00	0.00	0.00	0.00	12.00	0.00	12.00 C
142	Town and Country Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
143	Trenton Police Department	4/30/2019	3,168.84	0.00	0.00	0.00	4.08	3,172.92	2,760.74	412.18 C
144	Troy Police Department	6/30/2019	4,811.42	0.00	0.00	0.00	26.37	4,837.79	4,463.07	374.72
145	Vernon County Sheriff's Office	12/31/2018	2,939.78	0.00	0.00	0.00	11.57	2,951.35	2,737.76	213.59
146	Vinita Park Police Department	6/30/2019	6,224.34	5,651.36	0.00	0.00	5.03	11,880.73	8,546.81	3,333.92 D
147	Warren County Sheriff's Office	12/31/2018	1,144.96	0.00	0.00	0.00	21.34	1,166.30	0.00	1,166.30
148	Warrensburg Police Department	9/30/2019	2,759.56	0.00	0.00	0.00	0.00	2,759.56	0.00	2,759.56
149	Wayne County Sheriff's Office	12/31/2018	1,774.28	0.00	0.00	0.00	0.00	1,774.28	0.00	1,774.28
150	Webb City Police Department	10/31/2019	0.00	104,901.30	0.00	0.00	0.00	104,901.30	35,010.08	69,891.22
151	Webster Groves Police Department	6/30/2019	7,929.47	0.00	0.00	0.00	0.00	7,929.47	5,041.79	2,887.68
152	Wentzville Police Department	12/31/2018	5,801.55	0.00	0.00	0.00	0.00	5,801.55	0.00	5,801.55
153	Willard Police Department	12/31/2018	656.00	0.00	0.00	0.00	0.00	656.00	654.60	1.40
154	Woodson Terrace Police Department	6/30/2019	8,615.74	0.00	0.00	0.00	7.51	8,623.25	5,000.00	3,623.25
Total		\$	19,965,282.62	7,434,169.93	148,565.25	236,546.51	254,911.56	28,039,475.87	8,293,602.58	19,745,873.29

Note: This appendix shows the categories on the Annual Certification Report section of the ACA Form - Equitable Sharing Agreement and Certification and what each agency reported.

- A The agency submitted a copy the form after the February 15, 2020, deadline.
- B The agency's form reported no activity in the Justice Funds section of the annual certification.
- C The agency did not file a form in 2018, but has a beginning balance in 2019.
- D The agency filed a 2018 form after February 28, 2019.
- E The ending balance from 2018 does not agree with the beginning 2019 balance.
- F The agency was not included on the list provided by the DPS, but submitted a report.
- G The agency filed a revised 2018 form.

Appendix B
 Compilation of 2019 Federal Forfeiture Reports
 Summary of Information Reported for Treasury Funds

		Treasury Funds								
		Fiscal Year	Beginning Equitable Sharing Fund	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance
	Name	End	Balance	Received	Task Force					
1	Ballwin Police Department	12/31/2018	87,964.42	0.00	0.00	3,856.00	1,545.58	93,366.00	4,743.75	88,622.25
2	Bates County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
3	Bellefontaine Neighbors Police Department	6/30/2019	39,017.44	0.00	0.00	0.00	0.00	39,017.44	947.88	38,069.56
4	Belton Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
5	Billings Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
6	Bolivar Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
7	Bollinger County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
8	Boone County Sheriff's Office	12/31/2018	24,789.87	3,550.00	0.00	0.00	351.08	28,690.95	0.00	28,690.95
9	Boonville Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
10	Branson Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 BD
11	Brentwood Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
12	Bridgeton Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
13	Brookfield Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
14	Buchanan County Drug Strike Force	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
15	Buchanan County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
16	Buckner Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
17	Butler County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
18	Cabool Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
19	Callaway County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
20	Camden County Sheriff's Office	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
21	Camdenton Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 AB
22	Cameron Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
23	Cape Girardeau County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
24	Cape Girardeau Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
25	Charleston Department of Public Safety	4/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
26	Chesterfield Police Department	12/31/2018	0.00	0.00	0.00	17,549.81	0.00	17,549.81	10,654.30	6,895.51
27	Christian County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
28	Clay County Sheriff's Office	12/31/2018	8,296.37	0.00	0.00	0.00	0.00	8,296.37	8,296.37	0.00 E
29	Clayton Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
30	Clinton County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
31	Cole County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
32	Columbia Police Department	9/30/2019	44,798.22	3,660.66	0.00	0.00	0.00	48,458.88	0.00	48,458.88 C
33	Cottleville Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
34	Crawford County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B

Appendix B
 Compilation of 2019 Federal Forfeiture Reports
 Summary of Information Reported for Treasury Funds

Treasury Funds											
			Beginning Equitable Sharing Fund	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
	Name	Fiscal Year End	Balance	Received	Task Force	Other Income	Income	Received	Spent	Balance	
35	Creve Coeur Police Department	6/30/2019	51,956.86	0.00	0.00	1,971.00	0.00	53,927.86	21,153.75	32,774.11	AD
36	Crystal City Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BD
37	Dent County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
38	Dexter Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
39	Dunklin County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
40	East Central Drug Task Force/Audrain County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
41	Eureka Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
42	Festus Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BD
43	Florissant Police Department	11/30/2018	2,342.54	6,040.03	0.00	0.00	0.00	8,382.57	174.38	8,208.19	
44	Foristell Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
45	Franklin County Narcotics Enforcement Unit	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
46	Franklin County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
47	Fredericktown Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BD
48	Frontenac Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
49	Fulton Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
50	Grain Valley Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
51	Grandview Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
52	Greene County Prosecuting Attorney's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BF
53	Greene County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
54	Grundy County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
55	Hannibal Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
56	Hayti Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
57	Hazelwood Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
58	Henry County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
59	Howell County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
60	Independence Police Department	6/30/2019	8,277.18	31,854.22	0.00	0.00	459.51	40,590.91	0.00	40,590.91	
61	Jackson County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BD
62	Jackson Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
63	Jasper County Drug Task Force	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
64	Jasper County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
65	Jefferson City Police Department	10/31/2019	380.48	811.39	0.00	0.00	8.46	1,200.33	0.00	1,200.33	
66	Jefferson County Municipal Enforcement Group	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
67	Jefferson County Sheriff's Office	12/31/2018	0.00	6,133.02	0.00	0.00	0.00	6,133.02	0.00	6,133.02	
68	Johnson County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B

Appendix B
 Compilation of 2019 Federal Forfeiture Reports
 Summary of Information Reported for Treasury Funds

Treasury Funds											
Name	Fiscal Year End	Beginning Equitable Sharing Fund	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance		
		Balance	Received	Task Force			Received	Spent	Balance		
69 Joplin Police Department	10/31/2019	74,626.59	0.00	0.00	0.00	0.00	74,626.59	0.00	74,626.59		
70 Kansas City International Airport Police Division	4/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
71 Kansas City Police Department	4/30/2019	176,542.06	10,107.75	0.00	0.00	3,790.46	190,440.27	232.02	190,208.25		
72 Kirksville Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
73 Kirkwood Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
74 Lafayette County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
75 Lake Area Narcotics Enforcement Group	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
76 Lawrence County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
77 Lebanon Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
78 Lee's Summit Police Department	6/30/2019	163,196.58	81,870.92	0.00	0.00	4,328.52	249,396.02	0.00	249,396.02		
79 Lincoln County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	AB
80 Maplewood Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
81 Marion County, NEMO Task Force	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
82 Maryland Heights Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
83 Maryville Department of Public Safety	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
84 Mid-Missouri Unified Strike Team and Narcotics Group (MUSTANG)	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BF
85 Missouri State Highway Patrol	6/30/2019	110,883.05	1,424.63	0.00	0.00	1,331.37	113,639.05	0.00	113,639.05		
86 Moberly Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
87 Monett Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
88 Morgan County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
89 Newton County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
90 Nixa Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
91 Normandy Police Department	9/30/2019	6,090.34	0.00	0.00	0.00	0.00	6,090.34	0.00	6,090.34		
92 O'Fallon Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
93 Overland Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
94 Ozark Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
95 Park Hills Police Department	9/30/2019	30,005.60	0.00	0.00	0.00	0.00	30,005.60	0.00	30,005.60		
96 Peculiar Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
97 Pemiscot County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
98 Perry County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
99 Perryville Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
100 Pettis County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
101 Phelps County Prosecuting Attorney's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BF
102 Phelps County Sheriff's Office	12/31/2018	27,090.50	0.00	0.00	0.00	0.00	27,090.50	27,090.50	0.00		

Appendix B
Compilation of 2019 Federal Forfeiture Reports
Summary of Information Reported for Treasury Funds

Treasury Funds										
Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
103 Platte County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
104 Pleasant Valley Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
105 Poplar Bluff Police Department	12/31/2018	183.24	0.00	0.00	0.00	0.00	183.24	0.00	183.24	D
106 Portageville Police Department	4/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
107 Pulaski County Prosecuting Attorney's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
108 Raytown Police Department	10/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
109 Richmond Heights Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
110 Ripley County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
111 Rock Hill Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
112 Rolla Police Department	9/30/2019	57,552.85	4,860.00	0.00	4,860.00	490.57	67,763.42	4,819.81	62,943.61	
113 Scotland County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	AB
114 Sedalia Police Department	3/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
115 Shelbina Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
116 Shrewsbury Police Department	12/31/2018	586.05	0.00	0.00	0.00	0.00	586.05	0.00	586.05	C
117 Sikeston Department of Public Safety	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
118 South Central Drug Task Force	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	BG
119 Southeast Missouri (SEMO) Drug Task Force	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
120 Springfield Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
121 Springfield-Branson National Airport Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
122 St. Ann Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
123 St. Charles City Police Department	12/31/2018	75,532.85	8,139.81	0.00	0.00	0.00	83,672.66	27,235.70	56,436.96	
124 St. Charles County Police Department	12/31/2018	0.00	3,409.00	0.00	0.00	0.00	3,409.00	3,409.00	0.00	
125 St. Charles County Prosecuting Attorney's Office	12/31/2018	1,993.87	678.31	0.00	0.00	0.00	2,672.18	2,672.18	0.00	
126 St. Charles County Regional Drug Task Force	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
127 St. Clair Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
128 St. Francois County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
129 St. John Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
130 St. Joseph Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
131 St. Louis Airport Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
132 St. Louis County Police Department	12/31/2018	904,560.63	150,096.07	23,247.93	25,774.38	12,751.23	1,116,430.24	197,843.56	918,586.68	D
133 St. Louis Metropolitan Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
134 St. Peters Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
135 St. Robert Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	B
136 Ste. Genevieve County Sheriff's Office	12/31/2018	11,145.46	0.00	0.00	0.00	106.66	11,252.12	0.00	11,252.12	

Appendix B
 Compilation of 2019 Federal Forfeiture Reports
 Summary of Information Reported for Treasury Funds

		Treasury Funds								
Name	Fiscal Year End	Beginning Equitable Sharing Fund Balance	Equitable Sharing Funds Received	Equitable Sharing Funds Received from other LEA and Task Force	Other Income	Interest Income	Total Equitable Sharing Funds Received	Equitable Sharing Funds Spent	Ending Equitable Sharing Funds Balance	
137	Strafford Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
138	Sullivan Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
139	Sunset Hills Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
140	Taney County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
141	Texas County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
142	Town and Country Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
143	Trenton Police Department	4/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
144	Troy Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
145	Vernon County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
146	Vinita Park Police Department	6/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 BD
147	Warren County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
148	Warrensburg Police Department	9/30/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
149	Wayne County Sheriff's Office	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
150	Webb City Police Department	10/31/2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
151	Webster Groves Police Department	6/30/2019	8,255.10	0.00	0.00	0.00	0.00	8,255.10	3,065.32	5,189.78
152	Wentzville Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
153	Willard Police Department	12/31/2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00 B
154	Woodson Terrace Police Department	6/30/2019	40,650.40	0.00	0.00	0.00	44.60	40,695.00	34,323.82	6,371.18
Total		\$	1,956,718.55	312,635.81	23,247.93	54,011.19	25,208.04	2,371,821.52	346,662.34	2,025,159.18

Note: This appendix shows the categories on the Annual Certification Report section of the ACA Form - Equitable Sharing Agreement and Certification and what each agency reported.

- A The agency submitted a copy the form after the February 15, 2020, deadline.
- B The agency's form reported no activity in the Treasury Funds section of the annual certification.
- C The agency did not file a form in 2018, but has a beginning balance in 2019.
- D The agency filed a 2018 form after February 28, 2019.
- E The ending balance from 2018 does not agree with the beginning 2019 balance.
- F The agency was not included on the list provided by the DPS, but submitted a report.
- G The agency filed a revised 2018 form.

Appendix C

Compilation of 2019 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2019 ACA Form - Equitable Sharing Agreement and Certification*

Name		Name	
1 13th Judicial Court Marshal's Office		61 Butler Police Department	
2 19th Circuit Court Marshal's Office		62 Butterfield Police Department	
3 Adair County Sheriff's Office		63 Byrnes Mill Police Department	
4 Adrian Police Department		64 Caldwell County Sheriff's Office	
5 Advance Police Department		65 California Police Department	
6 Alma Police Department		66 Callao Police Department	
7 Alton Police Department		67 Calverton Park Police Department	
8 Amtrak Police Department		68 Camden Point Police Department	
9 Anderson Police Department		69 Camden Police Department	
10 Andrew County Sheriff's Office		70 Campbell Police Department	
11 Annapolis Police Department		71 Canadian Pacific Police Service	
12 Appleton City Police Department		72 Canalou Police Department	
13 Arbyrd Police Department		73 Canton Police Department	
14 Arcadia Police Department		74 Cardwell Police Department	
15 Archie Police Department		75 Carl Junction Police Department	
16 Arnold Police Department	B	76 Carroll County Sheriff's Office	
17 Ash Grove Police Department		77 Carrollton Police Department	
18 Ashland Police Department		78 Carter County Sheriff's Office	
19 Atchison County Sheriff's Office		79 Cartersville Police Department	
20 Aurora Police Department		80 Carthage Police Department	
21 Auxvasse Police Department		81 Caruthersville Police Department	
22 Ava Police Department		82 Cass County Sheriff's Office	
23 Barry County Sheriff's Office		83 Cassville Police Department	
24 Barton County Sheriff's Office		84 Catron Police Department	A
25 Bates City Police Department		85 Cedar County Sheriff's Office	
26 Battlefield Police Department		86 Center Police Department	
27 Bell City Police Department		87 Centerview Police Department	
28 Bella Villa Police Department		88 Centralia Police Department	
29 Belle Police Department		89 Chaffee Police Department	
30 Bellflower Police Department		90 Chamois Police Department	A
31 Bel-Nor Police Department		91 Chariton County Sheriff's Office	
32 Bel-Ridge Police Department		92 Chilhowee Police Department	
33 Benton County Sheriff's Office		93 Chillicothe Police Department	
34 Benton Police Department		94 Clarence Police Department	
35 Berger Police Department		95 Clark County Sheriff's Office	
36 Berkeley Police Department		96 Clark Police Department	
37 Bernie Police Department		97 Clarksburg Police Department	
38 Bertrand Police Department		98 Clarksdale Police Department	
39 Bethany Police Department		99 Clarkton Police Department	
40 Bevier Police Department		100 Clay County Parks Department	
41 Birch Tree Police Department		101 Claycomo Police Department	
42 Bismarck Police Department		102 Cleveland Police Department	
43 Blackburn Police Department		103 Clever Police Department	
44 Bland Police Department		104 Clinton Police Department	
45 Bloomfield Police Department		105 Cole Camp Police Department	
46 Blue Springs Police Department		106 Combined Ozarks Multijurisdictional Enforcement Team	B
47 Blue Springs School District Police Department		107 Concordia Police Department	
48 Bonne Terre Police Department		108 Conway Police Department	
49 Bourbon Police Department		109 Cooper County Sheriff's Office	
50 Bowling Green Police Department		110 Cooter Police Department	
51 Branson West Police Department		111 Corder Police Department	
52 Braymer Police Department		112 Country Club Hills Police Department	
53 Breckenridge Hills Police Department		113 Country Club Village Police Department	
54 Browning Police Department		114 Crane Police Department	
55 Brunswick Police Department		115 Creighton Police Department	
56 Bucklin Police Department		116 Crestwood Police Department	
57 Buffalo Police Department		117 Crocker Police Department	
58 Bunceton Police Department		118 Crystal Lakes Police Department	
59 Bunker Police Department		119 Cuba Police Department	
60 Burlington Norther Santa Fe Railroad		120 Dade County Sheriff's Office	

Appendix C

Compilation of 2019 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2019 ACA Form - Equitable Sharing Agreement and Certification*

Name	Name
121 Dallas County Sheriff's Office	181 Glendale Police Department
122 Daviess County Sheriff's Office	182 Goodman Police Department
123 Deepwater Police Department	183 Gordonville Police Department A
124 DeKalb County Sheriff's Office	184 Gower Police Department
125 Delta Police Department	185 Granby Police Department
126 Des Peres Department of Public Safety	186 Grandin Police Department A
127 Desloge Police Department	187 Green City Police Department
128 DeSoto Police Department	188 Green Ridge Police Department
129 Diamond Police Department	189 Greenfield Police Department
130 Dixon Police Department	190 Greenville Police Department A
131 Doniphan Police Department	191 Greenwood Police Department
132 Doolittle Police Department	192 Hale Police Department A
133 Douglas County Sheriff's Office	193 Hallsville Police Department
134 Drexel Police Department	194 Hamilton Police Department
135 Duenweg Police Department	195 Hardin Police Department
136 Dunklin R-5 School District Police Department	196 Harrison County Sheriff's Office
137 Duquesne Police Department	197 Harrisonville Police Department
138 East Lynne Police Department	198 Hartville Police Department
139 East Prairie Police Department	199 Hawk Point Police Department
140 Easton Police Department	200 Henrietta Police Department
141 Edgar Springs Police Department	201 Herculaneum Police Department
142 Edgerton Police Department	202 Hermann Police Department
143 Edina Police Department	203 Hickory County Sheriff's Office
144 Edmundson Police Department	204 Higginsville Police Department
145 El Dorado Springs Police Department	205 High Hill Police Department
146 Eldon Police Department	206 Highlandville Police Department
147 Ellington Police Department	207 Hillsboro Police Department
148 Ellisville Police Department	208 Hillsdale Police Department
149 Ellsinore Police Department	209 Holcomb Police Department
150 Elsberry Police Department	210 Holden Police Department
151 Eminence Police Department	211 Hollister Police Department
152 Emma Police Department	212 Holt County Sheriff's Office
153 Eolia Police Department	213 Holts Summit Police Department
154 Essex Police Department	A 214 Hornersville Police Department
155 Everton Police Department	215 Houston Police Department
156 Excelsior Springs Police Department	216 Howard County Sheriff's Office
157 Exeter Police Department	217 Howardville Police Department
158 Fair Grove Police Department	218 Humansville Police Department
159 Fair Play Police Department	219 Huntsville Police Department
160 Fairview Police Department	220 Iberia Police Department
161 Farber Police Department	221 Indian Point Police Department
162 Farmington Police Department	222 Iron County Sheriff's Office
163 Fayette Police Department	223 Iron Mountain Lake Police Department
164 Ferguson Police Department	224 Ironton Police Department
165 Ferrelview Police Department	225 Jackson County Parks & Recreation
166 Fleming Police Department	226 Jackson County Drug Task Force
167 Fordland Police Department	227 Jamestown Police Department
168 Forsyth Police Department	228 Jasper Police Department
169 Frankford Police Department	229 Jefferson College Campus Police Department
170 Freeman Police Department	230 Jonesburg Police Department
171 Galena Police Department	231 Kahoka Police Department
172 Gallatin Police Department	232 Kansas City Board of Police Commissioners
173 Garden City Police Department	233 Kansas City Southern Railway
174 Gasconade County Sheriff's Office	234 Kearney Police Department
175 Gasconade Police Department	235 Kelso Police Department
176 Gentry County Sheriff's Office	236 Kennett Police Department B
177 Gerald Police Department	237 Keytesville Police Department
178 Gideon Police Department	238 Kimberling City Police Department
179 Gladstone Department of Public Safety	239 Kimmswick Police Department
180 Glasgow Police Department	240 King City Police Department

Appendix C

Compilation of 2019 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2019 ACA Form - Equitable Sharing Agreement and Certification*

Name	Name
241 Kingsville Police Department	301 Matthews Police Department
242 Knob Noster Police Department	302 Maysville Police Department
243 Knox County Sheriff's Office	303 McDonald County Sheriff's Office
244 Laclede County Sheriff's Office	304 Memphis Police Department
245 Laddonia Police Department	305 Mercer County Sheriff's Office
246 Ladue Police Department	306 Merriam Woods Police Department
247 Lafayette County Narcotic Task Force	307 Metropolitan Community College Campus Police
248 LaGrange Police Department	308 Mexico Police Department
249 Lake Lafayette Police Department	309 Mid-Missouri Drug Task Force
250 Lake Lotawana Police Department	310 Milan Police Department
251 Lake Ozark Police Department	311 Miller County Sheriff's Office
252 Lake St. Louis Police Department	312 Miller Police Department
253 Lake Tapawingo Police Department	313 Miner Police Department
254 Lake Waukomis Police Department	314 Mineral Area College Department of Public Safety
255 Lake Winnebago Police Department	315 Mineral Area Drug Task Force
256 Lakeshire Police Department	316 Mississippi County Sheriff's Office
257 Lamar Police Department	317 Missouri Capitol Police
258 LaMonte Police Department	318 Missouri Department Natural Resources-Park Rangers
259 Lanagan Police Department	319 Missouri Department of Conservation
260 Lancaster Police Department	320 Missouri Department of Revenue
261 LaPlata Police Department	321 Missouri Division of Alcohol and Tobacco Control
262 Lathrop Police Department	322 Missouri Division of Fire Safety
263 Laurie Police Department	323 Missouri Social Services STAT Team
264 Lawson Police Department	324 Missouri University of Science & Technology Police Department
265 Leadington Police Department	325 Missouri Western Department of Public Safety
266 Leadwood Police Department	326 Moline Acres Police Department
267 Leasburg Police Department	327 Moniteau County Sheriff's Office
268 Leeton Police Department	328 Monroe City Police Department
269 Lewis County Sheriff's Office	329 Monroe County Sheriff's Office
270 Lexington Police Department	330 Montgomery City Police Department
271 Liberal Police Department	331 Montgomery County Sheriff's Office
272 Liberty Police Department	332 Morehouse Police Department
273 Licking Police Department	333 Morley Police Department
274 Lilbourn Police Department	334 Moscow Mills Police Department
275 Lincoln Police Department	335 Mound City Police Department
276 Lincoln University Department of Public Safety	336 Mount Vernon Police Department
277 Linn County Sheriff's Office	337 Mountain Grove Police Department
278 Linn Creek Police Department	338 Mountain View Police Department
279 Linn Police Department	339 MSSU Police Department
280 Livingston County Sheriff's Office	340 Napoleon Police Department
281 Logan-Rogersville Police Unit	341 Naylor Police Department
282 Lone Jack Police Department	342 Neosho Police Department
283 Louisiana Police Department	343 Nevada Police Department
284 Lowry City Police Department	344 New Bloomfield Police Department
285 Macon County Sheriff's Office	345 New Florence Police Department
286 Macon Police Department	346 New Franklin Police Department
287 Madison County Sheriff's Office	347 New Haven Police Department
288 Malden Police Department	348 New London Police Department
289 Manchester Police Department	349 New Madrid County Sheriff's Office
290 Mansfield Police Department	350 New Madrid Police Department
291 Marble Hill Police Department	351 Newburg Police Department
292 Marceline Police Department	352 Niangua Police Department
293 Maries County Sheriff's Office	353 Nodaway County Sheriff's Office
294 Marion County Sheriff's Office	354 Noel Police Department
295 Marionville Police Department	355 Norborne Police Department
296 Marquand Police Department	356 Norfolk Southern Railroad Police Department
297 Marshall Police Department	357 North Kansas City Police Department
298 Marshfield Police Department	358 North Missouri Drug Task Force
299 Marston Police Department	359 Northmoor Police Department
300 Martinsburg Police Department	360 Northwest Missouri State University Police Department

B

A

A

B

Appendix C

Compilation of 2019 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2019 ACA Form - Equitable Sharing Agreement and Certification*

Name	Name
361 Northwoods Police Department	421 Rosebud Police Department
362 Oak Grove Police Department	422 Rutledge Police Department
363 Oakview Police Department	423 Salem Police Department
364 Odessa Police Department	424 Saline County Sheriff's Office
365 Old Monroe Police Department	425 Salisbury Police Department
366 Olivette Police Department	426 Sarcoxie Police Department
367 Oran Police Department	427 Savannah Police Department
368 Oregon County Sheriff's Office	428 Schuyler County Sheriff's Office
369 Oregon Police Department	429 Scott City Police Department
370 Oronogo Police Department	430 Scott County Sheriff's Office
371 Orrick Police Department	431 Seligman Police Department
372 Osage Beach Police Department	432 Senath Police Department
373 Osage County Sheriff's Office	433 Seneca Police Department
374 Osceola Police Department	434 Seymour Police Department
375 Otterville Police Department	435 Shannon County Sheriff's Office
376 Owensville Police Department	436 Shelby County Sheriff's Office
377 Ozark County Sheriff's Office	437 Silex Police Department
378 Pacific Police Department	438 Slater Police Department
379 Pagedale Police Department	439 Smithton Police Department
380 Palmyra Police Department	440 Smithville Police Department
381 Parkville Police Department	441 Southeast Missouri State University Department of Public Safety
382 Parma Police Department	442 Southwest City Police Department
383 Perry Police Department	443 Sparta Police Department
384 Pevely Police Department	444 St. Charles City Parks & Recreation
385 Piedmont Police Department	445 St. Charles County Community College Dept. of Public Safety
386 Pierce City Police Department	446 St. Charles County Department of Corrections
387 Pike County Sheriff's Office	447 St. Charles County Sheriff's Office
388 Pilot Grove Police Department	448 St. Clair County Sheriff's Office
389 Pilot Knob Police Department	449 St. James Police Department
390 Pineville Police Department	450 St. Louis Community College Police Department
391 Platte City Police Department	451 St. Louis County Sheriffs Office
392 Platte Woods Police Department	452 St. Louis County Drug Task Force
393 Plattsburg Police Department	453 St. Louis City Sheriff's Office
394 Pleasant Hill Police Department	454 St. Mary Police Department
395 Pleasant Hope Police Department	455 Stanberry Police Department
396 Polk County Sheriff's Office	456 Ste. Genevieve Police Department
397 Polo Police Department	457 Steele Police Department
398 Potosi Police Department	458 Steelville Police Department
399 Prairie Home Police Department	459 Stewartsville Police Department
400 Purdy Police Department	460 Stoddard County Sheriff's Office
401 Putnam County Sheriff's Office	461 Stone County Sheriff's Office
402 Puxico Police Department	462 Stover Police Department
403 Queen City Police Department	463 Strasburg Police Department
404 Qulin Police Department	464 Surgeon Police Department
405 Ralls County Sheriff's Office	465 Sugar Creek Police Department
406 Randolph County Sheriff's Office	466 Sullivan County Sheriff's Office
407 Ray County Sheriff's Office	467 Summersville Police Department
408 Raymore Police Department	468 Sunrise Beach Police Department
409 Reeds Spring Police Department	469 Supreme Court of Missouri
410 Republic Police Department	470 Sweet Springs Police Department
411 Reynolds County Sheriff's Office	471 Tarkio Police Department
412 Rich Hill Police Department	472 Terminal Railroad
413 Richland Police Department	473 Terre du Lac Police Department
414 Richmond Police Department	474 Thayer Police Department
415 Risco Police Department	475 Tipton Police Department
416 Riverside Police Department	476 Tracy Police Department
417 Riverview Police Department	477 Trimble Police Department
418 Rock Port Police Department	478 Truesdale Police Department
419 Rockaway Beach Police Department	479 Truman State University
420 Rogersville Police Department	480 Union Pacific Railroad

Appendix C

Compilation of 2019 Federal Forfeiture Reports

Law Enforcement Agencies Not Filing a 2019 ACA Form - Equitable Sharing Agreement and Certification*

Name	Name
481 Union Police Department	503 Warson Woods Police Department
482 Unionville Police Department	504 Washburn Police Department
483 University City Police Department	505 Washington County Sheriff's Office
484 University of Central Missouri Department of Public Safety	506 Washington Police Department
485 University of Missouri - Kansas City Police Department	507 Washington University Police Department
486 University of Missouri - St. Louis Police Department	508 Waverly Police Department
487 University of Missouri Police Department	509 Waynesville Police Department
488 Urbana Police Department	510 Weatherby Lake Police Department
489 Van Buren Police Department	511 Webster County Sheriff's Office
490 Vandalia Police Department	512 Wellington Police Department
491 Vanduser Police Department	513 Wellsville Police Department
492 Velda City Police Department	514 West Plains Police Department
493 Verona Police Department	515 West Sullivan Police Department
494 Versailles Police Department	516 Weston Police Department
495 Viburnum Police Department	517 Wheaton Police Department
496 Vienna Police Department	518 Williamsville Police Department
497 Village of Miramiguoa	519 Willow Springs Police Department
498 Walker Police Department	A 520 Winfield Police Department
499 Walnut Grove Police Department	521 Winona Police Department
500 Wardell Police Department	522 Worth County Sheriff's Office
501 Warrenton Police Department	523 Wright City Police Department
502 Warsaw Police Department	524 Wright County Sheriff's Office

A Officials from the political subdivision reported this law enforcement agency did not operate in 2019.

B The law enforcement agency reported an ending balance for 2018, but did not file a report for 2019.

* The law requires filing if an agency participates in the federal forfeiture system. If these agencies did not participate, the lack of filing a report does not constitute noncompliance.



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
February 2020**

Report No. 2020-012

March 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

February 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended August 31, 2019 Reports Due February 29, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in February 2020	5
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due January 31, 2020 Filed in February 2020	6



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 21 political subdivisions required to file a financial report by February 29, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in February 2020, after their filing deadline. The filing status for these 12 entities is presented in summary on page 3 and by individual entity in Appendix B-C.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

February 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 21 political subdivisions, other than cities, towns, and villages, with a fiscal year end of August 31, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 21 political subdivisions, 14 filed an annual financial report timely.

This report also includes the filing status for 12 political subdivisions, other than cities, towns, and villages, that filed their financial report in February 2020, after their filing deadline.

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due February 29, 2020

Fiscal Year Ended August 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Adair	Adair County NHD	No	
Carroll	Brunswick Levee District	No	
Franklin	New Haven SRD Franklin County	Yes	December 22, 2019
Holt	Little Tarkio Drainage District	No	
Jackson	Atherton Blue Mills Levee District	Yes	November 18, 2019
Jefferson	Arnold Retail Corridor TDD	Yes	January 6, 2020
	Arnold Triangle TDD	Yes	January 6, 2020
	Ridgecrest CID	Yes	December 19, 2019
	Knox County NHD	Yes	February 28, 2020
Lawrence	Lawrence County NHD	Yes	January 6, 2020
McDonald	PWSD 2 McDonald County	Yes	November 20, 2019
New Madrid	Drainage District 33 New Madrid County	No	
Pemiscot	St. Francis Levee District	No	
Ripley	Ripley County Memorial Hospital	No	
Saline	Miami Levee District 1	Yes	August 16, 2019
Scott	Miner Gateway CID	Yes	February 7, 2020
St. Louis	Richardson Crossing CID	Yes	November 25, 2019
Stoddard	Essex SRD Stoddard County	Yes	January 3, 2020
	PWSD 2 Stoddard County	Yes	February 19, 2020
Washington	Washington County Memorial Hospital	Yes	January 31, 2020
Wayne	PWSD 3 Wayne County	No	
Total Filed		14	
Total Not Filed		7	

Acronyms:

CID	Community Improvement District
NHD	Nursing Home District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix B
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in February 2020

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	2317 Belt CID	Yes	February 7, 2020
	Cook Crossings CID	Yes	February 13, 2020
Caldwell	Caldwell County Ambulance District	Yes	February 4, 2020
Lewis	Canton SRD Lewis County	Yes	February 4, 2020
Pettis	1705 Broadway CID	Yes	February 7, 2020
Platte	Northmoor Associates CID	Yes	February 10, 2020
St. Charles	Consolidated North County LD	Yes	February 17, 2020
St. Louis City	1831/2000 Sidney Street CID	Yes	February 4, 2020
	1831/2000 Sidney Street TDD	Yes	February 4, 2020
Vernon	Vernon County Ambulance District	Yes	February 15, 2020
Total Filed		10	

Acronyms:

CID	Community Improvement District
LD	Levee District
SRD	Special Road District
TDD	Transportation Development District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due January 31, 2020
 Filed in February 2020

Fiscal Year Ended July 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Ray	Richmond SRD Ray County	Yes	February 10, 2020
St. Francois	St. Francois County SRD 2	Yes	February 29, 2020
Total Filed		2	

Acronyms:

SRD Special Road District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
February 2020**

Report No. 2020-011

March 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

February 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended August 31, 2019 Reports Due February 29, 2020	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due March 31, 2019 Filed in February 2020	6
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due April 30, 2019 Filed in February 2020	7
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in February 2020	8
E	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due August 31, 2019 Filed in February 2020	9
F	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in February 2020	10
G	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due October 31, 2019 Filed in February 2020	11
H	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in February 2020	12



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by February 29, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 6 cities, 1 town, and 4 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in February 2020, after their filing deadline. The filing status for these 105 cities, 1 town, and 15 villages is presented in summary on pages 4 and by individual entity in Appendixes B to H.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

February 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 6 cities, 1 town, and 4 villages with a fiscal year end of August 31, 2019, whose financial report was due by February 29, 2020. Of the 11 municipalities required to file an annual financial report, 8 filed the report timely. Of the 9 municipalities required to file an addendum, 5 filed an addendum timely. Of the 4 municipalities required to file a certification, 2 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
February 2020
Executive Summary

This report includes the filing status for 105 cities, 1 town, and 15 villages that filed at least one of the items (financial report, addendum, or certification) in February 2020, after their filing deadline. Of these municipalities, 23 filed an annual financial report, 93 filed an addendum, and 33 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due February 29, 2020

Fiscal Year Ended August 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Barton	City of Golden City	Yes	December 31, 2019	Yes	n/a
Bates	Village of Merwin	Yes	February 8, 2020	n/a	n/a
Clay	City of Avondale	Yes	November 26, 2019	Yes	n/a
Franklin	Village of Miramiguoa Park	No		No	n/a
Jefferson	City of Arnold	No		Yes	Yes
Scotland	City of Memphis	Yes	February 24, 2020	Yes	n/a
Scott	City of Miner	Yes	February 12, 2020	No	No
	Village of Haywood City	No		n/a	n/a
St. Charles	Town of Augusta	Yes	January 20, 2020	No	n/a
St. Louis	Village of Pasadena Park	Yes	February 29, 2020	No	No
Taney	City of Forsyth	Yes	February 24, 2020	Yes	Yes
Total Filed		8		5	2
Total Not Filed		3		4	2
Total n/a		0		2	7

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due March 31, 2019
Filed in February 2020

Fiscal Year Ended September 30, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Linn	City of Brookfield	**	March 29, 2019	Yes	n/a
Pulaski	City of Dixon	***	April 17, 2019	Yes	***
Total Filed		0		2	0

** Filed by March 31, 2019.

*** Filed after March 31, 2019, but before February 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due April 30, 2019
Filed in February 2020

Fiscal Year Ended October 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Holt	City of Maitland	**	April 30, 2019	Yes	n/a
Jasper	City of Carterville	**	May 17, 2019	Yes	No
Total Filed		0		2	0

** Filed by April 30, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in February 2020

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Andrew	Village of Country Club	***	July 22, 2019	Yes	n/a
Barry	City of Butterfield	**	June 27, 2019	Yes	No
Buchanan	City of Easton	**	May 9, 2019	Yes	***
Caldwell	City of Kidder	Yes	February 16, 2020	No	n/a
	City of Polo	**	April 24, 2019	Yes	n/a
Jackson	City of Lake Lotawana	**	June 18, 2019	Yes	n/a
Johnson	City of Centerview	**	January 18, 2019	Yes	n/a
	City of Knob Noster	***	July 29, 2019	**	Yes
Nodaway	City of Hopkins	**	February 27, 2019	Yes	n/a
Platte	Village of Ferrelview	***	August 9, 2019	Yes	n/a
Ray	City of Homestead Village	***	December 10, 2019	Yes	n/a
Schuyler	City of Queen City	**	June 30, 2019	Yes	n/a
Scott	City of Morley	***	July 26, 2019	Yes	n/a
St. Louis	City of Moline Acres	Yes	February 21, 2020	Yes	Yes
Taney	City of Branson	**	June 28, 2019	Yes	**
Vernon	Village of Moundville	***	August 30, 2019	Yes	n/a
Worth	City of Grant City	***	January 31, 2019	Yes	n/a
Total Filed		2		15	2

** Filed by June 30, 2019.

*** Filed after June 30, 2019, but before February 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix E
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due August 31, 2019
Filed in February 2020

Fiscal Year Ended February 28, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	Village of Uplands Park	***	September 18, 2019	Yes	No
Total Filed		0		1	0

*** Filed after August 31, 2019, but before February 2020.

Appendix F
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in February 2020

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Atchison	City of Tarkio	**	April 2, 2019	Yes	Yes
Audrain	City of Martinsburg	***	October 15, 2019	Yes	n/a
Bates	City of Butler	**	September 27, 2019	Yes	**
Cooper	City of Boonville	**	August 21, 2019	Yes	n/a
Henry	City of Calhoun	**	September 23, 2019	Yes	n/a
Howell	City of West Plains	**	September 24, 2019	Yes	**
Lawrence	City of Verona	**	September 16, 2019	**	Yes
Mississippi	City of East Prairie	***	October 30, 2019	Yes	***
Monroe	City of Paris	**	August 15, 2019	Yes	n/a
Montgomery	Village of Rhineland	**	May 29, 2019	Yes	n/a
Pike	Village of Eolia	**	June 28, 2019	Yes	n/a
Scott	City of Chaffee	**	September 30, 2019	Yes	Yes
St. Louis	City of Velda Village Hills	***	October 31, 2019	Yes	No
Texas	City of Licking	***	October 15, 2019	Yes	Yes
Total Filed		0		13	4

** Filed by September 30, 2019.

*** Filed after September 30, 2019, but before February 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix G
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2019
Filed in February 2020

Fiscal Year Ended April 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Dunklin	City of Hornersville	**	July 9, 2019	Yes	**
Lafayette	City of Alma	**	August 16, 2019	Yes	n/a
Lewis	City of La Grange	**	October 31, 2019	Yes	Yes
Mercer	City of Princeton	**	May 14, 2019	Yes	n/a
Mississippi	City of Charleston	***	November 15, 2019	Yes	Yes
New Madrid	City of Risco	**	September 24, 2019	Yes	**
Phelps	City of St. James	**	October 23, 2019	Yes	Yes
Total Filed		0		7	3

** Filed by October 31, 2019.

*** Filed after October 31, 2019, but before February 2020.

n/a Entities without a municipal judge are not required to file a certification.

Appendix H
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in February 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Atchison	City of Westboro	Yes	February 7, 2020	n/a	n/a
Audrain	City of Laddonia	Yes	February 3, 2020	No	n/a
Barton	City of Lamar	**	November 19, 2019	Yes	Yes
Bollinger	City of Marble Hill	**	December 26, 2019	Yes	n/a
Boone	Town of Huntsdale	Yes	February 6, 2020	n/a	n/a
Cape Girardeau	Village of Whitewater	Yes	February 13, 2020	No	n/a
Cass	City of Cleveland	**	December 31, 2019	Yes	n/a
	City of Garden City	**	November 25, 2019	Yes	n/a
	City of Brunswick	**	December 12, 2019	Yes	n/a
Chariton	City of Keytesville	**	September 19, 2019	Yes	n/a
	Village of Birmingham	**	November 29, 2019	Yes	n/a
Clay	City of Gower	Yes	February 5, 2020	Yes	Yes
Cole	City of Taos	**	December 23, 2019	Yes	n/a
Crawford	City of Steelville	**	December 31, 2019	Yes	n/a
Dade	City of Everton	**	July 23, 2019	Yes	n/a
	City of Greenfield	**	September 25, 2019	No	Yes
	City of Lockwood	**	December 4, 2019	Yes	n/a
	City of Pattonsburg	**	July 26, 2019	Yes	n/a
Daviess	City of Salem	***	January 21, 2020	Yes	n/a
Dunklin	City of Clarkton	**	August 29, 2019	Yes	**
	City of Malden	Yes	February 12, 2020	**	**
	City of Senath	**	October 15, 2019	Yes	**
Franklin	City of Union	**	December 9, 2019	**	Yes
Gasconade	City of Bland	***	January 3, 2020	Yes	Yes
	City of Owensville	**	December 3, 2019	Yes	n/a
	City of Ash Grove	**	October 30, 2019	Yes	No
Greene	City of Fair Grove	**	September 25, 2019	Yes	**
	Village of Brimson	Yes	February 20, 2020	n/a	n/a
Holt	City of Craig	Yes	February 6, 2020	Yes	n/a
Howard	City of Fayette	Yes	February 17, 2020	Yes	n/a
	City of Glasgow	**	January 13, 2020	Yes	n/a
Iron	City of Ironton	***	January 2, 2020	Yes	n/a
Jasper	City of Carthage	***	January 17, 2020	Yes	Yes
	City of Neck City	Yes	February 6, 2020	n/a	n/a
Johnson	City of Holden	Yes	February 12, 2020	No	n/a
Knox	City of Hurdland	Yes	February 10, 2020	n/a	n/a
Lafayette	Village of Aullville	Yes	February 16, 2020	n/a	n/a
Lawrence	City of Miller	**	December 2, 2019	Yes	Yes
Lewis	City of Canton	**	December 9, 2019	Yes	Yes
	City of Lewistown	Yes	February 5, 2020	n/a	n/a
Marion	City of Hannibal	**	December 19, 2019	Yes	**
Mercer	City of Mercer	**	July 1, 2019	Yes	n/a
Mississippi	Village of Wilson City	Yes	February 6, 2020	n/a	n/a
Monroe	City of Madison	**	July 16, 2019	Yes	n/a
Montgomery	City of Middletown	***	January 22, 2020	Yes	n/a

Appendix H
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in February 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Montgomery	City of Montgomery	**	December 17, 2019	**	Yes
	City of New Florence	**	December 10, 2019	Yes	Yes
New Madrid	City of Gideon	Yes	February 26, 2020	No	No
	City of Howardville	***	January 24, 2020	Yes	Yes
Newton	City of Parma	**	October 8, 2019	Yes	No
	City of Diamond	**	October 25, 2019	***	Yes
	Village of Stella	Yes	February 18, 2020	n/a	n/a
Nodaway	City of Arkoe	Yes	February 21, 2020	n/a	n/a
Pemiscot	City of Hayti	**	November 15, 2019	Yes	Yes
Pettis	City of Green Ridge	**	December 27, 2019	Yes	n/a
	City of Smithton	****	December 30, 2019	Yes	n/a
Pike	City of Clarksville	***	January 3, 2020	Yes	n/a
Ralls	Village of Rensselaer	Yes	February 16, 2020	n/a	n/a
Ray	City of Lawson	**	December 31, 2019	Yes	Yes
Reynolds	City of Bunker	**	December 30, 2019	Yes	n/a
	City of Ellington	**	December 30, 2019	Yes	n/a
Scott	City of Benton	***	January 17, 2020	Yes	n/a
	City of Blodgett	Yes	February 23, 2020	n/a	n/a
	Village of Diehlstadt	Yes	February 11, 2020	n/a	n/a
Shelby	City of Clarence	***	January 15, 2020	No	Yes
	City of Shelbina	**	December 27, 2019	Yes	Yes
St. Louis	City of Country Club Hills	**	July 16, 2019	Yes	No
	City of Eureka	**	December 20, 2019	**	Yes
	City of Glendale	**	November 19, 2019	Yes	Yes
	City of Oakland	**	December 6, 2019	Yes	Yes
	City of Warson Woods	**	November 22, 2019	Yes	Yes
	City of Wellston	**	December 31, 2019	Yes	**
	City of Winchester	**	December 20, 2019	**	Yes
	City of Woodson Terrace	**	October 25, 2019	Yes	No
	Village of Hanley Hills	**	December 19, 2019	Yes	Yes
Stone	City of Crane	**	January 22, 2020	Yes	Yes
Sullivan	City of Milan	**	December 10, 2019	Yes	n/a
Webster	City of Fordland	**	September 4, 2019	Yes	Yes
Total Filed		21		53	24

** Filed by December 31, 2019.

*** Filed after December 31, 2019, but before February 2020.

**** Filed a partial report by December 31, 2019, but has not filed a report for the full fiscal year

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

State of Missouri
Comprehensive Annual Financial Report
Report on Internal Control, Compliance, and Other Matters
Year Ended June 30, 2019

Report No. 2020-010

March 2020

auditor.mo.gov



Nicole Galloway, CPA
Missouri State Auditor

CITIZENS SUMMARY

Findings in the Comprehensive Annual Financial Report Report on Internal Control, Compliance, and Other Matters

Department of Social Services Financial Reporting Controls	The Department of Social Services - Division of Finance and Administrative Services does not have adequate controls and procedures over financial reporting of federal grant accounts receivables. As a result, the accounts receivable data submitted to the Office of Administration - Division of Accounting for inclusion in the <i>Missouri Comprehensive Annual Financial Report</i> for the year ended June 30, 2019, was misstated.
Department of Natural Resources Capital Asset Controls	The Department of Natural Resources has not recently performed and documented complete annual physical inventories of state park capital assets.

Because of the nature of this audit, no rating is provided.

State of Missouri - Comprehensive Annual Financial Report

Report on Internal Control, Compliance, and Other Matters

Table of Contents

Introduction	2
--------------	---

State Auditor's Report

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3
---	---

Schedule of Findings

FS2019-001. Department of Social Services Financial Reporting Controls	6
FS2019-002. Department of Natural Resources Capital Asset Controls	7

State of Missouri - Comprehensive Annual Financial Report

Report on Internal Control, Compliance, and Other Matters

Introduction

Summary of Financial Statement Audit Results

We issued our audit report (Report No. 2020-001¹) of the state's Comprehensive Annual Financial Report (CAFR), as of and for the year ended June 30, 2019, on January 9, 2020. The state's financial statements covered approximately \$44 billion in total assets and approximately \$28 billion in total expenses for state fiscal year 2019. Our report expressed qualified opinions on the governmental activities and the General Fund because we were not allowed access to tax returns and related source documents for income taxes. Our report expressed unmodified opinions on all remaining opinion units.

In connection with the audit, we tested internal controls and compliance with laws and regulations. The results of our tests are contained herein in our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. We reported two findings related to internal control deficiencies. These findings were at the Department of Social Services and the Department of Natural Resources. We consider these findings to be a material weakness and a significant deficiency. The state agencies' responses to the findings are included in this report. The agencies prepared a Corrective Action Plan (CAP) for each finding. The CAPs were submitted to the Office of Administration (OA) and will be included in the Corrective Action Plans section of the State of Missouri - Single Audit Report, to be issued in March 2020.

The state agencies prepared and submitted to the OA the status of the prior audit findings. They will be presented in the Summary Schedule of Prior Audit Findings section of the State of Missouri - Single Audit Report.

¹ The CAFR is available online at: <<https://oa.mo.gov/accounting/reports/annual-reports/comprehensive-annual-financial-reports>>.



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the state's basic financial statements, and have issued our report thereon dated January 9, 2020. Our report expressed qualified opinions on the governmental activities and the General Fund, a major fund, because we were not allowed access to tax returns and related source documents for income taxes. Approximately 29 percent of governmental activity revenues and 34 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded. Our report expressed unmodified opinions on all remaining opinion units.

Our report on the state of Missouri's financial statements includes a reference to other auditors who audited the financial statements of:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan, which represent 76 percent of the assets and 11 percent of the revenues of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund, which are both major funds and represent 11 percent of the assets and 74 percent of the revenues of the business-type activities.
3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds, which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, the Missouri Agricultural and Small Business Development Authority, and the State Environmental Improvement Energy Resources Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the state of Missouri's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the state's internal control. Accordingly, we do not express an opinion on the effectiveness of the state's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the state's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as finding number FS2019-001 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings as finding number FS2019-002 to be a significant deficiency.

Compliance and Other Matters

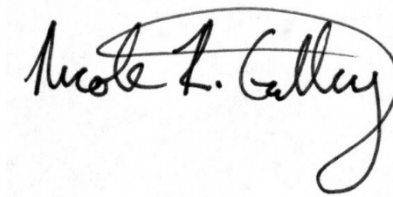
As part of obtaining reasonable assurance about whether the state of Missouri's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

State's Responses to the Findings

The state of Missouri's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The state's responses were not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, pursuant to Section 29.200, RSMo, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is fluid and cursive, with a large loop at the end of the last name.

Nicole R. Galloway, CPA
State Auditor

January 9, 2020

State of Missouri - Comprehensive Annual Financial Report

Report on Internal Control, Compliance, and Other Matters

Schedule of Findings

FS2019-001.

Department of Social Services Financial Reporting Controls

The Department of Social Services (DSS) - Division of Finance and Administrative Services (DFAS) does not have adequate controls and procedures over financial reporting of federal grant accounts receivables. As a result, the accounts receivable data submitted to the Office of Administration - Division of Accounting (DOA) for inclusion in the *Missouri Comprehensive Annual Financial Report* (CAFR) for the year ended June 30, 2019, was misstated. If the misstatement had not been identified during the audit, deferred inflows of resources would have been overstated by approximately \$248 million and revenues would have been understated by approximately \$248 million in the CAFR financial statements.

To compile and submit accounts receivable data to the DOA, DFAS personnel analyze drawdown activities from federal cash drawdown reports. Of the net accounts receivables at June 30, the DFAS is to identify collections expected in July and August and collections expected after August. The DOA reports collections expected in July and August as revenues and collections expected after August as deferred inflows of resources. The Governmental Accounting Standards Board (GASB) *Codification*, Section 1600.106, states revenues are recognized in the accounting period in which they become susceptible to accrual - that is, when they become both measurable and available to finance expenditures of the fiscal period. The *Governmental Accounting, Auditing, and Financial Reporting*, Chapter 9, further states resources should be recognized as revenues when they are available, even if they were not actually collected during the availability period.

The DFAS has not established procedures to classify June 30 accounts receivable amounts as expected (available) in July and August (reported as revenues in the CAFR) versus after August (reported as deferred inflows in the CAFR). In September 2019, for the year ended June 30, 2019, the DFAS reported \$247.6 million in net accounts receivables, including \$0 collections expected in July and August and \$247.6 million collections expected after August. DFAS personnel could not provide documentation or an adequate explanation supporting the classification of these amounts. After our inquiries, in November 2019, DFAS personnel revised the report to show \$248.5 million net accounts receivables, including \$248.5 million collections expected in July and August and \$0 collections expected after August. The DOA made the correction to the CAFR prior to its completion and similarly restated year ended June 30, 2018 amounts.

It is essential the DFAS establish controls and procedures to prepare and submit accurate accounts receivable reports to the DOA. The *Standards for Internal Control in the Federal Government*, issued by the Comptroller General of the United States, states management is responsible for the design, implementation, and operating effectiveness of the internal control system and that control activities should be designed to achieve objectives and respond to risks. Such controls would allow management or employees, in



State of Missouri - Comprehensive Annual Financial Report
Report on Internal Control, Compliance, and Other Matters
Schedule of Findings

the normal course of performing their assigned functions, to prevent or detect and correct misstatements.

Recommendation

The DSS through the DFAS implement controls and procedures to prepare and submit accurate accounts receivable reports to the DOA.

Auditee's Response

The DSS provided the following written response:

The department does not agree with this finding. The department has internal controls and procedures in place to prepare and submit accurate accounts receivable reports to the DOA. In fact, the accounts receivable balance was correct as originally reported.

Although the department did revise the state fiscal year 2019 CAFR accounts receivable report after submission and upon discussion with the State Auditor's Office, the department's original position, in reporting the accounts receivables as received after August (or as a deferred inflow for reporting purposes) was a more conservative approach for the financial statements. Additionally, the DSS does view this as a difference of opinion in how this information is captured, as a revenue versus as a deferred inflow.

The department does and will continue to submit accurate accounts receivable reports to the DOA.

Auditor's Comment

CAFR reporting must be in accordance with GASB standards that state revenues are recognized in the accounting period in which they become measurable and available. Reporting of these amounts is not a matter of "opinion" or a "conservative approach." The department's claim that the original reporting of all \$247.6 million of accounts receivables as "expected after August" cannot possibly be correct because prior to the end of August 2019, the DSS drew down approximately \$165 million for grants with accounts receivables at June 30, 2019. Because the DSS lacks controls and procedures to identify and report accounts receivables in accordance with GASB requirements, this finding is valid.

FS2019-002. **Department of** **Natural Resources** **Capital Asset Controls**

The Department of Natural Resources (DNR) has not recently performed and documented complete annual physical inventories of state park capital assets. Physical inventory procedures are required by DNR policy, state law, and state regulation, and help ensure the capital asset data submitted to the DOA for inclusion in the CAFR is accurate. For the year ended June 30, 2019, DNR capital assets totaled approximately \$147 million, or 74 percent of the total \$200 million Government Wide - Business Type Activities capital assets reported in the CAFR.

The DNR maintains capital asset records in the statewide accounting (SAM II) system. The DNR compiles and submits SAM II system capital asset data



State of Missouri - Comprehensive Annual Financial Report
Report on Internal Control, Compliance, and Other Matters
Schedule of Findings

to the DOA for inclusion in the CAFR. To ensure proper control over capital assets and that records are accurate, DNR State Property Accountability (Fixed Assets) Policy Number 7.04 requires each program, office, or facility to conduct an annual physical inventory. The policy requires the divisions to ensure the physical inventories are conducted and inventory reports are submitted, and reconcile the asset records to the actual items in the division's possession. The DNR's internal control plan submitted to the DOA states a physical fixed asset inventory is completed annually. In addition, state regulation 15 CSR 40-2.031(9) requires each department to perform an annual physical inventory and reconcile the inventory with SAM II system records and the prior annual physical inventory. Also, Section 34.125, RSMo, requires each department to keep a current inventory of all its property.

DNR procedures provide that central office personnel prepare and distribute a SAM II system report of capital assets to each state park. State park officials are to perform a physical inventory, document any discrepancies with the SAM II system report, and submit physical inventory documentation to the DNR central office. Central office personnel are responsible for reviewing the physical inventories and updating SAM II system records with any needed changes.

Our review of physical inventory records and procedures determined the DNR had not performed a complete department-wide physical inventory for fiscal years 2017, 2018, or 2019. DNR officials could not determine when department personnel had performed the last complete physical inventory. Department records show the most recent physical inventory process was started in calendar year 2018, but it was not finalized as of November 21, 2019. The 2018 summary inventory tracking sheet maintained by the central office showed personnel from several state parks had not completed and submitted their physical inventory, and central office personnel had not monitored to ensure inventories had been performed and submitted for all state parks. In addition, inventory documentation submitted for two of five state parks selected for review was incomplete. The records lacked documentation showing that the assets were physically verified, who performed the inventory, and the date the inventory was performed. Capital assets reported for these two parks totaled approximately \$14 million. DNR officials stated inadequate staffing levels resulted in the department's inability to perform annual physical inventories.

It is essential the DNR follow established policies and procedures and comply with state laws and regulations regarding capital assets. The failure to perform physical inventory procedures reduces the control and accountability over capital assets and increases the potential that loss, theft, or misuse will go undetected. In addition, without effective controls over capital asset management and reporting, the DNR cannot ensure the accuracy of the capital



State of Missouri - Comprehensive Annual Financial Report
Report on Internal Control, Compliance, and Other Matters
Schedule of Findings

asset balances in the SAM II system and the information reported in the CAFR.

Recommendation

The DNR ensure complete physical inventories of capital assets are performed annually, documented, and reconciled to the SAM II system.

Auditee's Response

The DNR provided the following written response:

We partially agree with the State Auditor's Office's (SAO) finding, as detailed below.

The department agrees that inventory documentation for calendar year (CY) 2018 was incomplete for two of the five state parks for which the SAO reviewed documentation; this resulted from an internal control weakness in the department's physical inventory process that we have since addressed. Upon the SAO's request for documentation, the department elected to review all 135 physical inventory units across the department for CY 2018 even though the SAO review was focused only on those relating to Business Type Activities. Of the 135 inventory units, 124 were properly completed or not required, five were completed late, and six could not be confirmed as complete (including the two identified by the SAO).

The department disagrees with the characterizations presented in the SAO's draft finding and conclusions. The department also disagrees with the SAO's conclusion that this internal control weakness rises to the level of a finding for purposes of the Statewide Financial Statement Audit. The impact of this matter is not material because it constitutes far less than 1% of statewide assets. The SAO notes in its draft finding that "[f]or the year ended June 30, 2019, DNR capital assets totaled approximately \$147 million, or 74 percent of the total \$199 million Government Wide – Business Type Activities capital assets reported in the CAFR." This statement, while correct, requires additional context. For fiscal year (FY) 2019, DNR capital assets for all Activities (Business Type plus Government Type) totaled approximately \$461 million, or 0.74% of the statewide total of \$62 billion.

Despite our objections to the SAO's characterization of this matter and decision to issue a finding, the department agrees with the SAO's draft recommendation to "ensure complete physical inventories of capital assets are performed annually and reconciled to the SAM II system." We have revised our internal controls to ensure inventories are completed and reconciled annually, implemented the pieces of those controls that could occur before finalizing the audit, and are on track to complete the remaining pieces this fiscal year. Our specific action steps include the following:



State of Missouri - Comprehensive Annual Financial Report
Report on Internal Control, Compliance, and Other Matters
Schedule of Findings

- *As part of our revised process, the department is converting its inventory schedule from a CY system to a FY system; this change should make CAFR reporting easier and more straightforward.*
- *The department has implemented procedures to record the specific completion date for each physical inventory to ensure we have the documentation necessary to demonstrate we are completing inventories annually.*
- *All physical inventories for CY 2019 were completed by December 31, 2019, and the status of all capital assets recorded. We are working now to complete reconciliation of the CY information with FY 2020 information, which will bring our CY and FY data together moving forward. We anticipate that process will be complete at the close of the fiscal year.*

The department does not propose any corrective action beyond the actions described in this response.

Auditor's Comment

Our decision regarding the classification of the internal control deficiency reported in this finding was made in accordance with AU-C Section 265, *Communicating Internal Control Related Matters Identified in an Audit*. AU-C Section 265.07 provides the following definitions regarding internal control deficiencies: A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable. *Reasonably possible* is the chance of the future event or events occurring that is more than remote but less than likely. *Probable* means the future event or events are likely to occur. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

We classified this internal control deficiency as a significant deficiency for the following reasons outlined in the finding (1) the DNR failed to ensure the department's key internal control to account for existing capital assets was placed into operation, (2) the internal control covers approximately 74 percent of the Government Wide - Business Type Activities opinion unit, and (3) the internal control is required by law. Also, as indicated in the finding, the DNR could not provide complete physical inventory documentation for any recent



State of Missouri - Comprehensive Annual Financial Report
Report on Internal Control, Compliance, and Other Matters
Schedule of Findings

calendar year and DNR officials could not determine when the last complete physical inventory was performed.

The DNR asserts this internal control deficiency should not be reported as a finding because DNR capital assets are not material to the state's CAFR as a whole. However, as communicated to DNR officials in meetings held on December 23, 2019 and January 3, 2020, audit standards require separate audit opinions on each opinion unit, including the Government Wide - Business Type Activities opinion unit, for which the DNR holds approximately 74 percent of the total capital assets. The DNR's attempt to compare its assets to the CAFR as a whole falsely minimizes the impact of this internal control deficiency on the state's CAFR.

The DNR also attempts to minimize the issue by stating the department's follow up on pending calendar year 2018 physical inventories determined most were complete. However, these procedures were conducted only after our inquiries. Paragraph 3.35 of the *Audit Guide Government Auditing Standards and Single Audits*, published by the AICPA, states while audit testing results should be considered when evaluating the operating effectiveness of internal controls, the absence of misstatements detected by audit procedures does not provide audit evidence that controls related to the relevant assertion being tested are effective.



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Political
Subdivision Filings
January 2020**

Report No. 2020-009

March 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

January 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended July 31, 2019 Reports Due January 31, 2020	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due March 31, 2019 Filed in January 2020	5
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in January 2020	6
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in January 2020	7
E	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due October 31, 2019 Filed in January 2020	8
F	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in January 2020	9



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 30 political subdivisions required to file a financial report by January 31, 2020, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in January 2020, after their filing deadline. The filing status for these 46 entities is presented in summary on page 3 and by individual entity in Appendix B-F.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

January 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 30 political subdivisions, other than cities, towns, and villages, with a fiscal year end of July 31, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 30 political subdivisions, 25 filed an annual financial report timely.

This report also includes the filing status for 46 political subdivisions, other than cities, towns, and villages, that filed their financial report in January 2020, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due January 31, 2020

Fiscal Year Ended July 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Benton	Ionia SRD Benton County	Yes	December 5, 2019
Carroll	Sugartree Bottom Levee District	Yes	August 16, 2019
Lafayette	Alma FPD	No	
	Alma SRD Lafayette County	Yes	October 18, 2019
	Concordia SRD Lafayette County	Yes	October 18, 2019
	Corder SRD Lafayette County	Yes	October 18, 2019
	Dover SRD Lafayette County	Yes	October 18, 2019
	Higginsville SRD Lafayette County	Yes	October 18, 2019
	Lexington SRD Lafayette County	Yes	October 18, 2019
	Mayview SRD Lafayette County	Yes	October 18, 2019
	Odessa SRD Lafayette County	Yes	October 18, 2019
	Waverly SRD Lafayette County	Yes	October 18, 2019
	Wellington Napoleon SRD Lafayette County	Yes	October 18, 2019
Lewis	La Grange SRD Lewis County	No	
Macon	Hudson SRD Macon County	Yes	October 9, 2019
	La Plata SRD Macon County	Yes	August 20, 2019
Monroe	Monroe City SRD Monroe County	Yes	December 10, 2019
Newton	Stella SRD Newton County	Yes	November 7, 2019
Osage	Chamois SRD Osage County	Yes	September 17, 2019
	Linn City SRD Osage County	Yes	October 7, 2019
	Westphalia SRD Osage County	Yes	December 23, 2019
Platte	PWSD 9 Platte County	Yes	January 29, 2020
Randolph	Moberly SRD Randolph County	Yes	August 8, 2019
Ray	Camden SRD Ray County	Yes	August 29, 2019
	Henrietta SRD Ray County	Yes	October 1, 2019
	Orrick SRD Ray County	Yes	December 5, 2019
	Richmond SRD Ray County	No	
Scott	Illmo SRD Scott County	No	
	Sikeston SRD Scott County	Yes	January 23, 2020
St. Francois	St. Francois County SRD 2	No	
Total Filed		25	
Total Not Filed		5	

Acronyms:

FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District

Appendix B
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due March 31, 2019
 Filed in January 2020

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Boone	North 763 CID	Yes	January 10, 2020
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix C
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due June 30, 2019
 Filed in January 2020

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Grundy	Grundy County Rural FPD	Yes	January 13, 2020
Lincoln	Northwest FPD Lincoln County	Yes	January 9, 2020
Total Filed		2	

Acronyms:

FPD Fire Protection District

Appendix D
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due September 30, 2019
 Filed in January 2020

Fiscal Year Ended March 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Union Township Levee District	Yes	January 13, 2020
Total Filed		1	

Appendix E
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due October 31, 2019
 Filed in January 2020

Fiscal Year Ended April 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Buchanan	36th & Frederick CID	Yes	January 2, 2020
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix F

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in January 2020

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Bates	PWSD 7 Bates County	Yes	January 22, 2020
Benton	Good Samaritan NHD	Yes	January 21, 2020
	Lincoln Community NHD	Yes	January 20, 2020
Buchanan	Commons CID	Yes	January 9, 2020
	Rolling Hills Consolidated PLD	Yes	January 16, 2020
Cape Girardeau	Cape Girardeau Library District	Yes	January 22, 2020
Clark	Northeast Missouri Library District	Yes	January 21, 2020
Clay	Meadowbrook Village CID	Yes	January 27, 2020
	New Liberty Hospital District	Yes	January 20, 2020
	Williams Creek WSD	Yes	January 27, 2020
Dent	Salem Memorial Hospital District	Yes	January 22, 2020
	Salem Public Library District	Yes	January 2, 2020
Dunklin	Consolidated DD 2 Dunklin County	Yes	January 2, 2020
Greene	James River Commons CID	Yes	January 17, 2020
Holt	Forest City Levee District	Yes	January 4, 2020
	Mound City Rural FPD	Yes	January 8, 2020
Jackson	Raintree 150 Center CID	Yes	January 21, 2020
Lewis	Dickerson SRD Lewis County	Yes	January 25, 2020
Lincoln	Lincoln County Health Department	Yes	January 24, 2020
Macon	Macon County NHD	Yes	January 2, 2020
Marion	Hannibal Free Library District	Yes	January 9, 2020
Mississippi	Mississippi County Port Authority	Yes	January 13, 2020
Monroe	Madison SRD Monroe County	Yes	January 21, 2020
Morgan	Golden Age NHD 1	Yes	January 21, 2020
Pemiscot	Hayti-Ventures CID	Yes	January 17, 2020
Putnam	Putnam County Memorial Hospital	Yes	January 23, 2020
	PWSD 1 Putnam County	Yes	January 3, 2020
Scotland	Scotland County Memorial Hospital	Yes	January 28, 2020
Shelby	Clarence NHD	Yes	January 22, 2020
	Clarence Public Library District	Yes	January 15, 2020
St. Clair	St. Clair County Hospital District 1	Yes	January 30, 2020
St. Louis	Olive Boulevard TDD	Yes	January 15, 2020
	Valley Park Community PLD	Yes	January 28, 2020
St. Louis City	Expanded Forsyth Associates CID	Yes	January 2, 2020
	Grand Center Area CID	Yes	January 31, 2020
	Grand Center Area Two CID	Yes	January 28, 2020
	Laurel CID	Yes	January 15, 2020
	Railway Exchange Building CID	Yes	January 20, 2020
	Railway Exchange Building TDD	Yes	January 20, 2020

Appendix F

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due December 31, 2019

Filed in January 2020

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Webster	Webster County NHD	Yes	January 27, 2020
Worth	Worth County Convalescent Center District	Yes	January 21, 2020
Total Filed		41	

Acronyms:

CID	Community Improvement District
DD	Drainage District
FPD	Fire Protection District
NHD	Nursing Home District
PLD	Public Library District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District
WSD	Watershed Subdistrict



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
January 2020**

Report No. 2020-008

March 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

January 2020

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in January 2020	4
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in January 2020	5
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due October 31, 2019 Filed in January 2020	6
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due December 31, 2019 Filed in January 2020	7



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by January 31, 2020, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180. No cities, towns, or villages had a fiscal year end of July 31, 2019; therefore, no financial reports, addendums, or certifications were due by January 31, 2020.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in January 2020, after their filing deadline. The filing status for these 49 cities and 11 villages is presented in summary on pages 3 and by individual entity in Appendixes A to D.

A handwritten signature in black ink, reading "Nicole R. Galloway", is positioned above the printed name and title.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

January 2020

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

No cities, towns, or villages had a fiscal year end of July 31, 2019; therefore, no financial reports, addendums, or certifications were due by January 31, 2020.

This report includes the filing status for 49 cities and 11 villages that filed at least one of the items (financial report, addendum, or certification) in January 2020, after their filing deadline. Of these municipalities, 49 filed an annual financial report, 14 filed an addendum, and 6 filed a certification.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in January 2020

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Sullivan	City of Green City	**	June 24, 2019	Yes	n/a
Total Filed		0		1	0

** Filed by June 30, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in January 2020

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Lafayette	Village of Dover	Yes	January 16, 2020	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2019
Filed in January 2020

Fiscal Year Ended April 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Charles	City of Portage Des Sioux	Yes	January 12, 2020	n/a	n/a
Total Filed		1		0	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in January 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Barry	City of Washburn	Yes	January 23, 2020	**	**
Bates	City of Adrian	Yes	January 21, 2020	No	n/a
Boone	City of Rochepoint	Yes	January 23, 2020	n/a	n/a
Buchanan	City of St. Joseph	Yes	January 17, 2020	**	**
Butler	City of Qulin	Yes	January 10, 2020	Yes	n/a
Camden	City of Linn Creek	Yes	January 29, 2020	No	n/a
Cass	Village of Baldwin Park	Yes	January 30, 2020	n/a	n/a
	Village of Loch Lloyd	Yes	January 18, 2020	n/a	n/a
Cooper	City of Bunceton	**	December 9, 2019	Yes	n/a
Daviess	Village of Altamont	**	December 6, 2019	Yes	n/a
DeKalb	Village of Amity	Yes	January 6, 2020	n/a	n/a
Dent	City of Salem	Yes	January 21, 2020	No	n/a
Dunklin	City of Kennett	**	December 30, 2019	No	Yes
Gasconade	City of Bland	Yes	January 3, 2020	No	No
Greene	City of Battlefield	**	November 4, 2019	Yes	Yes
Holt	Village of Big Lake	Yes	January 22, 2020	No	n/a
Howard	City of Glasgow	Yes	January 13, 2020	No	n/a
Iron	City of Ironton	Yes	January 2, 2020	No	n/a
Jackson	City of Lake Tapawingo	Yes	January 6, 2020	No	n/a
Jasper	City of Carthage	Yes	January 17, 2020	No	No
Jefferson	City of Byrnes Mill	Yes	January 1, 2020	No	No
	City of Herculaneum	Yes	January 1, 2020	**	**
Laclede	Village of Evergreen	Yes	January 22, 2020	n/a	n/a
Lewis	City of Ewing	Yes	January 22, 2020	n/a	n/a
	Village of Monticello	Yes	January 25, 2020	n/a	n/a
Maries	City of Belle	Yes	January 21, 2020	**	**
	City of Vienna	**	October 4, 2019	Yes	n/a
Montgomery	City of Middletown	Yes	January 22, 2020	No	n/a
New Madrid	City of Howardville	Yes	January 24, 2020	No	No
Newton	City of Diamond	**	October 25, 2019	Yes	No
	Village of Stark City	Yes	January 21, 2020	n/a	n/a
Nodaway	City of Burlington Junction	Yes	January 7, 2020	No	n/a
Oregon	City of Alton	Yes	January 14, 2020	No	n/a
Phelps	City of Doolittle	Yes	January 15, 2020	No	n/a
Pike	City of Clarksville	Yes	January 3, 2020	No	n/a
Randolph	City of Clark	Yes	January 22, 2020	No	n/a
Ripley	City of Doniphan	Yes	January 17, 2020	Yes	n/a
Saline	City of Nelson	Yes	January 24, 2020	n/a	n/a
Scotland	Village of Rutledge	Yes	January 25, 2020	n/a	n/a
Scott	City of Benton	Yes	January 17, 2020	No	n/a
	City of Sikeston	Yes	January 23, 2020	**	**
Shelby	City of Clarence	Yes	January 15, 2020	No	No
St. Clair	City of Lowry City	Yes	January 17, 2020	**	n/a
St. Francois	City of Desloge	Yes	January 17, 2020	**	**
	City of Leadington	Yes	January 22, 2020	Yes	n/a

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019
Filed in January 2020

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
St. Louis	City of Bellefontaine Neighbors	**	December 31, 2019	Yes	Yes
	City of Berkeley	Yes	January 31, 2020	Yes	Yes
	City of Charlack	Yes	January 21, 2020	Yes	**
	City of Ferguson	**	December 24, 2019	Yes	Yes
	City of Pine Lawn	**	December 31, 2019	**	Yes
Stoddard	City of Bernie	Yes	January 23, 2020	**	**
	City of Dexter	Yes	January 17, 2020	**	**
Stone	City of Crane	Yes	January 22, 2020	No	No
	Village of McCord Bend	Yes	January 27, 2020	n/a	n/a
Taney	City of Rockaway Beach	Yes	January 21, 2020	No	n/a
Texas	City of Summersville	**	December 21, 2019	Yes	**
Washington	City of Irondale	Yes	January 29, 2020	n/a	n/a
Total Filed		47		13	6

** Filed by December 31, 2019.

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.



Nicole Galloway, CPA

Missouri State Auditor

**Compilation of 2019 Criminal Activity
Forfeiture Act Seizures**

Report No. 2020-007

February 2020

auditor.mo.gov



CITIZENS SUMMARY

Compilation of 2019 Criminal Activity Forfeiture Act Seizures

Background	State law requires prosecuting attorneys and the Attorney General to report seizures made under the Criminal Activity Forfeiture Act (CAFA) to the State Auditor and the Director of the Department of Public Safety.
CAFA Seizure Reports Submitted	The State Auditor's Office received 116 CAFA seizure reports from prosecuting attorneys and the Attorney General for property seized during the 2019 calendar year. State law states intentional or knowing failure to comply with reporting requirements shall constitute a class A misdemeanor.
Disposition of the Seizures Reported	The overall dollar value for property seized in 2019 was \$5,914,967. Of that total, \$755,664 was returned, \$2,661,582 was transferred to a federal agency, and \$73,851 was transferred to the state. The disposition for \$2,360,882 was pending at the time of reporting, and no disposition was reported for \$3,508. Dispositions reported by each prosecuting attorney and the Attorney General are included in a report appendix.
Reporting of Seizures Information	State law states prosecuting attorneys and the Attorney General are to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions.

Because of the nature of this compilation, no rating is provided.

Compilation of 2019 Criminal Activity Forfeiture Act Seizures

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

I. 2019 CAFA Seizures Disposition Reported.....	4
II. 2019 CAFA Seizures Information Reported	7



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

As required by Section 513.607, RSMo, we have compiled the 2019 Criminal Activity Forfeiture Act (CAFA) seizure reports submitted to the State Auditor by prosecuting attorneys and the Attorney General. The compilation is limited to information submitted to the State Auditor's Office. We have not audited the reports submitted and, accordingly, do not express an opinion or any other form of assurance on them. The primary objectives of this compilation were to:

1. Compile the 2019 CAFA seizure information reported.
2. Identify officials who submitted 2019 CAFA seizure reports to the State Auditor.

Section 513.607, RSMo, requires prosecuting attorneys and the Attorney General to report CAFA seizures for the previous calendar year by January 31, to both the Director of the Department of Public Safety and the State Auditor. Of the 116 potential reporting officials, we received reports from each official.

Compliance with Section 513.653, RSMo, which requires law enforcement agencies involved in using the federal forfeiture system to submit reports regarding federal seizures and the proceeds therefrom to the State Auditor's Office, will be separately reported.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Kelly Davis, M.Acct., CPA, CFE
Senior Analyst:	Jill Wilson, MBA

Compilation of 2019 Criminal Activity Forfeiture Act Seizures

Executive Summary

CAFA Seizure Reports Submitted

The State Auditor received 116 of the total possible 116 Criminal Activity Forfeiture Act (CAFA) seizure reports from prosecuting attorneys and the Attorney General for property seized during calendar year 2019.

Section 513.607.10, RSMo, states intentional or knowing failure to comply with any reporting requirement shall be a class A misdemeanor punishable by a fine of up to \$1,000.

Disposition of the Seizures Reported

We compiled the disposition of seizures as reported by prosecuting attorneys and the Attorney General for property seized during calendar year 2019. The following table lists the overall dollar value of the dispositions by category as reported to the State Auditor for 2019, 2018, and 2017.

Reported Disposition	2019		2018		2017	
Pending	\$ 2,360,882	39.9 %	\$ 2,067,837	22.7 %	\$ 2,542,029	36.0 %
Returned	755,664	12.8	571,892	6.3	679,549	9.6
Transferred to Federal Agency	2,661,582	45.0	5,767,867	63.4	3,256,377	46.2
Transferred to State	73,851	1.2	100,915	1.1	180,363	2.6
Other	59,480	1.0	44,658	0.5	72,354	1.0
Disposition Not Reported	3,508	0.1	549,548	6.0	322,784	4.6
Total	\$ 5,914,967	100.0 %	\$ 9,102,717	100.0 %	\$ 7,053,456	100.0 %

See Appendix I for the 2019 CAFA seizures disposition as reported by each prosecuting attorney and the Attorney General.

Reporting of Seizures Information

Section 513.607.8, RSMo, states prosecuting attorneys and the Attorney General are to report the date, time, and place of the seizure; property seized; estimated value of the property seized; person(s) from whom the property was seized; criminal charges filed; and disposition of the seizure, forfeiture, and criminal actions. See Appendix II for the number of 2019 CAFA seizures reported with this information.

Appendix I
2019 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2019					Not Reported
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	
Adair	\$ 0						
Andrew	0						
Atchison	0						
Attorney General	0						
Audrain	21,948	21,191				757	
Barry	16,584	2,213		14,371			
Barton	18,330	18,330					
Bates	0						
Benton	0						
Bollinger	0						
Boone	82,418	8,865		73,553			
Buchanan	42,048	26,834			9,433	5,781	
Butler	59,931	9,432	11,172	21,827		17,500	
Caldwell	0						
Callaway	63,773	58,799	1,160			3,814	
Camden	0						
Cape Girardeau	16,509			16,509			
Carroll	0						
Carter	0						
Cass	8,413	8,413					
Cedar	969						969
Chariton	0						
Christian	14,635	14,577				58	
Clark	0						
Clay	57,022	32,992	22,173	1,857			
Clinton	0						
Cole	102,144	69,291			4,440	28,413	
Cooper	24,603	23,026	1,577				
Crawford	29,769	12,239	17,530				
Dade	0						
Dallas	0						
Daviess	11,010				11,010		
DeKalb	0						
Dent	6,730				6,730		
Douglas	3,088	3,088					
Dunklin	35,270	9,411		25,859			
Franklin	35,324	25,299	7,025			3,000	
Gasconade	0						
Gentry	0						
Greene	408,028	348,108	7,205	52,715			
Grundy	507				507		
Harrison	0						
Henry	12,591	12,591					
Hickory	0						
Holt	0						
Howard	0						

Appendix I
2019 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2019					Not Reported
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	
Howell	2,083	1,183			900		
Iron	81,127	10,277		70,850			
Jackson	300,115	300,115					
Jasper	30,674	30,674					
Jefferson	108,091	103,832	4,259				
Johnson	6,428	6,428					
Knox	0						
Laclede	13,911	11,883	2,028				
Lafayette	76,747	30,753	12,656		33,338		
Lawrence	0						
Lewis	0						
Lincoln	14,845	14,845					
Linn	0						
Livingston	0						
Macon	30,073	30,073					
Madison	0						
Maries	3,240		3,240				
Marion	10,200	10,200					
McDonald	2,480	2,480					
Mercer	8,650			8,650			
Miller	0						
Mississippi	3,621	3,621					
Moniteau	0						
Monroe	0						
Montgomery	10,011	10,011					
Morgan	0						
New Madrid	87,339	81,400		5,939			
Newton	16,329	16,329					
Nodaway	0						
Oregon	1,939	1,939					
Osage	0						
Ozark	0						
Pemiscot	41,491	41,491					
Perry	0						
Pettis	997	997					
Phelps	924,987	14,000	42,522	866,100	2,365		
Pike	1,328	1,328					
Platte	10,407	7,505			2,902		
Polk	0						
Pulaski	73,352	73,352					
Putnam	0						
Ralls	0						
Randolph	1,793	1,636				157	
Ray	7,076	7,076					
Reynolds	4,634		4,634				
Ripley	0						

Appendix I
2019 CAFA Seizures Disposition Reported

Reporting Entity	Estimated Value of Seizures Reported	Status Reported as of December 31, 2019					
		Pending	Returned	Transferred to Federal Agency	Transferred to State	Other	Not Reported
Saline	89,446	89,446					
Schuyler	0						
Scotland	0						
Scott	13,000	13,000					
Shannon	0						
Shelby	0						
St. Charles	1,640,938	281,599	37,470	1,321,869			
St. Clair	0						
St. Francois	19,671	19,671					
St. Louis City	204,863	101,560	99,746		1,018		2,539
St. Louis County	819,323	161,643	476,197	181,483			
Ste. Genevieve	0						
Stoddard	0						
Stone	9,521	9,521					
Sullivan	0						
Taney	23,147	23,147					
Texas	46,509	46,509					
Vernon	70		70				
Warren	1,207	1,207					
Washington	3,021	3,021					
Wayne	0						
Webster	11,279	11,279					
Worth	77,982	72,982	5,000				
Wright	9,378	8,170			1,208		
	\$ 5,914,967	2,360,882	755,664	2,661,582	73,851	59,480	3,508

This appendix compiles only the data and dispositions pertaining to 2019 CAFA seizures reported to the State Auditor by prosecuting attorneys and the Attorney General. We did not verify this data. Information regarding seizures in previous years is not reflected in this compilation.

Appendix II
2019 CAFA Seizures Information Reported

Reporting Entity	Number of Seizures Reported	Estimated Value of Seizures Reported	Reporting of Seizures Information								
					Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition	
			Date	Time						Seizure	Criminal Actions
Adair	0	\$ 0									
Andrew	0	0									
Atchison	0	0									
Attorney General	0	0									
Audrain	7	21,948	7	7	7	7	7	7	7	7	0
Barry	2	16,584	2	0	2	2	2	2	1	2	1
Barton	2	18,330	2	0	2	2	2	2	2	2	2
Bates	0	0									
Benton	0	0									
Bollinger	0	0									
Boone	4	82,418	4	0	4	4	4	4	4	4	4
Buchanan	5	42,048	5	5	5	5	5	5	5	5	5
Butler	8	59,931	8	6	8	8	8	8	4	8	4
Caldwell	0	0									
Callaway	13	63,773	13	12	13	13	13	13	11	13	11
Camden	0	0									
Cape Girardeau	1	16,509	1	1	1	1	1	1	1	1	1
Carroll	0	0									
Carter	0	0									
Cass	3	8,413	3	3	3	3	3	3	0	3	0
Cedar	2	969	2	0	2	2	1 *	2	2	1 *	2
Chariton	0	0									
Christian	7	14,635	7	7	7	7	7	7	6	7	6
Clark	0	0									
Clay	7	57,022	7	6	7	7	7 *	7	1	7	1
Clinton	0	0									
Cole	18	102,144	18	18	18	18	18	18	17	18	17
Cooper	7	24,603	7	7	7	7	6	7	7	7	7
Crawford	6	29,769	6	5	6	6	5	6	5	6	5
Dade	0	0									
Dallas	0	0									
Daviess	1	11,010	1	0	1	1	1	1	1	1	1
DeKalb	0	0									
Dent	1	6,730	1	1	1	1	1	1	1	1	1
Douglas	1	3,088	1	0	1	1	1	1	1	1	1
Dunklin	3	35,270	3	3	3	3	3	3	3	3	3
Franklin	10	35,324	10	5	10	10	10	10	1	10	1
Gasconade	0	0									
Gentry	0	0									
Greene	28	408,028	28	28	28	28	28	28	5	28	5
Grundy	1	507	1	1	1	1	1	1	1	1	1
Harrison	0	0									
Henry	5	12,591	5	5	5	5	5	5	4	5	4
Hickory	0	0									
Holt	0	0									

Appendix II
2019 CAFA Seizures Information Reported

Reporting Entity	Number of Seizures Reported	Estimated Value of Seizures Reported	Reporting of Seizures Information								
					Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition	
			Date	Time						Seizure	Criminal Actions
Howard	0	0									
Howell	2	2,083	2	2	2	2	2	2	2	2	2
Iron	2	81,127	2	2	2	2	2	2	2	2	2
Jackson	43	300,115	43	40	43	43	43	43	7	43	7
Jasper	5	30,674	5	0	5	5	5	5	5	5	5
Jefferson	23	108,091	23	23	23	23	23	23	5	23	5
Johnson	4	6,428	4	1	4	4	4	4	3	4	3
Knox	0	0									
Laclede	4	13,911	3	4	4	4	4	4	4	4	4
Lafayette	7	76,747	7	0	7	7	7	7	7	7	7
Lawrence	0	0									
Lewis	0	0									
Lincoln	5	14,845	5	5	5	5	5	5	5	5	5
Linn	0	0									
Livingston	0	0									
Macon	4	30,073	4	0	4	4	4	4	4	4	4
Madison	0	0									
Maries	1	3,240	1	1	1	1	1	1	1	1	1
Marion	1	10,200	1	1	1	1	1	1	1	1	1
McDonald	1	2,480	1	0	1	1	1	1	1	1	1
Mercer	1	8,650	1	1	1	1	1	1	1	1	1
Miller	0	0									
Mississippi	1	3,621	1	1	1	1	1	1	1	1	1
Moniteau	0	0									
Monroe	0	0									
Montgomery	4	10,011	4	4	4	4	4	4	3	4	3
Morgan	0	0									
New Madrid	3	87,339	3	0	3	3	3	3	2	3	2
Newton	1	16,329	1	0	1	1	1	1	1	1	1
Nodaway	0	0									
Oregon	2	1,939	2	2	2	2	2	2	2	2	2
Osage	0	0									
Ozark	0	0									
Pemiscot	3	41,491	3	3	3	3	3	3	3	3	3
Perry	0	0									
Pettis	1	997	1	1	1	1	1	1	1	1	1
Phelps	8	924,987	8	8	8	8	8	8	3	8	3
Pike	2	1,328	2	0	2	2	2	2	2	2	2
Platte	6	10,407	6	0	6	6	6	6	6	6	6
Polk	0	0									
Pulaski	2	73,352	2	2	2	2	2	2	2	2	2
Putnam	0	0									
Ralls	0	0									
Randolph	3	1,793	3	0	3	3	3	3	3	3	3
Ray	2	7,076	2	2	2	2	2	2	1	2	1

Appendix II

2019 CAFA Seizures Information Reported

Reporting Entity	Number of Seizures Reported	Estimated Value of Seizures Reported	Reporting of Seizures Information								
					Place Seized	Property Seized	Estimated Value of Property Seized	Person(s) Property Seized From	Criminal Charges Filed	Disposition	
			Date	Time						Seizure	Criminal Actions
Reynolds	1	4,634	1	1	1	1	1	1	1	1	1
Ripley	0	0									
Saline	4	89,446	4	4	4	4	4	4	4	4	4
Schuyler	0	0									
Scotland	0	0									
Scott	1	13,000	1	1	1	1	1	1	1	1	1
Shannon	0	0									
Shelby	0	0									
St. Charles	40	1,640,938	40	40	40	40	40	40	9	40	9
St. Clair	0	0									
St. Francois	2	19,671	2	2	2	2	2	2	2	2	2
St. Louis City	52	204,863	52	51	52	52	52	52	26	51	26
St. Louis County	81	819,323	81	79	80	81	81	81	12	81	10
Ste. Genevieve	0	0									
Stoddard	0	0									
Stone	1	9,521	1	1	1	1	1	1	1	1	1
Sullivan	0	0									
Taney	5	23,147	5	0	5	5	5	5	3	5	3
Texas	2	46,509	2	0	2	2	2	2	1	2	1
Vernon	1	70	1	1	1	1	1	1	1	1	1
Warren	2	1,207	2	2	2	2	2	2	2	2	2
Washington	3	3,021	3	3	3	3	3	3	3	3	3
Wayne	0	0									
Webster	3	11,279	3	2	3	3	3	3	3	3	3
Worth	9	77,982	9	9	9	9	9	9	9	9	9
Wright	3	9,378	3	3	3	3	3	3	3	3	3
	493	\$ 5,914,967	492	422	492	493	490	493	249	491	240

* Estimated values or dispositions were indicated for only a portion of the seizure(s).

This appendix compiles only the data and dispositions pertaining to 2019 CAFA seizures, the total estimated value of seizures reported, and the number of seizures categorized by the type of information reported for each prosecuting attorney and the Attorney General. Criminal charges filed and criminal actions were only counted if a criminal case was in existence for the seizure. We did not verify this data. Information regarding seizures in previous years is not reflected in this compilation.



Nicole Galloway, CPA

Missouri State Auditor

Office of Attorney General

Review of Whether State Resources
Were Used for Political Purposes

Report No. 2020-006

February 2020

auditor.mo.gov



CITIZENS SUMMARY

Findings in the audit of the Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes

Questionable Use of State Resources	The Attorney General's Office (AGO) staff, under former Attorney General Josh Hawley's administration, coordinated with campaign-paid consultants, and used campaign resources to meet with consultants for purposes not always documented. Former Attorney General Hawley also used a state vehicle and driver/security detail for some trips for which the purpose was not documented on travel itineraries and state vehicle mileage logs. Records reviewed determined (1) at least a portion of some of these trips had political purposes and (2) other trips had the appearance of being personal in nature.
Communication and Retention Policies	Various employees did not comply with AGO policy by using personal email accounts and calendars, and personal phones (text) to conduct official business, communicate, and schedule meetings.
Additional Comments	This report covers only a portion of the AGO audit. Another audit report of the general operations of the office is still in progress, and any additional findings and recommendations will be included in the subsequent report.

Because this report covers only a portion of the audit, no rating is provided.

Office of Attorney General

Review of Whether State Resources Were Used for Political Purposes

Table of Contents

State Auditor's Report	2
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Introduction	
Background	3
Scope and Methodology	3

Management Advisory Report - State Auditor's Findings	
1. Questionable Use of State Resources	5
2. Communication and Retention Policies	16

Appendixes

A	American Democracy Legal Fund Complaint.....	19
B	Secretary of State Letter to the State Auditor Requesting Investigation	24
C	Secretary of State Investigative Report	26
D	Transcribed Interview of former Chief of Staff Evan Rosell	34
E	Transcribed Interview of former General Counsel, Director of Policy, and Deputy Attorney General for Special Litigation Michael Martinich-Sauter	152
F	Transcribed Interview of former Special Counsel and Director of Legislation Daniel Hartman.....	266
G	Written Answers of Specific Questions Asked of Loree Anne Paradise, former Deputy Chief of Staff	347
H	Written Answers of Specific Questions Asked of Timmy Teepell, Partner of OnMessage, Inc.....	399
I	Correspondence with the Attorney General's Office.....	410
J	Former Attorney General Hawley's Responses.....	443
K	Current Attorney General Schmitt's Responses	450
L	Former Attorney General Hawley's Answer to Question Regarding the Response Provided	461



NICOLE GALLOWAY, CPA **Missouri State Auditor**

Honorable Josh Hawley
and
Honorable Eric Schmitt, Attorney General
Jefferson City, Missouri

We have audited certain operations of the Office of Attorney General, in fulfillment of our duties under Chapter 29, RSMo. The scope of our audit included, but was not necessarily limited to, the period January 9, 2017, to January 3, 2019. The objectives of our audit were to:

1. Evaluate the office's internal controls over certain management and financial functions.
2. Evaluate the office's compliance with certain legal provisions.
3. Evaluate the economy and efficiency of certain management practices and procedures, including certain financial transactions.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides such a basis.

For the areas audited, we identified (1) deficiencies in internal controls, (2) noncompliance with legal provisions, and (3) the need for improvement in management practices and procedures. The accompanying Management Advisory Report presents our findings arising from our audit of the Office of the Attorney General's use of state resources.

Another audit report of the general operations of the Office of Attorney General is still in progress, and any additional findings and recommendations will be included in the subsequent report.

Nicole R. Galloway, CPA
State Auditor

The following auditors participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
Audit Manager:	Pamela Allison, CPA, CFE
In-Charge Auditor:	Joseph T. Magoffin, CFE

Office of Attorney General

Review of Whether State Resources Were Used for Political Purposes

Introduction

Background

The attorney general serves as the chief legal officer of the state as required by the Missouri Constitution. The attorney general is elected for a 4-year term. On January 9, 2017, Joshua (Josh) David Hawley was inaugurated as the forty-second attorney general of Missouri. On August 2, 2017, Attorney General Hawley formed an exploratory committee with the Federal Election Commission to consider running for United States (U.S.) Senate, and subsequently announced his candidacy on October 10, 2017. On November 6, 2018, he was elected as a member of the U.S. Senate. He served as attorney general until January 3, 2019, when he was sworn in as a U.S. Senator during the 116th Congress.

Scope and Methodology

On November 6, 2018, the Secretary of State's (SOS) Office received a complaint from the American Democracy Legal Fund (See Appendix A) alleging that Attorney General Hawley used public funds to support his candidacy for the U.S. Senate and violated Section 115.646, RSMo. This section states, "No contribution or expenditure of public funds shall be made directly by any officer, employee or agent of any political subdivision to advocate, support, or oppose any ballot measure or candidate for public office."

On December 10, 2018, the SOS's Office requested the State Auditor's Office (SAO) investigate these allegations as part of the closeout audit of Attorney General Hawley's Office (AGO) (See Appendix B). On January 28, 2019, the SAO began a closeout audit of the AGO. While the SOS's Office only evaluated the complaint against Section 115.646, RSMo, our audit scope included other statutory provisions. Other relevant portions of state law are referenced in the report. The SOS issued an investigative report regarding the complaint on February 28, 2019 (See Appendix C).

To gain an understanding of whether state resources were used for political purposes, we reviewed documents, communications, and financial records (including those obtained from the SOS's investigation); and interviewed various personnel of the AGO, as well as certain external parties. The SAO also took testimony from former AGO employees (See Appendixes D, E, and F). This testimony was given under oath and was recorded by a court reporter.¹ Former Deputy Chief of Staff, and later Chief of Staff, Loree Anne Paradise and Timmy Teepell, Partner of OnMessage, Inc., declined to be interviewed, and Gail Gitcho, President of First Tuesday, was unresponsive to auditor requests. The SAO determined that written questions were sufficient for Paradise and Teepell. Paradise and Teepell provided written

¹ The SAO took testimony from (1) Evan Rosell, former Chief of Staff, on July 8, 2019, (2) Michael Martinich-Sauter, former General Counsel, Director of Policy, and Deputy Attorney General for Special Litigation, on July 11, 2019, and (3) Daniel Hartman, former Special Counsel and Director of Legislation, on October 3, 2019. We provided each person the transcript of his testimony for review; however, none of them responded with suggested changes during audit fieldwork.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Introduction

answers to specific written questions asked by the SAO (See Appendixes G and H). Paradise, Teepell, and Gitcho all reside outside of Missouri.

We obtained an understanding of the internal controls that are significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We obtained an understanding of the legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions. As part of those procedures, we requested and reviewed emails from the AGO communications systems using multiple email search queries for terms deemed significant to our audit objectives. Additionally, we interviewed the driver/security detail for former Attorney General Hawley, and obtained and reviewed state vehicle mileage logs and travel itineraries.

The scope of our audit included, but was not necessarily limited to the period January 9, 2017, through January 3, 2019, the time period Josh Hawley served as attorney general.

In a December 31, 2019, letter (Appendix I, page 435) in response to seeing a draft copy of this report, the AGO formally objected to the inclusion of interview transcripts in this report, and stated the inclusion of these transcripts would be a disclosure of audit working papers, and therefore, a felony violation of Chapter 29, RSMo. The SAO disagrees with this conclusion. Objections to the inclusion of interview transcripts and audit communications citing Chapter 29, RSMo, are without merit. The confidentiality provisions of Chapter 29 are intended to protect the SAO's working papers from public disclosure. The interpretation that those confidentiality provisions are intended to keep the SAO from disclosing information obtained during the course of the audit is at odds with Chapter 29, RSMo, and Yellow Book requirements, which both require a report of information obtained during an audit be made public. In addition, the statement that the inclusion of working papers as appendices to a public report is unprecedented is not accurate. Including information obtained during an audit as appendices is very common and not unique to this administration. Appendices have been part of audit reports issued by the SAO for decades.

The SAO included these transcripts for the purposes of transparency and public interest. The transcripts and written responses to questions include redactions determined by the SAO as information of a personal, privileged, or sensitive nature. The SAO requested the AGO provide feedback regarding specific personal, privileged, or sensitive information to be redacted, but we received none, other than the request for removal of the transcripts in their entirety. Appendix I also includes other correspondence with the AGO regarding the administration of this audit. This appendix is included for the purposes of transparency and public interest.

Office of Attorney General

Review of Whether State Resources Were Used for Political Purposes Management Advisory Report - State Auditor's Findings

1. Questionable Use of State Resources

The Attorney General's Office (AGO) staff, under former Attorney General Josh Hawley's administration, coordinated with campaign-paid consultants, and used campaign resources to meet with consultants for purposes not always documented. Former Attorney General Hawley also used a state vehicle and driver/security detail for some trips for which the purpose was not documented on travel itineraries and state vehicle mileage logs. Records reviewed determined (1) at least a portion of some of these trips had political purposes and (2) other trips had the appearance of being personal in nature.

Article III, Sections 38(a) and 39, Missouri Constitution, prohibit the use of state resources for personal or private gain. Section 36.157, RSMo, states, "An employee may not engage in political activity (1) While on duty; (2) In any room or building occupied in the discharge of official duties; (3) By utilizing any state resources or facilities; (4) While wearing a uniform or official insignia identifying the office or position of the employee; or (5) When using any vehicle owned or leased by the state or any agency or instrumentality of the state." Section 36.159, RSMo, states "It shall be unlawful for any person to intimidate, threaten, command or coerce any employee of the state to engage in, or not to engage in, any political activity, including, but not limited to, voting, or refusing to vote, for any candidate or measure in any election, making, or refusing to make, any political contribution or working, or refusing to work, on behalf of any candidate." In addition, regarding the use of campaign funds, Section 130.034.2 (2), RSMo, states, "...Contributions may be used for any purpose allowed by law including, but not limited to...[a]ny ordinary and necessary expenses incurred in connection with the duties of a holder of elective office."

1.1 Questionable meetings and phone conferences

AGO staff engaged in in-person meetings and phone conferences during regular state working hours with representatives of political campaign consulting companies paid from Josh Hawley's state campaign funds. The purpose of the meetings were not always documented. These meetings and conference calls were sometimes coordinated by AGO staff using private email accounts and text messages.² In addition, the AGO did not contract with these political representatives or their respective companies to provide non-campaign advisory services to the office's employees, and no invoices or other documentation detailing the services provided was retained to indicate that these services only related to AGO business.

In a written statement to the Secretary of State's (SOS) Office, former Attorney General Josh Hawley indicated he enlisted campaign consultants with previous experience serving as a Chief of Staff and in communications, to advise his team at the Attorney General's Office on the most effective ways to execute and communicate the Attorney General's agenda and to serve the people of Missouri.

² The use of private email accounts and text messages is addressed at MAR finding number 2.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

Meetings and phone conferences

Emails, calendars, and testimony indicate that campaign-paid consultants Timmy Teepell, Gail Gitcho, Aaron Trost, and other employees of these consultants' companies, were invited to attend in-person meetings and participate in phone conferences with various AGO employees from January to July 2017 as follows:

Approximate Date of Meeting	Type of Meeting	AGO Employee Notification Method	Attendees Listed in Emails and Meeting Invites	Documented Purpose of Meeting
01/17/2017	In-Person (1)	Unknown (2)	Timmy Teepell, Gail Gitcho, Aaron Trost, Josh Hawley, Evan Rosell, Loree Anne Paradise, Ryan Cross	Brainstorming session
01/24/2017	Conference Call	Personal email	Timmy Teepell, Gail Gitcho, Aaron Trost, Evan Rosell, Loree Anne Paradise, Ryan Cross	Not documented
02/17/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, Brad Todd, Loree Anne Paradise, Michael Martinich-Sauter	Punch list/human trafficking logistics moving forward
03/14/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter	Follow up call
04/24/2017	In-Person (1)	Unknown (2)	Timmy Teepell, Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter, Daniel Hartman, Rachel Hassani.	Not documented
05/04/2017	Conference Call	Personal email & calendar meeting invite	Timmy Teepell, Gail Gitcho, (3), Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter, Daniel Hartman	Review Timmy's punch list from his AGO visit last week & discuss 5/31 business coalition roll out date confirmation
06/05/2017	In-Person (1)	Personal email (2)	Timmy Teepell, Gail Gitcho, Evan Rosell, Loree Anne Paradise, Daniel Hartman	Not documented
06/15/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, Loree Anne Paradise, Michael Martinich-Sauter	Human trafficking, business council, PSA, virtual training
06/29/2017	Conference Call	Personal email	Timmy Teepell, Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter, Daniel Hartman, Elizabeth Johnson	Hawley press conference
07/13/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, Savannah Kill, Loree Anne Paradise, Michael Martinich-Sauter, Elizabeth Johnson	Springfield human trafficking
07/14/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, Savannah Kill, Loree Anne Paradise, Michael Martinich-Sauter, Elizabeth Johnson	Human trafficking

(1) These in-person meetings occurred at the Attorney General's Jefferson City office.

(2) Email discussion and witness statements indicate that an in-person meeting took place on or around this date.

(3) An unknown individual using an "onmessageinc.com" email address was listed as an attendee.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

During the time periods these meetings and phone conferences were held:

- Timmy Teepell was a Partner of OnMessage, Inc., a political consulting firm. The Hawley state campaign paid OnMessage, Inc., approximately \$80,000 from January 2017 to October 2017.
- Gail Gitcho, was the President of First Tuesday, a company that specializes in communications strategies for political campaigns. Also, Gail Gitcho's LinkedIn profile indicates she has experience as a communications director for various political campaigns. First Tuesday was paid approximately \$31,000 from the Hawley state campaign from January 2017 to October 2017.
- Aaron Trost was the owner of HLC Strategic, LLC, a political consulting company specializing in advising political candidates and organizations. HLC Strategic, LLC was paid \$30,000 from the Hawley state campaign in January 2017.

Also, former Attorney General Hawley's federal campaign paid OnMessage, Inc., \$4,284,891 and First Tuesday \$98,967 from August 2017 to October 2018. Records reviewed also identified other employees of OnMessage, Inc., who were invited to participate in conference calls including: Brad Todd, who is a founding Partner of OnMessage, Inc., and a political writer; Savannah Kill, who was an Assistant and Office Manager at OnMessage, Inc.; and another employee of OnMessage, Inc. All other attendees at these meetings were AGO employees.

In addition to the meetings and calls previously mentioned, private email communications and personal calendar meeting invites obtained indicated other meetings or phone conferences may have been held; however, documentation of those meetings were not retained or provided. For example, in a group private email message dated May 1, 2017, from Timmy Teepell to Evan Rosell, Loree Anne Paradise, and Daniel Hartman, Mr. Teepell wrote "**I enjoyed spending time with everyone over the last few days.**" [emphasis added by the SAO]. Based upon this email, it appears meetings may have been held on multiple days around April 24, 2017. However, official AGO calendars, emails, and records do not contain documentation of meetings being held over a few days' time. In another example, the March 14, 2017, meeting invite listed in the table on the previous page indicated the meeting was a follow-up call; however, documentation of a previous meeting or phone conference (other than the February 17, 2017, phone conference) was not retained or provided. Further, Timmy Teepell's witness statement to the SOS Office indicated he met with AGO employees in St. Louis at events involving the press in April and June 2017 and in Springfield in July 2017, and Gail Gitcho's witness statement to the SOS Office indicated she met with AGO employees in St. Louis at an anti-human trafficking event in April 2017.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

Questionable interactions

The content and timing of several of the personal emails of AGO staff demonstrate potentially inappropriate communications with campaign-paid consultants:

- In an email thread initiated by Timmy Teepell in which he suggests a weekly conference call between members of the AGO administrative team and the campaign-paid consultants, Gail Gitcho sent an email to Loree Anne Paradise, Evan Rosell, Ryan Cross, Timmy Teepell, and Aaron Trost on January 19, 2017, at 10:24 a.m., which stated: **"Sounds great. If we can do a call next Tuesday or Wednesday, that would work great because I am having lunch with Chris Wallace on Thursday and was going to pitch Josh as power player of the week - but we should all get on the same page with that before I pitch him."** [emphasis added by the SAO]. Chris Wallace is a television anchor and political commentator who hosts a Fox Broadcasting Company/Fox News program, Fox News Sunday. This email suggests that Gail Gitcho, who is a campaign-paid public relations consultant, was coordinating with AGO officials about obtaining national publicity for the elected official she was contracted to publicize.
- Elizabeth Johnson sent an email to Michael Martinich-Sauter on August 1, 2017, at 3:59 p.m. inviting him to edit an attached Google document, Backpage OPED,³ and Elizabeth Johnson wrote, **"Gail says we need a clear tic-toc [sic] on how the events transpired for the record so that Josh gets appropriate credit. We can pull from his remarks & the TPs [talking points]. I will start putting something together."** [emphasis added by the SAO]. This message was sent a day before former Attorney General Hawley formed an exploratory committee to consider running for the United States (U.S.) Senate. In a written witness statement in response to the SOS's investigation, Gail Gitcho indicated she provided consulting services to AGO employees from January to June 30, 2017. This message demonstrates Gitcho was corresponding with AGO staff past the date she was providing consulting services to AGO employees, and up to the date Hawley's Senate exploratory committee was created.

³ During testimony given by Michael Martinich-Sauter (Appendix E), he indicated he had no recollection of seeing this communication or the attached "Backpage OPED" Google document, but indicated the document was likely related to a civil investigation. The State Auditor's Office (SAO) requested the Google document from the AGO, but the office did not provide the document.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

These two interactions between Hawley administration officials and campaign-paid consultants give the appearance of political activity by state employees while using state resources, but no evidence exists that any laws were violated.

Conclusion

Campaign-paid consultants, by definition, serve a political function. They are hired to get their candidate elected to office. In contrast, AGO staff serve an administrative function and are in place to perform the work of the government. By allowing campaign-paid consultants to interact and advise AGO staff, former Attorney General Hawley potentially used state resources for political purposes. If better documentation had been maintained to show these interactions were solely official in nature, any appearance of impropriety could have been avoided. However, because most of the communications between the campaign and AGO staff were conducted via private communication channels, the full content and context of these interactions cannot be determined. The lack of transparency of the relationships and communications between the campaign-paid consultants and former AGO officials give the appearance that non-AGO business may have been discussed and not retained, and that state resources may have been used improperly.

The law permits campaign resources to be used for government purposes but does not permit government resources to be used for campaign purposes. Section 130.034.4(2), RSMo, permits campaign funds to be used for "ordinary and necessary expenses" incurred in connection with an elected office. But this section neither defines "ordinary and necessary expenses" nor specifies whether using campaign funds to pay consultants to provide administrative guidance is allowable. Section 36.157, RSMo, prohibits state employees from engaging in "political activity" while on duty or while using state resources. But this section does not define "political activity."

While the interactions between campaign paid consultants and government officials described in this report give an appearance of impropriety, we cannot conclude that any laws were violated.

1.2 Political and apparent private use of state vehicle and driver/security detail

Former Attorney General Hawley used a state vehicle and driver/security detail for some trips for which the purpose was not documented on travel itineraries and state vehicle mileage logs. Records reviewed determined (1) at least a portion of some of these trips had political purposes and (2) other trips had the appearance of being personal in nature.

Trips with political purposes

Travel itineraries and/or mileage logs show a state vehicle and driver/security detail were used to transport former Attorney General Hawley to visit with various individuals and groups for political purposes. The driver/security detail was directed to take specific hours of leave from state time, and was paid from federal campaign funds for specific meeting times; however, no campaign funds were used to pay any portion of the travel or other expenses



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

of the trips. The travel itineraries maintained by the AGO and/or the invoices submitted to the federal campaign for payment of the driver/security detail reported the specific times of each of these meetings.

- On March 30, 2017, the state vehicle and driver/security detail transported former Attorney General Hawley to Springfield and to multiple meetings. The driver/security detail was directed to take an hour of leave from his state job from 3 to 4 p.m. and was paid by the federal campaign for this time. No travel itinerary was provided to the SAO for this trip. A summary list of "AG Hawley Travel through May '17" indicated being at Evangel University at 11:30 a.m. on this date, which may have represented official business; however, the summary list did not document the purpose of the trip, the details of the meeting from 3 to 4 p.m., or any other meetings during the course of the day. The mileage log indicated 408 miles were driven in the state vehicle and payroll records indicated the driver/security detail worked 7 state-paid hours on this date.
- On April 6, 2017, the state vehicle and driver/security detail transported former Attorney General Hawley to Kansas City and to multiple meetings. The travel itinerary indicated the driver was to pick up and drop off former Attorney General Hawley in Columbia at the start and end of the day. The driver/security detail was directed to take 2 hours of leave from his state job from 11:30 a.m. to 12:30 p.m. and 2:30 p.m. to 3:30 p.m. and was paid by the federal campaign for this time. The travel itinerary indicated former Attorney General Hawley met with two private citizens⁴ (Citizens A and B) at these times. The purpose of the meetings with Citizens A and B were not documented. The travel itinerary indicated that former Attorney General Hawley had a local television interview at 10:30 a.m. and another media appointment at 1:30 p.m., which would represent official business. The mileage log indicated 437 miles were driven in the state vehicle and payroll records indicated the driver/security detail worked 6 state-paid hours on this date.
- On April 11, 2017, the state vehicle and driver/security detail transported former Attorney General Hawley to Kansas City and to multiple meetings. The travel itinerary indicated the driver was to pick up and drop off former Attorney General Hawley in Columbia at the start and end of the day. The driver/security detail was directed to take an hour of leave from his state job from 10 to 11 a.m. and was paid by the federal campaign for this time. The travel itinerary indicated former Attorney

⁴ To protect the identity of the citizen, company, or association, we refer to each in this manner through-out the remainder of the report. Citizens are referred to as Citizen A through G, companies are referred to as Company A and B, and associations are referred to as Association A and B.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

General Hawley met with officers of Company A from 10 to 10:45 a.m. The travel itinerary indicate former Attorney General Hawley met with Company B and Association A from 11 a.m. to 12:30 p.m. and Citizen C from 1 to 2 p.m. The driver/security detail was paid by the state for his time worked and was not paid from federal or state campaign funds for these specific meetings. The travel itinerary did not include any stated purpose for any of the meetings that day. The mileage log indicated 338 miles were driven in the state vehicle and payroll records indicated the driver/security detail worked 7 state-paid hours on this date.

- On April 13, 2017, the state vehicle and driver/security detail transported former Attorney General Hawley to St. Louis and to multiple meetings. The travel itinerary indicated the driver was to pick up and drop off former Attorney General Hawley in Columbia at the start and end of the day. The driver/security detail was directed to take leave from his state job and was paid for 2 hours of work by the federal campaign for the specific time periods of 10:45 to 11:15 a.m. and 12:30 to 1:30 p.m. While these time periods only represent 1 and 1/2 hours, the campaign paid the driver/security detail for 2 hours of work. The driver/security detail took 1 hour of leave from his state job and indicated he used his lunch hour for the other hour of the meetings. The travel itinerary indicated former Attorney General Hawley met with Citizen D from 10:45 to 11:15 a.m. and Citizen E from 12:30 to 1:30 p.m. The travel itinerary indicated former Attorney General Hawley met with Citizen F from 10 to 10:30 a.m. in Maryland Heights and Association B from 3:15 to 3:45 p.m. in O'Fallon. The travel itinerary did not include any stated purpose for any of the meetings that day. Only one meeting, held from 2:30 to 3 p.m., listed on the travel itinerary clearly involved official business. The mileage log indicated 306 miles were driven in the state vehicle and payroll records indicated the driver/security detail worked 7 state-paid hours on this date.
- On June 19, 2017, the state vehicle and driver security detail transported former Attorney General Hawley to Kansas City and to meet with multiple parties. The travel itinerary indicated that former Attorney General Hawley attended a Police Foundation event from 11:45 a.m. to 1:15 p.m., and an E-board meeting at a Kansas City newspaper from 2:20 to 3:30 p.m., both of which represented official business. However, the itinerary also showed he attended the Platte County Lincoln Days event from 6:30 to 7:30 p.m. that day, which is a political event. No campaign funds were used to pay the driver/security detail on this date. The travel itinerary indicated the driver was to pick up and drop off former Attorney General Hawley in Columbia at the start and end of the day. The mileage log indicated 370 miles were driven in the state vehicle and payroll records indicated the driver/security detail worked 13 state-paid hours (8 hours of regular time and 5 hours of overtime) on this date.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

The payments made to the driver/security detail from federal campaign funds demonstrate at least a portion of these trips had some political purpose.

These campaign-related hours worked in March and April 2017, were also not paid by the federal campaign until September 6, 2017. As previously noted, former Attorney General Hawley did not form an exploratory committee to consider running for U.S. Senate until August 2, 2017, or announce his candidacy until October 10, 2017. A February 26, 2019, news article in The Kansas City Star indicated Hawley's spokeswoman said the payment of these driver/security detail expenses from the federal campaign rather than the state campaign "...was a clerical mistake." However, federal and state campaign records were not corrected, and Hawley's state campaign committee was initially terminated on January 31, 2019, and an amended termination was filed as of January 16, 2020.

While there are no provisions in state law that allow for reimbursement for non-official use, such reimbursements by elected officials have taken place in the past. Specifically, see Report No. 2008-08⁵ regarding then Attorney General Nixon's reimbursement of travel expenses. We asked AGO officials in September 2019 and again in January 2020 if any travel reimbursements were provided by former Attorney General Hawley covering his time in office. In both instances they indicate they were not aware of any reimbursements.

Trips with appearance of
personal purposes

Travel itineraries and/or mileage logs show a state vehicle and driver/security detail were used to transport former Attorney General Hawley for trips that had the appearance of being personal in nature.

- The travel itinerary and state vehicle log indicated on Thursday, April 27, 2017, the driver/security detail drove former Attorney General Hawley and his family to Springfield to meet with a local church pastor and to attend a retirement party for the former Attorney General Hawley's father. The travel itinerary also provided for a visit to the Attorney General's Springfield office from 2 to 3 p.m. with the time flexible; however, the driver/security detail stated a stop at that office did not occur. The mileage log indicated 413 miles were driven in the state vehicle and payroll records indicated the driver/security detail worked 12 state paid hours (8 hours of regular time and 4 hours of overtime) on this date. In the response provided to the audit findings, former Attorney General Hawley indicated the meeting with the pastor covered official business. We

⁵ SAO, Attorney General Reimbursement, report number 2008-08, issued February 2008. A copy of the report can be found on the SAO website, <https://app.auditor.mo.gov/Repository/Press/2008-08.pdf>.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

received no documentation during audit fieldwork indicating the purpose of that meeting.

- On Saturday, December 16, 2017, mileage logs show a state vehicle was used to transport former Attorney General Hawley to Kansas City. The driver/security detail stated he transported former Attorney General Hawley and his wife in a state vehicle to a Kansas City Chiefs game, where they watched the game in Citizen G's private box.⁶ State payroll and federal campaign records indicated the driver/security detail was not paid by the state or the federal campaign for this event. The driver/security detail indicated he did not purchase a ticket for the game and he volunteered his time to drive the Hawleys so that he could attend the football game. The mileage log indicated 322 miles were driven in the state vehicle for the purpose of a "KC - meeting w/AG." No travel itinerary with an official business purpose was provided to the SAO for this trip. In the response provided to the audit findings, former Attorney General Hawley indicated he was asked to attend the game in his capacity as Attorney General and he attended the game as the Attorney General. We received no documentation during audit fieldwork indicating this information.

Article III, Sections 38(a) and 39, Missouri Constitution, prohibit the use of state resources for personal or private gain. Section 301.260, RSMo, provides that no officer or employee or other person shall use a state owned motor vehicle for other than official use. State of Missouri Administrative Policy SP-4, Article III, Section F, Subsection 3, indicates, "Only authorized passengers are permitted to ride in state vehicles. Non-state individuals such as volunteers, spouses, and children should not be passengers in a state vehicle unless they are involved in the conduct of business." Also, Article III, Section A, Subsection 3 of this policy indicates, "Vehicle usage logs must be maintained for each state vehicle and include the following information:...purpose of use." Code of State Regulations, 1 CSR 10-3.010(1)(A), requires that state payment of goods and services have a clear business relationship to the agency work program.

In addition, Section 36.157(5), RSMo, states, "An employee may not engage in political activity...[w]hen using any vehicle owned or leased by the state or any agency or instrumentality of the state." Complete and accurate vehicle usage logs, including documentation of the purpose of each trip, are necessary to document the appropriate use of vehicles and to support fuel purchases and

⁶The Missouri Ethics Commission lists an expenditure of two football tickets costing \$500 being claimed by a lobbyist for former Attorney General Hawley on December 16, 2017; however, it was amended to \$0 on this same date due to a reimbursement of the costs. The lobbyist indicated the Hawleys reimbursed him for the cost of the tickets.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

maintenance expenses. Periodically reviewing logs for completeness and reasonableness is necessary to ensure compliance.

Conclusion

Former Attorney General Hawley used state resources for some trips for which the purpose was not documented on travel itineraries and state vehicle mileage logs. Records reviewed determined (1) at least a portion of some of these trips had political purposes and (2) other trips had the appearance of being personal in nature. We did not see documentation that all potential political costs associated with these trips were paid for from non-state sources or reimbursed to the state.

Recommendations

The Attorney General:

- 1.1 To eliminate the appearance of using state resources for political purposes, the AGO should refrain from using campaign-paid staff to advise state employees. At a minimum, when campaign resources are used in this capacity the officeholder should ensure the purpose of such activity is adequately documented and not made for political purposes. The AGO should also ensure official channels and methods are used to communicate and conduct official business, including emails, texts, and calendar meeting invites.
- 1.2 Ensure travel expenditures are necessary and reasonable for the operation of the office. Ensure documentation of the specific business-purpose of all trips in state vehicles is maintained, and state resources are not used for personal purposes. Determine the amount of state resources used for political and, if applicable, personal purposes by former Attorney General Hawley, and seek reimbursement for such costs.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix J and his answer to a question regarding the response provided is included at Appendix L.

Current Attorney General Schmitt's written response, provided by the General Counsel, is included at Appendix K.

Auditor's Comment

1.1 & 1.2

The current Attorney General Office's written response to this report is unresponsive to the audit's recommendations to ensure documentation is prepared to support the purpose of activity and travel and steps are taken to ensure official channels and methods are used to communicate and conduct official business.

- 1.2 The political purpose of a least a portion of the trips cited in the finding is not questioned in the response. We did not receive



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

documentation supporting that applicable political costs of the travel were reimbursed to the state, which the response suggests occurred.

We asked a follow-up question regarding former Attorney General Hawley's responses. His representative indicated (Appendix L) the payments from the federal campaign to the driver/security detail (discussed on pages 9 through 12) were the reimbursements to the state mentioned in the response. Those payments would not be reimbursements to the state since the driver/security detail was not compensated as a state employee for those hours.

The answer provided also indicated "We understand this is the same practice adopted by Mr. Hawley's predecessors." That is not accurate. The Nixon campaign reimbursement (discussed on page 12) included both mileage and personnel costs. In addition, the answer indicated "We are not aware of any additional outstanding invoices from the state, but if you can identify any such invoices or expenses, we are happy to pay them." At a minimum, vehicle/mileage costs associated with the "incidental stops" need to be reimbursed to the state to complete any reimbursement under the same practice as predecessors. Those costs would need to be determined by former Attorney General Hawley in conjunction with the AGO.

As indicated in the finding, the documentation provided to us did not explain the business purpose of the trips we cited as being apparently personal in nature.

The assertion that audit standards require the SAO to perform the calculation of the amount to be reimbursed is incorrect, and the Yellow Book citation is misapplied. As the report states, there is no provision in state law or state policy that allows any state official to use state resources for non-official purposes. As a result, there is no basis for this office to calculate any potential reimbursement. Similarly, the reference to the 2008 Nixon letter is misapplied. In that instance, the Nixon campaign had calculated an amount to be reimbursed to the state and had transmitted payment to the Office of Administration. The objective of that SAO review was to determine if the reimbursed amount was appropriate. The objectives of the current audit are, in part, to determine if there were any instances of noncompliance with certain legal provisions. Yellow Book Standard 7.14 (2011 Yellow Book) states that "auditors should present sufficient, appropriate evidence to support the findings and conclusions in relation to the audit objectives." The audit report meets this standard.



2. Communication and Retention Policies

Various employees did not comply with AGO policy by using personal email accounts and calendars, and personal phones (text) to conduct official business, communicate, and schedule meetings as noted in MAR finding number 1.1 and the following issues.

- In sworn testimony, Evan Rosell, the former Chief of Staff, indicated he used personal text and personal email to communicate with AGO employees, but he did not retain the personal email or text messages related to AGO business. Appendix D, page 14, lines 19 and 23 (report page 47) and page 16, lines 11 and 15 (report page 49).
- In sworn testimony, Daniel Hartman, the former Special Counsel and Director of Legislation, indicated he used personal email to communicate with AGO employees. Appendix F, page 20, line 21 (report page 285).
- In a written statement to the SOS Office, Timmy Teepell indicated he did not recall ever communicating with state employees using their official state email addresses and indicated he used the personal email addresses he had.
- In sworn testimony, Michael Martinich-Sauter, the former General Counsel, Director of Policy, and Deputy Attorney General for Special Litigation stated he never initiated any communications over personal email with anyone in the office; however, he had received AGO communications at his personal email address from other state employees' personal email addresses. Appendix E, page 10, lines 21 through 23 and page 11, lines 1 through 7 (report pages 161 and 162).

When asked about some of the personal email calendar meeting invites from his Gmail account, Martinich-Sauter stated in sworn testimony that he did not (1) use his Google calendar, (2) create the calendar meeting invites, (3) know who sent the invites, and (4) review the invites at the time of the phone calls. Appendix E, page 50, lines 17, 18, 19, and 25 (report page 201); page 52, lines 2 through 4 (report page 203). However, he also indicated "...I recognize that there is a tension between what I'm saying and what those documents say." Appendix E, page 51, lines 10 and 11 (report page 202). After audit fieldwork, we received an explanation from Martinich-Sauter's representative about how Gmail calendar invites can be sent by someone and look like they came from another attendee. We determined that this situation can occur. Therefore it is plausible that while he received these invites he did not create them.

AGO personnel policy No. 9.0, titled Electronic Written Communication on Personal Electronic Devices requires, "all electronic written communication made or received in connection with the transaction of official business be made or received using the AGO's Communication Systems." It also states that employees shall not use their personal cell phone, Blackberry, laptop,



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

tablet or other portable electronic devices, or home computer for AGO business unless they are remotely logged into their official account as part of the AGO's communication systems.

In addition to this policy that was in effect from January 2017 to January 2019, the AGO adopted an addendum in April 2018, that stated existing AGO policies require AGO personnel to retain all materials in the manner and for the duration specified in the applicable record-retention schedules issued by the State Records Commission and as prescribed by Chapter 109, RSMo. This April 2018 addendum, while not in effect during part of our audit period, makes clear that all communications using text message or text message applications must be retained if an email with the same content would be required to be maintained.

The AGO also did not develop procedures to help ensure its employees complied with AGO personnel policy No. 9.0 and the record retention schedules approved by the State Records Commission, and did not identify business related communications that are required to be retained in accordance with those schedules.

Conclusion

While the AGO has a process for retaining email messages initiated from AGO communication systems, email messages covering official business from employee personal email accounts were not always retained. In addition, because the AGO did not retain all business related communications and some employees did not comply with AGO personnel policy No. 9.0, we cannot be certain we received all such communications. Improper methods of communication could cause the loss or destruction of records and harm the public's confidence in the AGO.

Recommendation

The AGO ensure personnel policies are followed regarding use of personal email accounts and personal devices, and business communications are retained in accordance with the record retention schedules approved by the State Records Commission.

Auditee's Response

Former Attorney General Hawley's written response, provided by his attorney, is included at Appendix J.

Current Attorney General Schmitt's written response, provided by the General Counsel, is included at Appendix K.

Auditor's Comment

Former Attorney General Hawley's representative did not provide a specific response to this recommendation.

The current Attorney General Office's written response to this report only indicates policies are in place covering this recommendation.



Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Management Advisory Report - State Auditor's Findings

Objections to the inclusion of interview transcripts and audit communications citing Chapter 29, RSMo, are without merit. The confidentiality provisions of Chapter 29 are intended to protect the SAO's working papers from public disclosure. The interpretation that those confidentiality provisions are intended to keep the SAO from disclosing information obtained during the course of the audit is at odds with Chapter 29, RSMo, and Yellow Book requirements, which both require a report of information obtained during an audit be made public. In addition, the statement that the inclusion of working papers as appendices to a public report is unprecedented is not accurate. Including information obtained during an audit as appendices is very common and not unique to this administration. Appendices have been part of audit reports issued by the SAO for decades.

The audit response from Senator Hawley's representative makes claims of political bias against SAO staff:

The inadvertently sent email from the Audit Manager cited in the response is not evidence of a lack of objectivity, rather evidence that the audit team was appropriately evaluating audit evidence. Presented with evidence that satisfied one area of concern, the audit team removed a potential finding, and when presented additional evidence to support another existing area of concern, made the decision to include that information in the initial draft of the report. As with all audit reports, the draft report underwent a thorough review process with many revisions, including the areas of concern noted in the email, before it was provided to the AGO.

Regarding David Kirby's role in this audit report, there was none. Mr. Kirby's conflict regarding this audit was disclosed and documented as part of the audit planning process. As a result, he was excluded entirely from any discussions or decisions pertaining to this audit.



Appendix A
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
American Democracy Legal Fund Complaint

American Democracy Legal Fund
455 Massachusetts Avenue, NW
Washington, DC 20001

RECEIVED

NOV 6 2018

MO. SECRETARY OF STATE

November 2, 2018

Hon. John R. Ashcroft
Missouri Secretary of State
600 West Main Street
Jefferson City, MO 65101

Re: Complaint Against Missouri Attorney General Josh Hawley

Dear Secretary Ashcroft,

In accordance with Mo. Ann. Stat. § 115.642, American Democracy Legal Fund (“ADLF”) respectfully requests that the Missouri Secretary of State’s Office commence an investigation against Missouri Attorney General Josh Hawley. Evidence strongly suggests that Hawley used public funds as Attorney General to support his candidacy for U.S. Senate, by instructing political consultants to direct state, taxpayer-paid staff to undertake tasks that would raise Hawley’s profile in his bid to represent Missouri in the U.S. Senate. This constitutes a misuse of public funds, in violation of Mo. Ann. Stat. § 115.646. Consequently, the Secretary of State should immediately investigate this violation and aid in the state’s prosecution of this offense.

I. Factual Background

Josh Hawley assumed office as the Attorney General of Missouri on January 9, 2017. Just six months and 24 days later, on August 2, 2017, Hawley formed an exploratory committee to run for U.S. Senate.¹ Two months after that, on October 10, 2017, Hawley officially declared his intent to run for the Republican nomination to represent Missouri in the U.S. Senate.²

On October 31, 2018, *The Kansas City Star* reported that political consultants outside of Missouri “gave direct guidance and tasks to [Hawley’s] taxpayer-funded staff, and followed up to ensure the tasks were completed”³ These political consultants reportedly include Timmy Teepell, a Washington, D.C.-based partner at a consulting firm who advised Hawley’s campaign; and Gail Gitcho, a Republican political operative who has advised Hawley on communications.⁴

Emails obtained by *The Kansas City Star* demonstrate that consultants directed taxpayer-paid staff members of the Attorney General to undertake tasks intended to “shape the attorney general’s image and agenda for the year

¹ See Simone Pathe, *Missouri’s Josh Hawley Forms Exploratory Committee for Senate Bid*, Roll Call (Aug. 2, 2017 6:05 PM), <https://www.rollcall.com/news/politics/missouri-josh-hawley-senate-bid>.

² See Jim Salter, *Missouri Republican Hawley Announces Run for Senate*, RealClearPolitics (Oct. 10, 2017), <https://www.realclearpolitics.com/articles/2017/10/10/missouri-republican-hawley-announces-run-for-senate-135223.html>.

³ Lindsay Wise, Jason Hancock, & Steve Vockrodt, *Out-of-state political consultants helped direct Josh Hawley’s Missouri AG office*, Kan. City Star (Oct. 31, 2018 3:51 PM), <https://www.kansascity.com/news/politics-government/election/article220870465.html>.

⁴ See *id.*



Appendix A
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
American Democracy Legal Fund Complaint

ahead.”⁵ Not only did the consultants communicate with staff members using private email addresses, but the consultants also reportedly met in-person with the staff members at Attorney General Hawley’s office.⁶

Among the agenda items reportedly discussed between consultants and taxpayer-paid staff was an effort by Hawley to initiate a lawsuit against opioid manufacturers,⁷ which Hawley did in June 2017.⁸ The lawsuit, which his political consultants went to lengths to publicize,⁹ has become a major talking point of Hawley’s Senate campaign. For instance, Hawley’s campaign website states that he is “fighting the big opioid manufacturers,”¹⁰ a talking point his political consultants and taxpayer-paid staff members worked to craft, per *The Kansas City Star*’s report.

II. Legal Violation

Under Mo. Ann. Stat. § 115.646, “No contribution or expenditure of public funds shall be made directly by an officer, employee, or agent of any political subdivision to advocate, support, or oppose any . . . candidate for public office.” Public funds constitute “monies belonging to government or any department of it in the hands of public officials.”¹¹ The Attorney General of Missouri has opined that, to determine whether a contribution or expenditure of public funds “advocate[s], support[s], or oppose[s],” one should “look to such factors as the style, tenor and timing” of the contribution or expenditure.¹²

Here, the facts strongly indicate that Attorney General Josh Hawley used public funds to support his candidacy for the U.S. Senate, by instructing his political consultants to direct taxpayer-paid staff to undertake tasks that would raise Hawley’s profile in advance of his Senate run. As public records obtained by *The Kansas City Star* indicate, taxpayer-paid staff took directions from out-of-state political consultants and even met with consultants on government property, all under Hawley’s watch.¹³ In an email to staff, consultant Gail Gitcho wrote, “It seems to me that going forward we should start compiling a punch list of what we need to do to roll out each of our agenda items this year”¹⁴

And Hawley’s staff reportedly undertook these tasks—on the taxpayer’s dime—in the name of crafting a public image and record that would aid in Hawley’s bid to represent Missouri in the U.S. Senate. In another email to taxpayer-paid staff, Gitcho reportedly wrote that she was “having lunch with [‘FOX News Sunday’ anchor]

⁵ *Id.*

⁶ *See id.*

⁷ *See id.*

⁸ Press Release, Mo. Att’y Gen. Josh Hawley, *Missouri Attorney General Sues Opioid Manufacturers for Fraud* (Jun. 21, 2017 8:13 AM), <https://www.ago.mo.gov/home/news-archives/2017-news-archives/missouri-attorney-general-sues-opioid-manufacturers-for-fraud>.

⁹ *See, e.g.*, Timmy Teepell (@TimmyTeepell), Twitter (Jun. 22, 2017) (“Great Fox piece on Hawley’s lawsuit”), <https://twitter.com/search?l=&q=from%3ATimmyTeepell%20since%3A2017-06-21%20until%3A2017-06-23&src=typd&lang=en>; Gail Gitcho (@ggitcho), Twitter (Jun. 21, 2017) (“More excellent work from @HawleyMO . . .”), <https://twitter.com/ggitcho/status/877529148943589376>; Gail Gitcho (@ggitcho), Twitter (Jun. 21, 2017), <https://twitter.com/ggitcho/status/877531195172560896>.

¹⁰ Josh Hawley for Senate, *About*, <https://joshhawley.com/about/> (last visited Nov. 1, 2018).

¹¹ Mo. Ethics Comm’n Advisory Op. No. 2003.07.105 (2003). *See also* Mo. Ethics Comm’n, Conflict of Interest for Elected & Public Officials 20 (revised Mar. 2013), available at http://www.mec.mo.gov/WebDocs/PDF/Complaint/Conflict_of_Interest_03_2013-fullsize.pdf.

¹² Mo. Att’y Gen. Advisory Op. No. 54-90 (Aug. 14, 1990), available at https://ago.mo.gov/docs/default-source/opinions/1990/054_1990.pdf?sfvrsn=2

¹³ *See* Wise et al., *supra* note 3.

¹⁴ *Id.*



Appendix A
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
American Democracy Legal Fund Complaint

Chris Wallace . . . and was going to pitch [Hawley] as power player of the week.”¹⁵ She then instructed the Attorney General’s staff, “[W]e should all get on the same page with that before I pitch him.”¹⁶

Under Hawley’s oversight and with his approval, political consultants appear to have used Missouri’s taxpayer-funded resources to construct a carefully-curated communications strategy that would puff up Hawley’s public image and prepare him for his Senate candidacy. And just months after this operation began, Hawley declared his candidacy for the U.S. Senate, relying on the very talking points these consultants reportedly worked with his taxpayer-paid staff to build.

Ultimately, Attorney General Josh Hawley’s use of taxpayer-paid staff to advocate and support his candidacy for U.S. Senate constitutes a misuse of public funds in violation of Mo. Ann. Stat. § 115.646.

III. Conclusion

Upon declaring victory in the November 2016 general election to serve as Missouri’s Attorney General, Josh Hawley told his supporters, “To the political establishment in Jefferson City, those of you, consultants and the lobbyists and the professional political class who’ve gotten used to running our state: your day is over.”¹⁷ Hawley suggested nobody is above the law. And, as Missouri’s chief law enforcement officer and advisor, neither is he.

Hawley reportedly instructed political consultants from outside of Missouri to direct state, taxpayer-paid staff members to help shape Hawley’s image for his next campaign—this time for U.S. Senate—which began less than a year after that Election Night speech, and less than seven months after he took office as Missouri Attorney General. Hawley’s conduct violates the trust that Missourians gave him to serve the public interest and enforce this state’s laws honorably. And most of all, Hawley’s conduct appears to demonstrate a misuse of public funds, in violation of Mo. Ann. Stat. § 115.646.

Therefore, in accordance with Mo. Ann. Stat. § 115.642, ADLF respectfully requests that the Secretary of State commence an investigation against Attorney General Josh Hawley and aids in the state’s prosecution of this offense.

Sincerely,

Brad Woodhouse

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ Lindsey Argo, *With Win, AG-Elect Hawley Says Political Establishment’s Days are Numbered*, KSMU (Nov. 9, 2016), <http://www.ksmu.org/post/win-ag-elect-hawley-says-political-establishments-days-are-numbered#stream/0>.



Appendix A
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
American Democracy Legal Fund Complaint

Elections Complaint Form
Missouri Secretary of State's Office

Note: if you believe you have witnessed a violation of Title III of the Help America Vote Act of 2002 for federal elections, please fill out a Title III of HAVA Elections Complaint Form.

Name BRAD Woodhense, AMERICAN DEMOCRACY LEGAL FUND
Address 455 MASSACHUSETTS AVENUE, NW WASHINGTON, DC 20001
County DISTRICT OF COLUMBIA
Phone 202-251-5669
Email WoodhenseBrad@ gmail - com
My complaint pertains to the Election held on 11/6/18

I have or will file a complaint with (check all that apply):

Missouri Attorney General's Office ☐ Yes ☐ No
Missouri Ethics Commission ☐ Yes ☐ No
Local Election Authority ☐ Yes ☐ No
Local Law Enforcement ☐ Yes ☐ No
Missouri Secretary of State ☒ Yes ☐ No

My complaint is regarding (check one):

☐ Absentee voting
☐ Candidate Qualifications
☐ Voting
☐ Election Judge Misconduct
☐ Improper Voter Registration
☒ Other Election law violation Use of taxpayer money for political purposes

State the facts of the alleged violation including:

- The name and mailing address of the person or persons alleged to have committed the violation; and
- A description of the act or acts you believe to be a violation.

See attached



Appendix A
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
American Democracy Legal Fund Complaint

(facts cont'd)

By my signature I swear or affirm that, to the best of my knowledge, the information provided on this form is true.

Signature of person filing complaint

Date

Please be as thorough as possible and attach supporting documentation or additional facts, if any.

Return this form to:
Missouri Secretary of State's Office
Attn: Elections Division
600 W Main St.
Jefferson City, MO 65101



Appendix B
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Letter to the State Auditor Requesting Investigation



STATE CAPITOL
(573) 751-2379

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

December 10, 2018

VIA HAND DELIVERY

The Honorable Nicole Galloway
Missouri State Auditor
State Capitol, Room 121
Jefferson City, MO 65101

Re: Closeout Audit of Missouri Attorney General's Office

Dear Auditor Galloway:

This office received a complaint from the American Democracy Legal Fund alleging that Missouri Attorney General Josh Hawley used public funds as Attorney General to support his candidacy for the U.S. Senate." A copy of the complaint is enclosed.

See Appendix A

We have commenced an investigation of the allegations in the complaint. We request you investigate these allegations as part of your audit of the Missouri Attorney General's Office that will take place due to the change in officeholder ("closeout audit"). We do not have the same tools that the Auditor's Office has to conduct an investigation. For example, under section 115.642, RSMo, we have no subpoena power over documents or persons. It is unknown at this time whether relevant documents cited in the news article were from the Attorney General's Office, or from a person or entity not subject to the Sunshine Law. Additionally, it is not clear whether some part of the allegations are based upon oral statements.

As Auditor, you have free access to the Attorney General's Office for this audit, as well as subpoena power over persons and documents. § 29.235, RSMo. Your office's experience in this area is demonstrated by your audit of the Missouri Governor's Office in 2017, in which you found that Governor Nixon used state resources for political and personal purposes.

In addition to requesting that you investigate these specific allegations as part of the closeout audit, we also request that you give us access to the parts of the audit that relate to the allegations of improper use of state resources. Specifically, we request access to or copies of any records (of the agency or third parties) obtained that are relevant to the allegations in the complaint. If you plan to interview employees about the allegations, we request to at least sit in on such interviews.



Appendix B
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Letter to the State Auditor Requesting Investigation

The Honorable Nicole Galloway
December 10, 2018
Page 2

If you issue subpoenas for non-employees and will take their deposition under oath, we request the same access.

As we continue our investigation, if we obtain information or records that would be beneficial to your audit, we will share them with you.

If you have any questions, please contact my General Counsel, Frank Jung, at 573/751-4875.

Sincerely,


John R. Ashcroft
Missouri Secretary of State

Enclosure



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report



STATE CAPITOL
(573) 751-2379

JOHN R. ASHCROFT
SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER
(573) 751-4936

February 28, 2019

The Honorable Nicole Galloway, CPA
State Auditor
State Capitol Building, Room 121
Jefferson City, MO 65102

Dear Auditor Galloway:

We appreciate your assistance in the elections complaint filed with my office on Nov. 6, 2018, by American Democracy Legal Fund in regard to former Attorney General Josh Hawley.

My office has completed its investigation into the complaint, and has not found probable cause to believe that Mr. Hawley or his Office violated Section 115.646, RSMo. as alleged. Since Hawley did not violate Section 115.646, I am officially closing this matter. A copy of the report is enclosed.

I am pleased our investigation reached a clear conclusion in this matter. Thank you again for your assistance.

Sincerely,

John R. Ashcroft

Enclosure



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report



JOHN R. ASHCROFT

CAPITOL OFFICE
(573) 751-2379

SECRETARY OF STATE
STATE OF MISSOURI

JAMES C. KIRKPATRICK
STATE INFORMATION CENTER

ELECTIONS INVESTIGATION REPORT

COMPLAINT

On November 6, 2018, my office's Election Division received a complaint alleging Attorney General Josh Hawley¹ misused public funds pursuant to Section 115.646, RSMo. ("Complaint"). Mr. Brad Woodhouse with the American Democracy Legal Fund ("ADLF") filed the Complaint.

The Complaint alleges that Attorney General Hawley violated Section 115.646, RSMo. by using public funds (taxpayer-funded staff) to support his candidacy for the United States Senate. Specifically, the Complaint alleges:

- Attorney General Hawley used outside political consultants to direct employees of the Attorney General's Office ("AGO") to undertake tasks that would construct his public image and raise his profile, preparing him for his candidacy for U.S. Senate; and
- Attorney General Hawley instructed outside consultants to direct employees of the AGO to implement priorities to benefit Attorney General Hawley's campaign and/or future campaign. These priorities included his opioid manufacturer and human trafficking initiatives.

SCOPE OF INVESTIGATION

The secretary of state's responsibility to investigate election complaints is codified in Section 115.642, RSMo. The Complaint was received by my office on November 6, 2018. This is important because amendments to Section 115.642, RSMo. went into effect the following day, after the close of the 2018 election cycle. The law in effect at the time did not allow the office to dismiss a complaint as "frivolous" nor did it require the complaint to be a sworn statement. Section 115.642, RSMo. provided my office a limited scope, pertaining specifically and only to matters related to election laws. My office may not, under state law, investigate matters outside its authority.

¹ Attorney General Josh Hawley was elected to the United State Senate in November of 2018. For ease of use and so as not to confuse the reader, he will be referred to as "Attorney General Hawley". This by no means is intended to disrespect Senator Hawley; but rather to identify his position during the time period alleged in the Complaint.



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report

LAW

Section 115.642, RSMo. states any person may file a complaint with the secretary of state alleging a violation of Sections 115.629 to 115.646, RSMo. Within thirty days of receiving a complaint, the secretary of state must notify the person filing the complaint whether or not the secretary has dismissed the complaint or if the secretary will commence an investigation. To date, this office has received more than 100 election complaints.

There is no case law or Attorney General Opinions that discusses this statute as it relates to contributions or expenditures to candidates or public officials. However, there is case law and/or Attorney General Opinions related to ballot measures.

Section 115.646, RSMo. states, "No contribution or expenditure of public funds shall be made *directly* by any officer, employee or agent of any political subdivision to advocate, support, or oppose any ballot measure or candidate for public office." (Emphasis added). In discussing this statute as it relates to ballot measures, Attorney General Opinion 54-90 states that in determining whether a violation of Section 115.646, RSMo. occurred, one must look at the "style and tenor" of the communication related to the ballot measure.

Furthermore, in reviewing a writ of prohibition regarding a survey commissioned by the City of Richmond Heights that was related to a ballot measure, the Missouri Court of Appeals noted that a violation of Section 115.646, RSMo. must be determined by the "communication" made by the City. *State ex rel. Wright v. Campbell*, 938 S.W.2d 640, 644 (Mo. App. E.D. 1997). The Court of Appeals stated that the dissemination of information that is purely factual is not considered to be advocating or supporting; and further stated that, at best, the survey might be relevant as to whether any communications regarding the ballot measure with residents was necessary. *Id.* The Court of Appeals made clear communication of information that is purely factual is not prohibited under Section 115.646, RSMo. *Id.*

FINDINGS

- 1) ADLF generally complains that Gail Gitcho (First Tuesday) and Timmy Teepell (OnMessage Inc.) ("outside consultants") sent emails to AGO employees directing their activities. Specifically, ADLF alleges that Attorney General Hawley used outside consultants to direct AGO employees to engage in activities for the purpose of raising his profile. ADLF further alleges Attorney General Hawley directed outside consultants to instruct AGO employees to implement priorities that benefited Attorney General Hawley's campaign and/or future campaign, those priorities being opioid manufacturer and human trafficking initiatives.
- 2) In support of its claims, ADLF refers to an article written by Jason Hancock, Lindsay Wise and Steve Vockrodt that appeared in the October 31, 2018, edition of the *Kansas City Star*. ADLF has not provided my office with any emails or other documentation to support its claims. In addition, ADLF's December 14, 2018, letter to my office specifically indicates they did not have any evidence that these emails exist and relied on the *Kansas City Star*



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report

article for its Complaint. Furthermore, there are no allegations that the activities in question took place after June of 2017.

- 3) In conducting this investigation, my office requested documents from Mr. Hancock. The *Kansas City Star* responded through counsel that it would not provide my office any source documents its reporters gathered in the course of their investigation.
- 4) My office also requested documents from the AGO. The AGO provided 85 pages of documents consisting of emails, drafts of documents related to the human trafficking initiative and an opioid manufacturer lawsuit, conference call requests, and calendar entries. The AGO also provided closed material consisting of documents related to a personnel matter.²
- 5) Current Attorney General Eric Schmitt also voluntarily provided my office additional information related to AGO employees, including but not limited to, timesheets and other financial records. He likewise provided my office with a copy of the AGO's Employee Handbook and Code of Conduct.
- 6) During the investigation my office requested, and received, purchasing card documentation from the AGO.
- 7) In addition to reviewing the documents provided by the AGO, my office contacted eleven individuals during the course of this investigation.³ One of the individuals contacted declined to participate in this investigation.⁴
- 8) The information provided by the AGO employees who agreed to be interviewed by my office can be summarized as follows:
 - i. Mr. Teepell and Ms. Gitcho first became involved with the AGO in January of 2017.
 - ii. The meetings with Mr. Teepell and Ms. Gitcho were to discuss the priorities set forth by Attorney General Hawley.
 - iii. The majority of the executive staff Attorney General Hawley brought on at the AGO had no government experience.

² Section 610.021, RSMo. allows personnel records to be closed.

³ My office also reviewed public information such as Missouri's Transparency Portal. That search showed no payments to Mr. Teepell or Ms. Gitcho or to their consulting firms, OnMessage Inc, and First Tuesday, in 2017.

⁴ My office requested assistance from the State Auditor as my office does not have authority under Chapter 115 to subpoena any individual or records. Auditor Galloway's subpoena powers were not needed in light of Attorney General Schmitt's willingness to provide documents that would normally be closed to my office. I commend both Auditor Galloway and Attorney General Schmitt for their cooperation.



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report

- iv. Mr. Teepell's role was to provide guidance to senior staff not only on how to roll out those priorities, but also on how to run a governmental entity. Mr. Teepell assisted AGO employees by sharing his experience in government administration and rolling out priorities.
- v. Ms. Gitcho's role was to provide guidance on how to communicate with the media.
- vi. Ms. Gitcho never focused on any particular media (e.g. national versus local), although she indicated to AGO employees she knew people at CNN.
- vii. Attorney General Hawley had made clear his priorities to AGO employees from the time he took office and the meetings with the consultants were simply on how to accomplish those priorities as they all related to the AGO's work priorities.
- viii. Mr. Teepell also assisted in reviewing "vague" job titles and gave guidance as to who should be doing what in the office to reduce duplication.
- ix. AGO employees did not know what Ms. Gitcho meant in her January 19, 2017 email when she said "we should all get on the same page with that before I pitch him" to Fox News.
- x. AGO employees used Google Docs because it allowed multiple individuals to work on a document at the same time.
- xi. Not all AGO employees participated in the weekly telephone calls noted on the calendars provided.
- xii. Not all weekly telephone calls noted on the calendars provided occurred.
- xiii. Not all AGO employees attended the meetings listed on the calendars provided.
- xiv. AGO employees were unsure who attended specific meetings or participated in specific conference calls that did take place.
- xv. AGO employees did not feel that they had to follow the advice Mr. Teepell or Ms. Gitcho offered.
- xvi. Attorney General Hawley running for United States Senate was never brought up during any of the meetings or conference calls.
- xvii. Mr. Teepell and Ms. Gitcho never spoke of campaigning and only spoke of office management or strategies for rollout of initiatives at the meetings and during conference calls.



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report

- xviii. Attorney General Hawley announced he was running for United States Senate at an executive staff meeting in August of 2017. At this meeting, he stated this was not something he had planned on doing but something he felt compelled to do.
- 9) My office also contacted the two main consultants in the documents provided by the AGO, Mr. Teepell and Ms. Gitcho. The information they provided can be summarized as follows:
 - i. Mr. Teepell and Ms. Gitcho were requested to consult with AGO employees by Attorney General Hawley.
 - ii. Mr. Teepell's primary contact at the AGO was Evan Rosell, Chief of Staff. Ms. Gitcho's primary contact was Loree Anne Paradise, Deputy Chief of Staff.
 - iii. Mr. Teepell stopped consulting with AGO employees in the summer of 2017. Ms. Gitcho stopped consulting with AGO employees in June of 2017.
 - iv. Mr. Teepell provided advice in helping the office function effectively. His advice was strategic in nature in helping AGO employees execute Attorney General Hawley's goals and priorities. Ms. Gitcho assisted in getting Attorney General Hawley's communication team up and running effectively.
 - v. Mr. Teepell travelled to Missouri six times during his consulting for the AGO, and participated in three meetings at the AGO (January, April and June). The other three times he travelled to Missouri were to attend press conferences (two in St. Louis and one in Springfield).
 - vi. Ms. Gitcho attended a human trafficking event in St. Louis in April of 2017. She also attended a meeting at the AGO in June of 2017.
 - vii. Ms. Gitcho's January 19, 2017 email to AGO employees stating "we should all get on the same page with that before I pitch" Attorney General Hawley to Fox News was meant to see if everyone agreed with her on that idea.
 - viii. Mr. Teepell did not recall Attorney General Hawley participating in any of the meetings or conference calls.
 - ix. In August of 2017, Mr. Teepell joined the Senatorial Exploratory Committee. Ms. Gitcho started working on the U.S. Senate campaign in October of 2017.
 - x. There were no discussions during any meetings or conference calls with AGO employees regarding Attorney General Hawley running for the United States Senate.
 - xi. Mr. Teepell and Ms. Gitcho sent emails to AGO employees' Gmail accounts because those were the email addresses they had for them.



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report

- xii. Mr. Teepell and Ms. Gitcho never received any payments from the AGO.
- 10) My office also contacted Attorney General Hawley. He provided the following information to my office:
- i. It was his decision to use Mr. Teepell and Ms. Gitcho as consultants. He made this decision in January of 2017; however, Mr. Teepell did provide informal advice during the transition.
 - ii. Ms. Gitcho stopped providing advice to AGO employees in June of 2017. Mr. Teepell stopped providing advice to AGO employees in July of 2017.
 - iii. The primary reason he enlisted Mr. Teepell to advise his team was that Mr. Teepell had previously served as chief of staff for a congressman and a governor, and it was the most effective way to execute his agenda.
 - iv. Ms. Gitcho was enlisted to advise his communications staff on communicating his priorities effectively because she was an expert in communications.
 - v. Mr. Teepell's primary contact at the AGO was Evan Rosell. Ms. Gitcho's primary contact was Loree Anne Paradise.
 - vi. Attorney General Hawley did not inform Mr. Teepell he was planning on running for the United States Senate until sometime in August of 2017.
 - vii. The AGO made no payments to either Mr. Teepell or Ms. Gitcho. Both were paid by the Hawley for Missouri Committee.
- 11) The documents provided my office show no emails between consultants and AGO employees after June of 2017.
- 12) Independent research included reviewing the following: (a) quarterly reports of the Hawley for Missouri Committee (Jan 2017 through Oct 2018 - accessed via the Missouri Ethics Commission website); (b) filings by the Josh Hawley Senate Exploratory Committee (FEC Form 1, filed August 7, 2017, and the October 10, 2017 amended statement changing the name to Josh Hawley for Senate - accessed via the Federal Election Commission web site); (c) a complaint filed by ADLF against Attorney General Hawley with the FEC dated August 2, 2017 (which also cites the *Kansas City Star* article); (d) campaign finance data for Josh Hawley for Senate for the 2018 election (accessed via the FEC website, relating¹ to disbursements to First Tuesday and OnMessage Inc.); (e) press releases from the AGO (with a focus on human trafficking, Backpage.com and/or opioid manufacturer lawsuit releases); (f) news coverage of the Hawley Attorney General campaign regarding human trafficking and/or opioid manufacturer issues; (g) Twitter feeds for Gail Gitcho and Timmy Teepell; (h) Twitter and Facebook feeds for the Hawley campaign as well as the Hawley campaign YouTube channel; (i) previous versions of the Hawley campaign web site (joshhawley.com,



Appendix C
Office of Attorney General
Review of Whether State Resources Were Used for Political Purposes
Secretary of State Investigative Report

showing an October 13, 2016 news release announcing the release of a human trafficking campaign ad (using WaybackMachine)); and (j) information available on the internet regarding when various states sued opioid manufacturers.

- 13) With respect to the initiatives cited in the Complaint, research showed that Attorney General Hawley included human trafficking in his campaign for attorney general. While my office did not find any indication that suing opioid manufacturers was part of his campaign, Missouri was not the first state to sue pharmaceutical companies relating to marketing of opioids (three had before 2017). The Missouri lawsuit was announced June 21, 2017. Ten other states filed such suits in 2017. Another 15 filed in 2018.
- 14) ADLF alleges Attorney General Hawley used outside consultants to direct AGO employees to raise his profile. However, the consultants were used to advance Attorney General Hawley's priorities as Attorney General for the State of Missouri. There is nothing showing that the consultants were used to promote him as a candidate; a requirement under Section 115.646, RSMo. In fact, Attorney General Hawley was not a candidate for any office at the time the consultants were being used, nor does the tone of the emails provided show the consultants were using AGO employees to advocate or support Attorney General Hawley as a candidate. While ADLF alleges an email just prior to Attorney General Hawley appearing on Fox News demonstrates they were attempting to raise Attorney General Hawley's profile, the email simply stated that they needed to "get on the same page." ADLF does not offer what was meant by this, and those interviewed did not know what Ms. Gitcho meant by her statement. Ms. Gitcho indicated she was wanting AGO employees' feedback to see if they agreed on pitching Attorney General Hawley to Fox News.

CONCLUSION

My office's review of the Complaint is limited to Section 115.646, RSMo. which states expenditure of public funds may not be used to directly advocate or support any candidate for public office. If reasonable grounds appear that an alleged offense has been committed, Section 115.642, RSMo. states the secretary of state may issue a probable cause statement. Probable cause exists when there is reasonable and trustworthy information that would warrant a person of "reasonable belief" to conclude an offense has been committed. *See Safford United School District No. 1 v. Redding*, 129 S.Ct. 354 (2009).

This office takes allegations that public funds were used to promote or advocate a candidate seriously. The documents reviewed only show that the consultants assisted AGO employees implementing Attorney General Hawley's priorities. The communication between the consultants and AGO employees advocated positions Attorney General Hawley held during his attorney general campaign or wished to advance after he took office. It is not unusual for elected officials to develop priorities or conduct media interviews to communicate office-related priorities that may raise their public profile.

Because the documents my office reviewed and the interviews conducted do not show that there is reasonable and trustworthy information that an offense has been committed, a probable cause statement will not be forwarded to the local prosecutor and this investigation is closed.

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8 OFFICE OF THE STATE AUDITOR
STATE OF MISSOURI

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12 INTERVIEW OF: EVAN ROSELL

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14 Landers State Office Building
149 Park Central Square, Room 816
15 Springfield, Missouri 65806

16

17 JULY 8, 2019
12:00 p.m.

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1 A P P E A R A N C E S

2

3 FOR THE OFFICE OF AUDITOR NICOLE GALLOWAY, CPA:
4 Mr. Joel E. Anderson
5 Chief Litigation Counsel
6 Office of Auditor Nicole Galloway, CPA
7 301 West High Street, Room 880
8 Jefferson City, Missouri 65102
9 573-751-4213//joel.anderson@auditor.mo.gov

7

8 FOR THE OFFICE OF THE STATE AUDITOR:
9 Ms. Pamela Allison, CPA, CFE
10 Audit Manager
11 Public Corruption and Fraud Division
12 149 Part Central Square, Suite 814
13 Springfield, Missouri 65806
14 573-751-4213//pamela.allison@auditor.mo.gov

12

13 FOR THE MISSOURI ATTORNEY GENERAL'S OFFICE;
14 Mr. Justin D. Smith
15 Deputy Attorney General
16 Special Litigation
17 207 West High Street
18 Jefferson City, Missouri 65102
19 573-751-0304//justin.smith@ago.mo.gov

17

18 FOR THE WITNESS:
19 Mr. Brent E. Haden (via telephone)
20 The Law Firm of Haden & Haden
21 827 East Broadway, Suite B
22 Columbia, Missouri 65201
23 573-442-3535//brent@hadenlaw.com

21

22 REPORTED BY: Christine Richele, CSR, RPR, CCR, CRR

23 ALARIS Litigation Services

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1	INDEX OF QUESTIONERS		
2			
3	QUESTIONS BY: MS. ANDERSON		PAGE NO.
4			
5	WITNESS: EVAN ROSELL		
6	Interview by Ms. Anderson		7
7			
8	* * *		
9			
10	EXHIBITS	EXHIBIT INDEX DESCRIPTION	PAGE NO.
11	A	[REDACTED] e-mail from Loree Anne Paradise to Evan Rosell and others, 5/1/17	65
12			
13	B	Copy of article from "The Kansas City Star" entitled "Are self-erasing messages at top of Missouri government the tip of the iceberg?"	88
14			
15	C	E-mail from [REDACTED] to Loree Anne Paradise, 4/21/17, and e-mail from Loree Anne Paradise to Evan Rosell, 4/23/17	65
16			
17			
18	D	AGO policy regarding computer use and electronic written communication	82
19			
20			
21			
22			
23	Exhibits were retained by Ms. Allison		
24			
25			

1 P R O C E E D I N G S

2

3 MR. ANDERSON: Okay. Make sure I've got
4 all the names here.

5 MR. HADEN: The first thing, Joel, I know
6 you called me to see if we were all right with the
7 AG's attorney sitting in, and we don't have any
8 objection to that. And to the extent that the
9 Attorney General's Office believes or wants to cite
10 some privilege that may be part of it, we'll just have
11 to see what happens --

12 MR. ANDERSON: Sure.

13 MR. HADEN: -- obviously during the
14 discussion here. But obviously, there's no objection
15 to that, and I know you understand that obviously
16 anytime you work as an attorney for anyone, including
17 for the Attorney General, there are certain ethical
18 obligations, so we'll have to -- as far as
19 confidentiality and everything else, and so obviously
20 the Attorney General holds certain privileges, if they
21 want to assert them, then having counsel there I think
22 is helpful so they can make that determination rather
23 than us having to speculate about it.

24 MR. ANDERSON: It sounds good to me, and I
25 think we have enough attorneys in the room to cover

1 just about everything that could possibly come up,
2 so...

3 THE WITNESS: At least real ones, yeah.

4 MR. ANDERSON: Okay. Are we about ready?

5 MS. ALLISON: I'm good.

6 MR. ANDERSON: Okay. Mr. Rosell, I'm going
7 to just kind of start things off. I don't intend to
8 ask you any questions, any audit type questions.

9 THE WITNESS: Sure.

10 MR. ANDERSON: Pam Allison is the person
11 doing the audit, so she's the one with the questions.

12 THE WITNESS: Sure.

13 MR. ANDERSON: This is not a courtroom
14 deposition, but it still will operate in much the same
15 way simply because it is being transcribed. You'll be
16 sworn in here in a second. And we'll also afford you
17 the same courtesy you have in a normal deposition,
18 once it is transcribed, you'll be able to look at it
19 to make sure it was transcribed correctly, make any
20 changes if you need to make them.

21 If at any time you have any question that you feel
22 like you need to discuss with your attorney before
23 answering, that is no problem. You can take your
24 attorney out of the room if you want to.

25 THE WITNESS: Just take him off

1 speakerphone.

2 MR. ANDERSON: Right, right, if you need to
3 consult with him on that, that's fine.

4 THE WITNESS: Okay.

5 MR. ANDERSON: And as usual -- you are an
6 attorney?

7 THE WITNESS: Yeah, inactive, but, yes.

8 MR. ANDERSON: All right. So you can go to
9 sleep here for a second. Any question that's not
10 perfectly clear to you, please ask for us to repeat it
11 or rephrase it before you answer it.

12 THE WITNESS: Sure.

13 MR. ANDERSON: You won't be asked to
14 speculate or if you are asked to speculate, you'll be
15 told you're being asked to speculate. But we want to
16 make sure that the answers that you give are the truth
17 to the best of your knowledge. And if you are
18 speculating, tell us that you're speculating so that
19 we can separate those out.

20 THE WITNESS: Sure.

21 MR. ANDERSON: Your attorney just mentioned
22 the attorney-client privilege. We have no need or
23 desire to get into any privileged matters. I think we
24 can probably phrase our questions so that we don't,
25 but we don't necessarily know what might lead into it.

1 So we'll have to depend on you, your attorney, and the
2 Attorney General's Office to stop us if something is
3 getting into a privileged matter.

4 THE WITNESS: I understand.

5 MR. ANDERSON: Okay. All right. Anything
6 else preliminary, Pam, that you can think of?

7 MS. ALLISON: Not that I can think of.

8 MR. ANDERSON: Okay. If we could swear the
9 witness, I guess we can begin.

10 EVAN ROSELL,
11 being first duly sworn, testified:

12 EXAMINATION

13 BY MS. ALLISON:

14 Q. Mr. Rosell, can you tell us a little bit
15 about your background prior to joining the AGO.

16 A. [REDACTED], went
17 to school in Texas, and went to law school at Washburn
18 University School of Law in Topeka, Kansas, and while
19 in law school, I served as the law clerk for the
20 Secretary of State at the time doing legal research
21 and whatnot.

22 Second summer of my law school, worked for the
23 district attorney's office in Wichita, and then upon
24 graduating law school worked for Johnson County,
25 Kansas, civil courts as a law clerk for two years.

1 And then worked for a litigation law firm called
2 Shaffer Lombardo Shurin in Kansas City for two and a
3 half, three -- a number of years doing medical
4 malpractice defense work, other type of litigation
5 work.

6 It was a little bit -- in 2008 we were a part of a
7 church plant, which is kind of the start of a church,
8 in the center or urban core of Kansas City, Missouri,
9 and as that church grew, my lay leadership within that
10 church grew, as well, and started to grow an affection
11 for leading and cultivating leaders more than maybe
12 litigating or fighting. And so eventually left the
13 law firm to serve as a pastor at -- it's called
14 Redeemer Fellowship Church, and there my role was to
15 continue to grow our staff and develop our teams and
16 develop leaders within that context.

17 We were still engaged in -- my wife's an attorney,
18 as well. We were engaged in some issues related to
19 education and engaged in some broader type engagement
20 beyond just like, you know, neighborhood issues, and
21 so just through natural curiosity began starting to
22 read some of the articles that Senator Hawley had
23 written at the time. We grew to know each other
24 through that. I think I was at a CLE once that he
25 taught a number of years back.

1 And so that's kind of my background at least
2 leading up to the AGO.

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 Q. So that's kind of how you got to know

9 Attorney General Hawley, then, or --

10 A. Yeah. Yeah.

11 Q. So kind of what transpired to have you be
12 the chief of staff of the AGO?

13 [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

■ [REDACTED]

■ [REDACTED]

3 And after the election, I called him to
4 congratulate him on his victory. This would have been
5 in November, 2016, I believe, a couple of days after
6 that election. And he had kind of -- we'd had some
7 career type conversations as friends just, you know,
8 where -- where I felt like the Lord was leading me and
9 kind of how that would play out.

10 And then after he won, he asked, you know, Well,
11 where are you on some of those thoughts? And I said,
12 Well, you know, I don't know. I really would like to
13 lead from a public kind of role. And so he said,
14 Well, let me think about that because there may be a
15 role for you in the administration, particularly
16 relating to, you know, staff and organizations. I
17 think he was aware at the time that it hadn't -- the
18 office hadn't changed parties in a long time, and so
19 just the nature of how to organizationally do some of
20 that change, I think, and maybe that was in his mind.
21 I can't speak for him in terms of why he brought that
22 up, but through a series of conversations, we both --
23 he asked me to come be his chief of staff in, I think,
24 late -- mid to late November. I don't remember the
25 specific date, we committed to that.

1 **Q. Okay. Did you start -- when did you start**
2 **working for the Attorney General's Office?**

3 A. For the office, when we took office in --
4 was that July or --

5 **Q. January?**

6 A. January 9th or --

7 **Q. 2017?**

8 A. Yes, ma'am, yes, ma'am.

9 **Q. Okay.**

10 A. I believe there was a point in time where I
11 had worked for the transition. I remember receiving
12 one check from the transition budget line, or
13 something to that effect, as we were beginning to set
14 up the office.

15 **Q. So what did your duties and**
16 **responsibilities entail as chief of staff, and**
17 **then did those change or how did they change over the**
18 **course of your employment?**

19 A. Yeah, I think the heart of things really
20 working toward budget work, making sure that from a
21 budget standpoint, we were able to implement the
22 initiatives that then General Hawley -- I'll be
23 confused as to what to call him. But if I refer to
24 "Senator Hawley," it's because I'm referring to then
25 Attorney General Hawley.

1 So budget was a key piece, and in that respect I
2 worked a lot with Rhonda Meyer, who's a deputy chief
3 of staff and had been in that role for decades across
4 many different administrations. And she was just a
5 vital resource and was a fantastic person to work with
6 in terms of experience and knowing how the office
7 worked and those types of things.

8 Staffing was another big piece, personnel. We --
9 I believe General Koster had run for governor, did not
10 win, so there was kind of some staff shakeup in terms
11 of, you know, folks who were perhaps going to be a
12 part of his office or not.

13 But there was a significant amount of personnel
14 work that needed to be done in terms of taking a look
15 at how the office had functioned in the past, taking a
16 look at how we had structured the different divisions
17 and sections and how they related to each other, and
18 thinking through whether there were opportunities for
19 efficiency within the office, and so from that kind of
20 organizational framework was a part of that.

21 Also, part of just the nitty-gritty of helping to
22 hire a number of different attorneys. I've found that
23 in the public sector, it's a great opportunity to come
24 and get great legal experience. And so oftentimes
25 we'd have young lawyers coming to the Attorney

1 General's Office, I'm sure like the Auditor's office
2 or the Secretary of State's office or the Governor's
3 office, or any other public sector area where you can
4 get some real hands-on experience, and then use that
5 to then further your career outside of the office.

6 And so with that kind of turnaround, we would
7 always -- it was constant work to be, um, you know,
8 replenishing great attorneys throughout the state and
9 those types of things.

10 So those were the broad, the big, broad
11 significant categories then.

12 **Q. Okay. So when did you leave the AGO?**

13 A. Let's see, March, I believe my final day
14 was March 1st of 2018. Whether or not that was the --
15 that was the general time frame. I'd have to look
16 back and see when the actual technical final day was
17 but, yeah, March of '18.

18 **Q. Okay. So when you were in office, chief of**
19 **staff, how did you communicate with Attorney General**
20 **Hawley?**

21 A. Mostly we would communicate through phone
22 calls, through in-office meetings. There would be a
23 weekly kind of senior staff meeting. I believe it was
24 on Tuesday mornings. We would -- we would communicate
25 that way.

1 Oftentimes, I'd communicate through other people
2 who would have more direct touch points with him.
3 Loree Anne Paradise was one who had frequent touch
4 points with General Hawley. Mike Martinich-Sauter had
5 frequent touch points with General Hawley. John Sauer
6 would have, particularly in the legal realm, would
7 have frequent touch points with General Hawley.

8 So those were kind of the broad ways we'd
9 communicate.

10 **Q. And did you use e-mail or text or --**

11 A. Yeah, sometimes we would text, kind of
12 short, you know, Are you coming in? Are you coming in
13 today? Are you available for a phone call later on?
14 Those types of conversations. And generally e-mail,
15 not -- not really, no.

16 **Q. Okay. So, did you use your state-issued**
17 **phones for the text or was it a personal cell phone**
18 **for texts?**

19 A. I believe it was personal for phone -- or
20 for the texts, yeah.

21 **Q. Okay. Would you be able to provide those**
22 **to us?**

23 A. I don't believe that I have any of those,
24 um, uh, but I could look.

25 **Q. Okay. So how did you communicate with the**

1 **staff in the Attorney General's Office, kind of the**
2 **same --**

3 A. Yeah, I think generally speaking we -- most
4 of us were based in Jefferson City. I was based in
5 Jefferson City. Loree Anne was based in Jefferson
6 City. Mike Martinich and John Sauer were based in
7 Jefferson City, although they would -- well, they had
8 offices in St. Louis, but they were in Jefferson City
9 a couple days a week. Probably spent a lot of time on
10 the road.

11 So I -- mostly we would just talk in person in the
12 office. Darrell Moore obviously was a part and was in
13 Jefferson City, although he was based and lived in
14 Springfield. Ryan Bangert was based in Jefferson
15 City, as well.

16 So mostly we would talk in person. Sometimes we
17 would talk via our AGO e-mails, I'd say that would be
18 the bulk of kind of nonpersonal interaction.

19 There would be times where we would text about
20 different stuff. If it was kind of a short, quick
21 kind of area, Are you coming to this meeting? type of
22 thing.

23 And then there were odd, you know, certain
24 instances where private e-mail was used, and, but that
25 wasn't, certainly, the bulk of, I think, our

1 communications.

2 **Q. Okay. So you would have used private**
3 **e-mail and then private text or state text?**

4 **A.** I think I used my private text. Those were
5 the numbers that I had in my phone when we first met
6 each other and sometimes in the transition, and so we
7 would use those texts for the most part, yeah.

8 **Q. Okay. And then private e-mail, do you**
9 **think you interacted with staff with private e-mail**
10 **or --**

11 **A.** Yeah, at times, yeah. I would say
12 certainly the bulk of that through public e-mail, but
13 at times private e-mail.

14 **Q. Like Gmail or --**

15 **A.** Yeah.

16 **Q. Okay. So would you be able to provide some**
17 **of those e-mails?**

18 **A.** I could look to see what -- what remains.
19 In terms of mine, I could certainly take a look at
20 that.

21 **Q. Okay. So how were -- I'm going to kind of**
22 **talk about meetings, but how are meetings and**
23 **conferences with the Attorney General scheduled or**
24 **held, or where were they held and how were they**
25 **scheduled?**

1 A. Yeah, I think there would be, you know,
2 standing meetings as a category and then other, you
3 know, either subject matter based or impromptu, those
4 types of meetings, as well.

5 So standing meetings, I believe it was Tuesday
6 mornings every week that we would meet. And the folks
7 who were involved in those would be John Sauer as
8 first assistant; Ryan Bangert as Deputy Attorney
9 General with the civil division; Darrell Moore, Deputy
10 Attorney General over the criminal division; Mike
11 Martinich, who is Deputy Attorney General, I don't
12 know the specific title, but kind of policy and
13 general counsel type stuff, and, uh, Loree Anne
14 Paradise, who was deputy Attorney General, as well.
15 So, we would meet probably weekly, Tuesday mornings.

16 And then to the extent other meetings would come
17 up with General Hawley, you know, he'd call one of us
18 on the office line or Mike would say, Hey, I'm going
19 to meet with General Hawley on X, Y, and Z; can you
20 pop in? those types of things. So that's essentially
21 how those meetings would go.

22 **Q. Did you put those on your calendar and use**
23 **the calendar invite?**

24 A. For the standing meeting, I would certainly
25 probably have had that on my calendar. For the

1 others, it was mostly based around General Hawley's
2 availability, and so I think those wouldn't have been
3 set in stone, so much.

4 They were more frequently context where General
5 Hawley was in the office and wanted to discuss a
6 certain matter and it was, Hey, go grab Evan. Or,
7 Hey, Evan, can you grab Mike or can you grab Ryan?
8 and we can discuss a certain matter. And we'd just do
9 that immediately so there wouldn't have been a need to
10 put that on the calendar, I don't think.

11 **Q. Okay. Now did Attorney General Hawley have**
12 **the office calendar and then a personal calendar, or**
13 **do you know?**

14 A. I don't know. I was aware of a Gmail
15 calendar that was used. I don't think I did any
16 scheduling for him, so I'm not sure --

17 **Q. Okay.**

18 A. -- how exactly he used that. Um --

19 **Q. So do you know who did the scheduling?**

20 A. I believe Loree Anne did that, so, I
21 think -- you'd have to talk to her about how that was
22 done, and that sort of thing.

23 So, um, my schedule, um, was the -- the public
24 schedule. I had an assistant for a period of time
25 named Shantell Taylor who did some scheduling work,

1 and then after that another assistant helped with some
2 of that work, as well, so...

3 **Q. So did they kind of track your calendar or**
4 **put those meetings, like those Tuesday meetings on**
5 **your calendar?**

6 A. Yeah, yeah, those types of things, uh-huh.

7 **Q. Okay. Anybody else attend those meetings**
8 **or conferences other than those that you mentioned?**

9 A. I don't believe so. That was certainly the
10 regular, um -- the regular group when I was there.
11 Um, I believe once Daniel Hartman came in to discuss,
12 um, a software update within the office called
13 iManage, but that was kind of a -- um, he came in to
14 talk to that group but wasn't a regular attendee in
15 those meetings.

16 **Q. Okay. So did you have like meeting agendas**
17 **or did you know kind of what you were going to talk**
18 **about at each meeting? Was there written agendas or**
19 **notes or --**

20 A. No, I think I would -- and this is a number
21 of years ago, so I'm trying to think through kind of
22 what our daily practice was or our weekly practice. I
23 would generally connect with John Sauer, and John
24 would have -- as first assistant, would have me, Ryan
25 Bangert, Darrell Moore, Loree Anne in his office, Mike

1 probably. Essentially everybody who was in that
2 meeting besides the Attorney General, we would meet
3 ahead of time just to discuss which issues were mature
4 to bring up in that meeting, what updates were
5 material. It circled a lot on legal work, um, how
6 cases were moving forward and those types of things.

7 So I'd say John was probably the point person
8 on -- on that meeting, um, but it was helpful for the
9 rest of us to get a view into the different things
10 that were happening within the office, and, um, so
11 that's kind of how we would put things together.

12 I don't know that we -- I don't think we had a
13 written agenda just because we would roll from that
14 kind of planning meeting into -- into, um, the meeting
15 with the Attorney General, so...

16 **Q. Okay. Would you have taken any notes?**

17 A. I mean, I'm sure at some point would have
18 taken notes about different things. I couldn't tell
19 you that I have anything like that.

20 **Q. So you don't think you have any of those**
21 **notes --**

22 A. I don't --

23 **Q. -- or think you would still have any --**

24 A. No, I don't think I have any of those
25 notes.

1 Q. Okay. So how are meetings with the
2 consultants, specifically Mr. Teepell and Ms. Gitcho,
3 scheduled or held?

4 A. There was, early on, let's see, early on in
5 the administration, I'd say January, February-ish,
6 there was a call with Attorney General Hawley where
7 Loree Anne, Mike, and I from the office would jump on
8 that call. Um, I believe Timmy and Gail or some very
9 -- you know, I don't know if it was both of them all
10 the time or one of them or -- or -- or what.

11 I remember three or four instances early on where
12 we would have a -- a phone call, um, and I think this
13 was, um -- I'm not sure if our Tuesday afternoon -- or
14 Tuesday morning kind of office meetings had been
15 established at that point, but we would kind of talk
16 through. General Hawley would raise different policy
17 issues. Mike Martinich was kind of leading the human
18 trafficking and opioids work, and so that was a
19 context to update General Hawley on those initiatives.

20 And then we would jump off the phone at a certain
21 point, and then I believe General Hawley would stay on
22 and discuss other matters with Gail and Timmy. But
23 there was always a point where we jumped off the
24 phone, and our involvement in those phone calls were
25 only relating to our official kind of office -- office

1 type initiatives.

2 And so, um, I -- I would imagine that sometimes
3 Gail and Timmy would weigh in on those types of
4 initiatives, those types of things, but it certainly
5 wasn't something to cross the line toward political or
6 anything like that. Campaign -- no discussion, ever,
7 of campaign or that -- that sort of strategy or
8 anything like that.

9 Q. So, um, how many of those meetings or phone
10 calls did -- did you have?

11 A. I remember --

12 Q. Do you know?

13 A. This is an estimation, but three or four,
14 and I recall that there was a standing invite -- or
15 there was a standing meeting on my calendar that
16 Shantell put on there that probably persisted beyond
17 the times that I actually joined those calls or was in
18 that meeting. And so I remember noticing that when
19 the Secretary of State's office looked at some of our
20 calendar stuff, and it seemed like there was a
21 recurring meeting that went on beyond the times that I
22 would have joined.

23 So I would have said three or four of those -- of
24 those calls, but that's, again, an estimation.

25 Q. Okay. And who all was in on those phone

1 **calls?**

2 A. Um, I believe it was General Hawley, Loree
3 Anne Paradise, Mike Martinich, sometimes Timmy,
4 sometimes Gail. I don't know if someone named Brad
5 Todd was in on those calls, as well. Um, Aaron Trost,
6 perhaps, I think was associated with those calls early
7 on, but I couldn't tell you.

8 **Q. And Brad and Aaron are with -- are they**
9 **with the AG's office or are they with --**

10 A. No, I believe those were -- I believe Brad
11 Todd, I believe he was with OnMessage. I've never met
12 him, so I don't -- I haven't followed these issues, so
13 I couldn't tell you where they are today.

14 And Aaron Trost was involved, I believe, with the
15 AG campaign in 2016. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

21 But those were the folks that I would -- I believe
22 were on those calls, at least that I was there with.

23 **Q. Okay. So you mentioned those phone calls**
24 **were typically on your AGO calendar or were they your**
25 **private calendar?**

1 A. I believe they were on my AGO calendar.

2 **Q. So that's kind of how those were tracked?**

3 A. Yeah, for my own sake. I couldn't tell you
4 about other folks, but for me, we were discussing
5 office -- office initiatives and so that was on that
6 one.

7 **Q. Okay. So you'd talked about those Tuesday**
8 **meetings. On your calendar there were 10:30 executive**
9 **meetings held every Thursday; is that kind of the**
10 **meeting that you were talking about?**

11 A. Yeah, I described that as the -- I don't
12 recall at this point when, exactly, it was, but that
13 sounds right, yeah.

14 **Q. And so what you've mentioned before was**
15 **generally what was discussed, kind of policy and what**
16 **was going on in the office versus civil or criminal?**

17 A. Which -- what meeting are you referring to?

18 **Q. The Tuesday, 10:30 meetings.**

19 A. Okay.

20 **Q. The executive meetings --**

21 A. The executive meetings.

22 **Q. -- is what it was called on the calendar.**

23 A. Yeah. Again, those would have had John
24 Sauer and Darrell Moore, Ryan Bangert, Mike Martinich,
25 General Hawley, Loree Anne, and I would say that those

1 issues were, um -- there were certainly legal elements
2 to those, updates, case updates, kind of getting
3 direction from General Hawley on things.

4 I imagine there would be updates that I would
5 provide about staffing or budget or to the extent
6 there were legislative things that our office needed
7 to think through, we tried to have that as a meeting
8 to understand kind of the different complexities of
9 the office and how they related together and making
10 sure we were being efficient and comprehensive.

11 So I wouldn't say that they were policy only or
12 legal only. It was probably a mix of both, but I -- I
13 I couldn't tell you that there was --

14 **Q. Okay.**

15 **A. You know.**

16 **Q. So sometimes on your calendar they were**
17 **called "executive meetings," and then other times they**
18 **were called "executive litigation meetings." So I**
19 **didn't know if there was a clear -- when it was**
20 **executive litigation, you were talking more the mix**
21 **versus -- so can you explain the difference, I guess.**

22 **A. Yeah. Um, to the extent I can. I know**
23 **that, um, probably as our -- as those meetings**
24 **developed and as we honed in on what was productive,**
25 **um, there was probably a -- a focus on litigation.**

1 You know, General Hawley was a very engaged litigator,
2 you know, so he would, um, have had input on -- on
3 cases and those types of things.

4 And there was probably a shift early on where Mike
5 Martinich would have more policy conversations with
6 General Hawley one on one in his office or via phone
7 call or something. I'm speculating to that effect.

8 And so that meeting probably matured toward
9 efficiency by focusing in on litigation type things,
10 but I think, you know, that was -- from what I can
11 remember, that was the thrust of it.

12 So that's where our premeetings with John -- John
13 kind of led that as kind of leading the legal element
14 of the office, and Ryan Bangert and Darrell Moore
15 would kind of bring updates on significant cases and,
16 um, we would certainly be a part of those
17 conversations. I say "we" meaning me and Mike and
18 Loree Anne.

19 But, you know, as deputies, Darrell and Ryan
20 worked a lot with John Sauer and they would kind of
21 bring things to General Hawley as they warranted his
22 attention.

23 **Q. Okay. So do you think when those were**
24 **scheduled as executive versus executive litigation,**
25 **there was kind of a defining line on how you scheduled**

1 **those?**

2 A. I don't -- I don't -- I don't know that
3 there was a dividing line. I think Shantell probably
4 scheduled some of those, and I don't know if she was
5 aware of the nature of the liti -- you know, the
6 litigation nature of that, but I couldn't tell you,
7 you know, whether or not that gradual shift affected
8 how we scheduled it or not or what language was used.

9 I think Shantell left at a certain point in time
10 in the office, at which point I probably put
11 "executive litigation," because that's what -- and I'm
12 speculating here again, I don't have those calendar
13 things in front of me. But if she would have put the
14 first kind of recurring meeting times up there,
15 perhaps when she was gone I put "executive litigation"
16 calendar meetings, because that was more appropriate
17 to what it was, but I couldn't say much more than
18 that.

19 **Q. Okay. And you don't think you had any**
20 **agendas or itinerary or you would have taken any notes**
21 **or kept any of those, right --**

22 A. Uh --

23 **Q. -- from what you said earlier?**

24 A. I probably would have kept notes, just kind
25 of action points for myself, but I can't imagine that

1 I've kept any of those.

2 Q. Okay. Okay. Also throughout 2017, it
3 looked like there was a nine o'clock phone call to
4 phone number 641-715-3580 every Tuesday prior to those
5 executive meetings. Who was involved in those phone
6 calls?

7 A. Okay. That's the phone call I was
8 describing earlier. So, you know, this was -- it's a
9 guess, but probably three or four calls that I was a
10 part of that. Again, this is where Shantell probably
11 would have scheduled something and then it was
12 recurring, but I -- I -- I recall that I, um -- I was
13 not on these phone calls probably more than three or
14 four times as a guess.

15 In terms of your question of who was there, that
16 was again the group with General Hawley, Loree Anne
17 Paradise, Mike Martinich from the office, and then
18 probably Timmy Teepell, Gail Gitcho, perhaps Aaron
19 Trost was on a couple of those calls, perhaps Brad
20 Todd was on a couple of those calls. I couldn't tell
21 you with certainty who was on every time.

22 Q. Okay. So was an agenda sent to you by
23 Hawley or Teepell or Ms. Gitcho about what topics you
24 were going to discuss?

25 A. I can't recall that. It would have largely

1 been -- um, I'm trying to remember, but it would have
2 largely been relevant to whatever major issue the
3 office was pursuing at the time. So if we were
4 working hard on human trafficking and if there was a
5 human trafficking issue that was coming up, it would
6 have been, you know, relevant to that type of a
7 conversation. If there -- if there was an opioid
8 conversation, then it would have been relevant to
9 that.

10 And, again, I probably had three or four of these,
11 as a guess. Not very long. I don't recall that these
12 persisted beyond much of early 2017.

13 **Q. What kind of time frame do you think?**

14 A. Um, you know, if they were weekly and it
15 was three or four, I'd probably say -- again, this is
16 a guess. I don't have any of these dates in front of
17 me, but probably not beyond February, 2017, or March,
18 2017. But I, again, I -- if -- if there was an
19 outlier call or something, that could be true --

20 **Q. Okay.**

21 A. -- I just don't know.

22 **Q. So you don't think there's any notes or**
23 **agenda or --**

24 A. I don't believe so.

25 **Q. -- anything?**

1 A. (Shaking head.)

2 Q. So would you have received an invite from a
3 personal e-mail or a personal calendar or --

4 A. If it was --

5 Q. -- or is that your state calendar?

6 A. I -- I mean, if there was an invite on
7 my -- on my state calendar, I believe that would have
8 been it. I don't know, having gone back and looked at
9 that, um --

10 Q. So you think Shantell scheduled that for
11 you, or Loree Anne?

12 A. I believe so. Yeah, I believe -- no, Loree
13 Anne didn't ever schedule anything for me --

14 Q. All right.

15 A. -- but I would -- Loree Anne and I, our
16 offices were right next to each other, so there
17 certainly could have been occasions where, Hey, are we
18 having a nine o'clock call today? Yes. You know.
19 And if the number was on my state calendar, then I
20 just -- I'd call it. I don't remember discussing much
21 in that meeting. I remember deferring to Mike on kind
22 of policy updates and those types of things.

23 Q. All right. So to talk a little bit more
24 about the consultants, in your statement to the
25 Secretary of State, you indicated you worked with both

1 Timmy Teepell and Gail Gitcho during your time as
2 chief of staff at the AGO's office, and that Attorney
3 General Hawley first introduced you to Teepell.

4 A. (Nodding head.)

5 Q. Do you recall the time and manner in which
6 Hawley introduced you to Mr. Teepell?

7 A. Yes, generally, and I haven't reviewed any
8 of the Secretary of State's materials here, but from
9 memory, I believe, after I had committed to the role
10 of chief of staff in November of 2017, General Hawley
11 said, Hey, I want to put you in touch with Timmy
12 Teepell. He was a former chief of staff, I believe,
13 for the governor in Louisiana, and has great insight
14 and guidance on the role.

15 And so I remember having a number of conversations
16 with him before we took office about just the role of
17 chief of staff. And, you know, I'd had some public
18 sector experience in law school, but -- but relatively
19 new to the world, um, and, uh, and so would have kind
20 of conversations with him about, you know, what it's
21 like, when it's -- when we're in session, you know,
22 when the legislature is in session versus out of
23 session and how kind of those rhythms work well, or,
24 you know, the role of the office or the major
25 initiatives and -- and -- and those types of things.

1 So it was more probably, um, I'd -- I'd phrase it
2 in terms of mentoring or conversations about how to be
3 a good chief of staff within the office. Nothing that
4 I can recall in terms of campaign stuff or, um,
5 politics or that sort of thing.

6 **Q. So were those in-person meetings or was**
7 **that phone calls?**

8 A. Early on --

9 **Q. Kind of prior to inauguration.**

10 A. Yeah, prior to inauguration, that would
11 have been phone calls. Maybe we'd chat once a week or
12 so about things. Um, I probably -- and this is going,
13 again, by memory [REDACTED]

14 [REDACTED] but, um, I probably met him for the first time
15 in person after we were in office, but I -- I
16 couldn't -- I couldn't swear to that. But I think
17 that's the general memory of it I have.

18 **Q. So how did Teepell become involved with the**
19 **Attorney General?**

20 A. I don't know. Um --

21 **Q. Okay.**

22 A. My understanding was that they worked on
23 the campaign, the 2016 attorney general campaign
24 together. That was my understanding when I first met
25 him, but I --

1 **Q. Then how did he become involved with the**
2 **Attorney General's Office?**

3 A. Sure. I believe there were a couple of
4 instances when they were in town. I said "they,"
5 probably Timmy and Gail or maybe -- I can probably
6 recall two or three times when they were in town, um,
7 and that they would come by the office, um, and either
8 meet with General Hawley and -- and office staff about
9 office initiatives, um, or, uh, there were instances
10 where he would meet with some of our staff without
11 General Hawley, and we would talk about kind of key
12 initiatives within the office and those types of
13 things.

14 So, um, you know, it was always my understanding
15 that General Hawley knew about that and, um, um, kind
16 of -- I couldn't speak to their -- his conversations
17 with Timmy about that, but I think the intent was
18 always to help our staff grow and to, um, help -- help
19 us think through the best ways to bring about
20 effective results in the initiatives that our office
21 was -- was defining.

22 **Q. Do you remember the dates of when they came**
23 **to the office?**

24 A. I remember something in January or
25 February, I think early on in 2017, but that was a

1 very short meeting. I think, um -- I remember General
2 Hawley being there, I remember John Sauer being there,
3 perhaps Mike Martinich was there. But it was like end
4 of the day, they'd maybe had some other meetings that
5 I don't think I was a part of, and then we just talked
6 about like human trafficking or those types of
7 initiatives.

8 The other -- refresh me again on your question? I
9 want to make sure I'm tracking you.

10 **Q. Just when do you think those meetings**
11 **occurred --**

12 A. Yeah, yeah.

13 **Q. -- there in the office?**

14 A. Okay. Yeah. I know there was a time after
15 the legislative session in 2017, or toward the middle
16 part of 2017. I couldn't tell you a specific date,
17 whether it was April, May, June, or July, but sometime
18 in that time frame where I remember Timmy coming in
19 town, meeting with some of us individually in the
20 office about office initiatives, about, you know, how
21 we could move forward things like opioids -- opioids
22 or human trafficking, those types of things.

23 And then I remember a meeting with Timmy -- I
24 don't know if Gail was there or not -- sometime within
25 that time period, probably connected to our -- to an

1 individual meeting that I'd had or that we had had
2 with them separately. And maybe after that meeting we
3 all got together or maybe before that big meeting, all
4 of us met with them individually, where we went kind
5 of around a big table. And I believe that included
6 Loree Anne, Daniel Hartman, um, Rachel Hassani, who
7 was doing legislative work at the time, um, perhaps
8 Elizabeth Johnson, who had grown into the office to
9 help Loree Anne with some of the communications work,
10 and there may have been others, as well.

11 But that was a, um, a meeting that was probably an
12 hour or something, and we had talked about office
13 initiatives and kind of what direction we'd had from
14 General Hawley and how we could implement some of
15 those things well.

16 Then I remember, um, maybe it was associated with
17 that time period, as well, going to breakfast with
18 Timmy, and that was kind of more just of a personal
19 nature of, you know, the role of a chief of staff
20 is -- can be difficult and having to navigate
21 different complexities with staff and personnel and
22 how do you -- how do you do it?

23 I think my core ethos was I want to work my
24 hardest to put our team in positions where they have
25 the resources that they need to be successful; they

1 have the clarity that they need to be successful, and
2 that they have the capacity and, um, desire to be
3 successful, as well.

4 So, you know, just from a leadership development
5 standpoint, I remember a conversation with Timmy at
6 Panera about, Hey, how can I grow to do that? And I
7 believe that was in the same time period, probably
8 summer-ish of 2017, although I couldn't tell you
9 specifically.

10 There may have been other meetings in addition to
11 that, but I wouldn't -- I wouldn't say that there were
12 more than three or four, total.

13 **Q. Okay.**

14 **A. Um --**

15 **Q. Were those all held at the Attorney**
16 **General's Office in Jefferson City or were there some**
17 **in Kansas City or St. Louis?**

18 **A.** So anytime I ever met with Timmy or Gail,
19 it would have been at the Attorney General's Office in
20 Jefferson City, with the exception of that one
21 one-on-one meeting where we met at Panera in Jefferson
22 City, which was, again, kind of more of a personal
23 development type deal.

24 There were times where we saw them. Like we had
25 an event at a safe house in St. Louis for human

1 trafficking, and they were present there, but that
2 wasn't a meeting with them. It was more just seeing
3 them there and that sort of thing.

4 **Q. Okay. So would you have taken any notes or**
5 **had any agendas of those actual in-person meetings?**

6 A. I don't know that I would have taken notes,
7 um, not in the one-on-one meetings and if so, I
8 don't -- I don't have them. I sometimes would, if
9 we'd have meetings, would send e-mails to folks
10 saying, Hey, just following up, you know. We
11 discussed this, this, and this, and here are some key
12 action points.

13 I think any good meeting has action points coming
14 out of it and, you know, trying to keep the team
15 clarified and those types of things, would have been
16 there, but I -- I don't recall. I'm sure I took
17 notes, but I don't have any of those notes with me.

18 **Q. So who set up the meetings with Mr. Teepell**
19 **and Ms. Gitcho?**

20 A. Yeah, I don't know that there was a
21 practice. I don't know that there was a, um, this is
22 how this always happens. I think we're probably
23 talking over a six-, seven-month time period that, you
24 know, two or three -- two or three deals. I, you
25 know, it's probably such that Loree Anne said, Hey,

1 Timmy and Gail are going to be in town; they're going
2 to stop by the office on this date or that date, but,
3 uh -- or perhaps General Hawley would have said
4 something about that, but I don't recall a practice or
5 the specifics of how those things would have been set
6 up.

7 **Q. You think it would be in person or e-mail**
8 **or --**

9 A. It depends on the logistics of it. I
10 think --

11 **Q. Or --**

12 A. I can't recall one way or the other. I'm
13 sure, when we had the big circle group together, that
14 there was probably e-mail because it was just more
15 complex in terms of, Hey, can everybody get together
16 at, you know, this time in the AG's office in the big
17 conference room there.

18 **Q. Do you think that was done personal e-mail**
19 **or state e-mail?**

20 A. I can't remember right now, I truly can't.
21 So, I don't want to speculate as to what that was. It
22 could have been personal, it could have been public.
23 I'm not sure.

24 **Q. You think those would have been put on your**
25 **calendars?**

1 A. Could have been, yeah. I can't -- I don't
2 have a specific memory of whether it was or not. Um,
3 you know, sometimes you'd put a hold, a general hold
4 or something on a calendar. So I don't know, but it
5 wouldn't be outside the reach for it to be on my
6 calendar.

7 **Q. Would you have exchanged any e-mails with**
8 **outside political consultants prior to the**
9 **inauguration?**

10 A. Yes.

11 **Q. Okay. Do you think you have those?**

12 A. I don't know. I could look, but I don't
13 know.

14 **Q. If you could provide them if you do. Do**
15 **you know what the details of those e-mails would have**
16 **been or...**

17 A. I recall some logistics in terms of the
18 inauguration itself. Um, I recall e-mailing with
19 General Hawley ahead of the inauguration about kind of
20 office stuff or transition stuff. Um, it's possible
21 we could have e-mailed with Timmy and Gail about
22 transition stuff, as well, so I -- I couldn't tell
23 you. That's going on almost three years ago, so I --
24 I couldn't tell you specifically.

25 **Q. Okay. So in your statement to the**

1 **Secretary of State, you stated the first time you met**
2 **Ms. Gitcho was mid January, 2017, at the AGO's office.**
3 **Do you know who arranged for Ms. Gitcho to attend that**
4 **meeting?**

5 A. I would assume General Hawley, but I
6 wouldn't know. This was -- I think I referenced
7 this -- that meeting, um, earlier a few minutes ago
8 when there was -- when I described a meeting in
9 January or February or sometime early in the -- in the
10 administration when, um -- the way I recall it,
11 General Hawley was meeting with them.

12 They were in the office and it was a circumstance
13 where John and I popped in or -- John Sauer and I,
14 perhaps, or Mike Martinich and I. I couldn't tell you
15 exactly who all was there, but I recall General Hawley
16 and Gail Gitcho and Timmy being there, and when we
17 popped in, it was probably thirty minutes or
18 something. It was probably, A, to meet in person and,
19 B, to talk about some of the key office initiatives,
20 which I believe at the time would have been, you know,
21 some of the federal overreach work, some of the human
22 trafficking work, opioids work, some of those types of
23 things that General Hawley had set as kind of office
24 priorities.

25 But, again, that's -- the substance of that is

1 speculation, but that's kind of generally all we ever
2 spoke about there. So, that's the same meeting where
3 I probably met Timmy and Gail at the same time.

4 **Q. Okay. Did you have any meetings with any**
5 **other outside consultants besides Ms. Gitcho and**
6 **Mr. Teepell?**

7 A. I don't believe so. I remember talking
8 with a gal named Katie McGurk in the transition, and I
9 believe she had done fundraising work for General
10 Hawley.

11 But my only engagement or interaction with her was
12 with regard to the logistics of the inauguration of,
13 you know, invites or, you know, where General Hawley
14 needed to be at a certain point in time. And I was
15 kind of a point man for General Hawley that day, and
16 his wife, Erin, to help them get to the different
17 spots that they needed to be.

18 So I would have talked with her, I'm sure, about
19 some of those logistics because she was kind of
20 running point on that, I think.

21 **Q. Do you know what kind of time frame?**

22 A. That would have been, um, December, early
23 January of 2016 and '17.

24 **Q. Okay. And that was the only time you met**
25 **them or met her?**

1 A. I believe so. (Nodding head.)

2 Q. Okay.

3 A. Uh, one day I took a vacation day to go to
4 a Lincoln Days event. Is that what it's called, is it
5 called Lincoln Days?

6 Q. Mm-hmm.

7 A. I had never been to one of those before. I
8 thought it would be a good opportunity to meet other
9 lawmakers and folks that worked either in the
10 legislature or those types of things, and she may have
11 been there at that event, too. I couldn't tell you
12 when the specific date was of that, but I didn't have
13 any responsibilities then. I just, um, drove down and
14 drove back up.

15 Q. Where was that at, Lincoln Days?

16 A. I think it was Springfield.

17 Q. Okay.

18 A. But, again, I couldn't tell you the logi --
19 I couldn't tell you.

20 Q. You think that was in 2017?

21 A. Yeah, I believe it was --

22 Q. Spring?

23 A. -- in '17, yes, ma'am.

24 Q. Okay. All right.

25 A. Is it held in the same time period every

1 year?

2 Q. I'm not sure.

3 A. So...

4 Q. All right. So in your statement to the
5 Secretary of State, you stated you met with the
6 outside political consultants three to four times, and
7 you kind of indicated just now you thought January of
8 '17, then you thought -- when do you think the other
9 two or three times were?

10 A. Um, this is an estimate. I truly don't
11 recall all the specifics of it. I know that there was
12 probably one, uh, series of meetings over the course
13 of a day or two, and if that would have been May,
14 June, July, um, could have been August, but I doubt
15 that it would have been that deep, where I -- I recall
16 the breakfast meeting with Timmy, the one-on-one kind
17 of personal development meeting.

18 There was probably another meeting in my office
19 that was one on one with Timmy, same sort of thing.
20 And then there was a roundtable meeting of four or
21 five different folks from our office that were
22 present, and I believe Timmy was present there, too.
23 I don't know if Gail was there.

24 So that combined with the January meeting would
25 probably be the three or four that I'm -- I'm

1 referring to, or those types of things.

2 **Q. So the four or five that were at the**
3 **roundtable meeting, same folks, or anybody additional?**

4 A. Same folks. Same as what? I'm asking. I
5 don't understand your question.

6 **Q. Loree Anne Paradise, you indicated**
7 **Martinich-Sauter, Sauer, anybody else from the AG that**
8 **would have been in those meetings?**

9 A. I don't know -- I don't think I described
10 Sauer as being at that meeting.

11 **Q. Okay.**

12 A. I think that meeting, remember it being in
13 the afternoon, I remember Loree Anne being there. I
14 think Elizabeth Johnson was probably there. She'd
15 worked with and kind of for Loree Anne at the time.
16 Rachel Hassani was there from the legislative
17 standpoint. Maybe somebody from constituent repre --
18 constituent services was there. Daniel Hartman was
19 probably there. He was doing work on some veterans
20 initiatives, and, um, some early-stage human
21 trafficking stuff.

22 And so those were the folks that I can recall, at
23 least today, being at those meetings. There could
24 have been more, there could have been fewer. Um, but
25 just from a general recollection --

1 Q. Okay.

2 A. -- I believe that's, um, the majority of
3 those folks.

4 Q. And that meeting was in Jeff City, too?

5 A. Yes, ma'am.

6 Q. Okay.

7 A. In the office.

8 Q. All right. And those meetings scheduled on
9 their office calendar --

10 A. I believe so. Yeah, I think --

11 Q. -- or by e-mail or --

12 A. Yeah, I think -- and I believe I referenced
13 this a second ago. I think I would have scheduled
14 those on my office calendar, um, and having that --
15 those -- those people at the, um -- at the table, I'm
16 sure there was an e-mail that went out about
17 scheduling that just with -- you know, if it's one or
18 two people, you can kind of grab -- you know how the
19 office works. If it's one or two people, you can kind
20 of grab them on the fly.

21 To the extent you're trying to find a time where
22 folks can all be there, I think either an in-person
23 conversation -- I remember having a conversation with
24 Rachel Hassani about it, or an e-mail. At this point,
25 today, I couldn't tell you which.

1 Q. Do you think state e-mail or personal
2 e-mail?

3 A. I don't know.

4 Q. Okay.

5 A. I don't recall today.

6 Q. Okay.

7 A. As we sit here, I couldn't tell you one way
8 or the other.

9 Q. Okay. Great. Were there any agendas for
10 those meetings so that folks knew kind of what to
11 prepare for?

12 A. Um, I don't know that an agenda was ever
13 written down. To the extent that we --

14 Q. Could it have been included in an e-mail
15 or --

16 A. Potentially. I just -- I can't recall.
17 But to the extent I would go and talk to them in
18 person or probably in the e-mail kind of about the
19 logistics of getting together, it would have been,
20 Hey, you know, talking through some of our office
21 initiatives and, you know, thinking what could we do
22 best to effectuate those things.

23 And I -- I have the vague recollection of kind of
24 going around the table saying what we're working on
25 and how we can do it better, how we can, you know,

1 work with other people in our office to do something,
2 more efficiently, or what are good ideas that we all
3 have on different things, so...

4 **Q. So that big roundtable meeting, it would**
5 **have probably taken quite a bit to schedule. Do you**
6 **know who reached out to the consultants to schedule**
7 **that, who made the arrangements, got the room?**

8 A. Yeah, um, specifically I don't recall that.
9 Um, it probably would have been a scenario where Loree
10 Anne would have said, Hey, they're coming in town on
11 this day and this day, hoping to meet with different
12 folks in the office. I'm not sure if that was a
13 direction from General Hawley or not, I don't know,
14 but it probably would have been around their coming in
15 town.

16 **Q. So you think Mr. Teepell and Ms. Gitcho**
17 **would have contacted Loree Anne?**

18 A. Yeah, or perhaps on the phone with me, I'm
19 not sure. Maybe Timmy would have called and said,
20 Hey, I think we're coming into town this date or that
21 date; you know, it would be great to get everybody
22 together to talk about the office. That is possible,
23 too. I just don't have --

24 **Q. Okay.**

25 A. -- the logistics or specifics on

1 remembering how that stuff would come about.

2 **Q. Okay. So before the meetings with the**
3 **consultants, would you have discussed those meetings**
4 **with anybody, Attorney General Hawley or your staff?**

5 A. Well, I just referenced, you know, when we
6 would bring -- we were checking schedules and seeing,
7 you know, logistics of time -- would, I'm -- I'm sure,
8 that if it was in -- in person, it would have been,
9 Hey, Timmy and Gail are coming; it would be great to
10 get everybody to sit down and talk about what we're
11 working on and how do we -- how do we do that, how do
12 we do that well.

13 So I'm sure there was some kind of general --
14 general table-setting, so to speak, that was
15 communicated to folks. Certainly never communicated
16 that there would have been a political or a campaign,
17 you know -- it was always my understanding kind of
18 based on conversations with Mike Martinich or John
19 Sauer that it was appropriate for campaign consultants
20 to come alongside the work of the office and aid in
21 the work of the office, and so that was always my kind
22 of operating understanding in kind of these contexts.

23 And so probably would have communicated that to --
24 to folks to the extent we had conversations about,
25 Hey, this is what this meeting would be. It would

1 just be us talking about what we were working on in
2 the office and how we do it better and those types of
3 things.

4 **Q. Okay. So what all topics do you think you**
5 **discussed? You've mentioned opioids and trafficking.**
6 **Is there any other topics you would discuss?**

7 A. In -- in --

8 **Q. In the meetings with the consultants.**

9 A. All the different meetings?

10 **Q. Sure.**

11 A. Um, well, kind of going to the three or
12 four different meetings that I can recall, um, yeah,
13 there was -- there were meetings that -- maybe that
14 first one in January probably would have been federal
15 overreach and human trafficking. Um, I think human
16 trafficking was one of the first initiatives that
17 really started getting -- well, federal overreach and
18 working with our -- like our federalism's unit, so to
19 speak, to take more of a national position toward
20 federal overreach was probably the first real major
21 initiative that our office implemented, and I'm sure
22 there was some discussion about that. John Sauer
23 probably would have -- John and Mike would have led
24 those initiatives.

25 Human trafficking, I think, was the second mature

1 initiative that really kind of got -- got rolling.

2 And so I'm sure that that would have been something

3 that we would have discussed, as well.

4 And then to the extent opioids probably starting

5 to get more traction the summer of '17, that would

6 have been something that we would have discussed

7 generally, as well.

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19 Q. Were a lot of the topics more national,
20 trying to get national issues? You mentioned the
21 federal and then the --

22 A. No, I think the -- the issues, really, that
23 we talked about substantively were how do we, um,
24 initiate and execute on the initiatives that General
25 Hawley had set for the office. And those general

1 initiatives that General Hawley had set were kind of
2 working back on federal overreach.

3 I remember things like John Sauer working on
4 letters about waters of the United States or, you
5 know, the endangered species rules, those types of
6 things; that that was something that a direction had
7 been set by General Hawley that those were areas that
8 we were going to pursue as an office. And then human
9 trafficking, obviously something that he had set as an
10 agenda item for the office. Opioids was a big piece
11 that General Hawley had set as a major initiative for
12 the office.

13 And then toward the end of my time, veterans, how
14 do we as an -- how does an attorney general's
15 office -- is it uniquely suited by -- suited to aid in
16 the care of veterans? And so we were working on
17 initiatives about how do you mobilize some of the
18 legal expertise across the state toward pro bono hours
19 and those types of things, as well.

20 So those were kind of the major policy things that
21 General Hawley would set for our office, and to the
22 extent we'd have conversations with Timmy or Gail, at
23 least from my perspective, it was, you know, rooted in
24 those issue -- how do we bring about those issues that
25 General Hawley had already set for the office.

1 And I don't think there was a national versus
2 local, or national versus state consideration there,
3 but that's -- that's -- that's me speculating on it.

4 **Q. Okay. During the meetings with the**
5 **consultants, were any topics raised that were only**
6 **campaign related?**

7 A. No. Not that I can remember, no. Um,
8 General Hawley was really precise about those things,
9 um, really, um, disciplined to just keep conversations
10 related to the work our office was doing. Um,
11 certainly our office has a public dimension -- you
12 know, a public and visible dimension to it, but, you
13 know, no other campaign type stuff.

14 I mean, I remember, um, learning that General
15 Hawley was running for senate, uh, when he published a
16 video saying that he was running for senate. You
17 know, all of us had read the -- kind of the
18 speculation articles and stuff, but that was never
19 something that as an office we discussed or anything
20 like that.

21 And I even recall when he announced that he was
22 running for senate, he sat the executive team down and
23 just said, Hey, this doesn't change anything for us.
24 We -- our -- our direction is still the same thing, is
25 to go about the work of our office in a way that's,

1 um, vigilant and honorable. Something to that effect,
2 that's what he said.

3 So it was a very clear ethos that our work at the
4 office was to be doing the work of the office. And
5 so, yeah, I never stepped foot in a campaign office or
6 anything like that.

7 **Q. So were there any references in the**
8 **meetings with the political consultants regarding**
9 **Attorney General Hawley running for senate, since they**
10 **were also his campaign consultants?**

11 A. I, uh -- I don't recall any of that, you
12 know, I don't recall. I don't recall any mention of
13 things like that. That would have been odd to me.

14 **Q. Any discussion drift towards**
15 **campaign-related issues?**

16 A. I don't believe so. No, I don't believe
17 so.

18 MR. HADEN: And I'm going to -- I -- I got
19 to say, I'm going to object to this. I'm going to
20 object here, I guess, as to form of vagueness, because
21 when you say "towards campaign issues," I guess I
22 could see anything theoretically being a campaign
23 issue. So maybe if there's a more specific question,
24 I think it's fine, but to the extent he can even know
25 what a "campaign issue" was, he said they didn't -- he

1 didn't talk about the campaign, so...

2 Q. (By Ms. Allison) During the meetings with
3 the consultants, were any topics raised that caused
4 you concern?

5 A. No.

6 Q. How was your staff informed of the topics
7 for the meetings with the consultants?

8 A. Again, I think this is going back to how we
9 would have, um, described it, which I don't -- I don't
10 have a specific memory or recollection of. Um, but
11 certainly there would have been a table-setting -- or
12 I'm sure, be it e-mail or in person, there would have
13 been some table-setting type of conversation about,
14 Hey, Timmy and Gail, or maybe just Timmy, I don't
15 recall if it was both of them coming into the office,
16 wanted to talk about some of our key office
17 initiatives, and the same thing that we've discussed
18 here. So...

19 Q. Okay. And were they given any documents to
20 prepare them for the meetings?

21 A. I don't recall that. I don't know.

22 Q. Okay. Did you or your staff take notes, do
23 you know if your staff took some notes?

24 A. I don't know. I wouldn't know.

25 Q. Okay. Following the meetings with the

1 consultants, did anyone ever come to you and discuss
2 concerns with the meetings or with the political
3 consultants?

4 A. I believe, um, perhaps prior to the
5 meeting, I remember having an in-person conversation
6 with Rachel Hassani, and Rachel expressing concerns
7 that consultants were in the office. She said
8 something to the effect of, It's illegal to have
9 consultants in the office. And this is from memory,
10 but I recall saying, I, you know, certainly don't want
11 you to feel uncomfortable here. You don't have to
12 come to the meeting if you don't feel comfortable.
13 It's my understanding that it's -- it's perfectly fine
14 for them to come alongside the office's work and help
15 us in that respect.

16 [REDACTED]
[REDACTED]
[REDACTED]

19 MR. SMITH: And I'll just say, yeah, we
20 object to privilege, if there was any discussion
21 between you and anyone else in the office about a
22 legal issue like that.

23 MS. ALLISON: Okay.

24 MR. ANDERSON: And you may want to ask if
25 it was a legal issue.

1 Q. (By Ms. Allison) Was it a legal issue?

2 A. It was based on --

3 MR. ANDERSON: Can I interrupt for a
4 second?

5 THE WITNESS: Sure.

6 MR. ANDERSON: This may be one of those
7 instances if you want to talk to your attorney outside
8 of everybody's hearing, you can do that.

9 THE WITNESS: Sure, no, I'm fine. I
10 just -- it doesn't matter --

11 MR. HADEN: I guess -- I guess here's what
12 I would say, Evan, I mean, I'm happy to say it on the
13 record. I mean, if -- I think that we've got a lot of
14 lawyers on the call. I mean, the test -- the -- what
15 the test is. So, if you were discussing a legal
16 interpretation or the law, um, then I think that meets
17 the definition of a legal issue. So --

18 MR. ANDERSON: That's --

19 MR. HADEN: -- if that's the discussion, I
20 think the answer would be yes.

21 MR. ANDERSON: That's -- that's --

22 MR. SMITH: Yes, that would be our
23 position, as well --

24 MR. HADEN: And that's -- that's not me
25 saying that is the fact. Obviously, you know the

1 facts. We don't know the facts. But if that is the
2 fact, then, I think it's appropriate to say that.

3 Obviously, the AG has already asserted their
4 privilege. So you, as an attorney to the AG within
5 that office, have to honor their assertion, as well.
6 But I mean, I think you -- I'm not telling you don't
7 answer his question. So, I think --

8 THE WITNESS: Yeah.

9 MR. HADEN: -- said what I'm going to say.
10 You do your thing.

11 A. Yeah, it was my understanding that it was a
12 legal conversation.

13 **Q. (By Ms. Allison) Okay. So what was the**
14 **role of the consultants with the Attorney General's**
15 **Office and who determined their roles?**

16 A. Their role, I would say, was within the
17 ethos of the things that were described -- that we're
18 talking about today. Early on in the administration,
19 they would come alongside the office and help on
20 thinking through different issues, those types of
21 things.

22 Um, General Hawley led the office, set the -- set
23 the trajectories, decided what we were going to
24 pursue, what we weren't going to pursue and those
25 types of things. And so I think all of us took pretty

1 seriously our role to serve Missourians, and if there
2 were ideas we can glean about how to do that well, uh,
3 then, um -- and if it was within the bounds of the law
4 and it was appropriate and it was above board, then --
5 then certainly, um, uh, listened to them on those kind
6 of limited number of -- of -- of issues within --
7 within the office. Um --

8 **Q. So they were kind of advisory or guidance,**
9 **or how do you --**

10 A. Yeah, it's supplemental. I think they
11 would come in and help and share expertise and share
12 thoughts related to issues within the office and
13 office-based initiatives, but certain -- I -- I didn't
14 experience them as being directional or directory in
15 terms of -- you know, if I ever had a question about
16 what we should pursue or what we shouldn't pursue,
17 that would have been a question to John Sauer or Mike
18 Martinich, who had probably more frequent
19 conversations with General Hawley than I did, or those
20 types of folks. I think they were to help us to think
21 through different issues.

22 In terms of whose direction they were there from,
23 I -- it's my understanding that General Hawley knew
24 and was aware and, um -- and -- and, uh, um, you know,
25 appreciated their insight on those -- on those

1 particular issues. But I don't know, um -- I
2 wasn't -- I wasn't part of conversations that he had
3 with them about, um, Hey, I want you to do this, this,
4 and this within the office. I -- I wouldn't -- I
5 wouldn't know how that direction was set.

6 **Q. Okay. So how was the role of the**
7 **consultants explained to the staff?**

8 A. Which staff?

9 **Q. Um, just your staff there at the Attorney**
10 **General's Office that might have interacted with them**
11 **or even those who --**

12 A. Sure.

13 **Q. -- saw them there, and then how and when**
14 **was that communication, if there was any, conveyed.**

15 A. Yeah, I, um, I couldn't speak to everybody
16 because I -- I didn't -- I didn't define the terms of,
17 um, their engagement with our staff. Um, uh, I think
18 Rhonda Meyer and I -- she was a direct report
19 relationship to me, as was Rachel Hassani for a time,
20 but other folks like Mike or John or Ryan or Darrell
21 or Loree Anne, those would have had other kind of
22 direct report organizational relationships. So I
23 don't know that I had any of those types of
24 conversations with any of them.

25 But my conversation with Rachel was, again, I

1 think I remember that face-to-face meeting saying,
2 Hey, they're here to help us think about some of the
3 initiatives in our office, you know, um, our major
4 initiatives, and also some of the operational things
5 like constituent services, how do we -- how do we
6 increase our ability to respond to, um -- to those we
7 serve, or legislatively how do we -- you know, how do
8 you build relationships with great -- with the
9 legislature, unto kind of the work of our init -- you
10 know, our key initiatives.

11 So those probably would have been the
12 conversations I would have had with folks. I don't
13 recall any specific conversations with Rhonda Meyer.

14 **Q. Do you know how or when those conversations**
15 **would have occurred, whether they were personal,**
16 **one-on-one conversations or --**

17 A. Yeah, I believe so. I think the two
18 conversa -- or the two, you know, folks that I'm
19 referring to would be Rhonda and Rachel. Rachel, I
20 remember that -- I remember that in-person meeting
21 where we talked about that and she expressed concern.

22 I later went back and told her, "I don't believe
23 that there's anything to be concerned about, but if
24 you don't feel comfortable coming to the meeting, you
25 certainly don't have to."

1 And then I don't know that Rhonda and I ever
2 discussed it deliberately.

3 **Q. Do you think that conversation took place**
4 **early when they took office or later on?**

5 A. With Rachel?

6 **Q. Or either, or Rhonda or --**

7 A. I don't know that I had a conversation with
8 Rhonda about any of these things --

9 **Q. Okay.**

10 A. -- but Rachel, it would have been within
11 the proximity of that roundtable meeting, May, June,
12 July-ish of '17. I don't know that she would have had
13 any other touch points with them other than that, at
14 least that I was aware of, so I don't know.

15 **Q. So in some of the Secretary of State work**
16 **that we reviewed, kind of the role of the consultants**
17 **was described as administrative consulting services;**
18 **would you agree with that or --**

19 A. I don't -- I don't know. It -- it depends
20 on what somebody means by that.

21 **Q. Okay.**

22 A. And I'm not sure who said it or what the
23 context was, so I don't know. Um, um --

24 **Q. Well, I guess describe the process of how**
25 **the consultants worked with the AGO's office.**

1 A. Well, again, it's kind of like we've been
2 talking about, um, that either Timmy would call in to
3 me or would talk to Loree Anne, or I don't know if
4 General Hawley would ever say, Hey, they're coming to
5 town; it would be great to get everybody to sit down
6 and talk about the work we're doing for the office.

7 Um, but, yeah, if we would have, it would have
8 been, you know, How do you think about certain issues?
9 How do we get more effective as an office to achieve
10 these office initiatives? You know, essentially
11 everything that you and I have been talking about --

12 **Q. Okay.**

13 A. -- would be how I'd describe it.

14 **Q. So how long did the consultants serve kind**
15 **of in that role?**

16 A. Um, I don't recall much of anything else
17 beyond the summer of 2017, and I don't -- I don't say
18 that with a firm date in my mind.

19 **Q. Maybe January to July or --**

20 A. Maybe -- yeah, maybe from a general
21 standpoint. But if you told me there were some -- you
22 know, there was something in, you know, August or
23 September, I don't know. But, again, this kind of
24 being almost three years ago, that was the season in
25 which I think the bulk of these meetings or

1 conversations would have been had, um --

2 Q. Okay.

3 A. -- so...

4 Q. Was your staff expected to report to the
5 consultants?

6 A. Uh, no. That was never my expectation.
7 Um, but it --

8 Q. Kind of follow their direction or guidance?

9 A. I -- I -- if you're asking me to jump
10 inside their head, you'd have to ask -- you'd have to
11 ask members of the staff. It was never my -- my
12 intention or understanding at all, from those who
13 would have, um, um, interaction with them, that that
14 would have been the case. I think it was always clear
15 that General Hawley led the office and the direction
16 came from him.

17 You know, one example I recall was, um, Mike
18 Martinich and General Hawley -- this would maybe be a
19 for-example of how something like this would happen.
20 Martinich and General Hawley were wanting to bolster
21 our capacity to, um, execute the, uh, human
22 trafficking initiatives, and so we talked about a
23 human trafficking coordinator.

24 So obviously there's a legal element of things,
25 but then also how do you get the right people in the

1 room and around the same table so that effective
2 conversations are being had across the state, and
3 so -- and, also, Mike Martinich, his time limitations,
4 and so what would that role look like.

5 And so I remember, uh, General Hawley and, um,
6 Mike calling me into General Hawley's office and
7 saying, Hey, let's move forward on a human trafficking
8 coordinator position. Do we have budget, you know,
9 flexibility to do that? How would we -- how will we
10 make that work? And I'd say, Well, I think we do. I
11 think we could use these funds or these funds, and
12 kind of logistically, this would be how we would piece
13 it together. Let me work with Rhonda to figure out a
14 plan of attack. And, you know, who would this person
15 report to or the office out of? Is this something
16 where it would have to be Jefferson City, only, or
17 could this person be in Kansas City or in St. Louis or
18 Springfield, and, if so, what's our office capacity
19 for those types of things? And then, you know, we
20 would kind of get working on that.

21 And I recall that being an issue once, that Timmy
22 raised in one of these meetings, is, Hey, how are we
23 doing on that human trafficking coordinator position?
24 But, you know, he would only raise that and assuming
25 that -- that General Hawley and, uh, Martinich had

1 already given the directive that this was something we
2 wanted to pursue.

3 So it was kind of like, How are we coming on that?
4 What do we think the timeline is on that? You know,
5 Mike, what do you envision about the role? You know,
6 those types of things. So that would be kind of a
7 practical example of how those types of things would
8 work, but the direction would come from General
9 Hawley.

10 And then in terms of logistics and execution, to
11 me, would, um, would help to kind of think through
12 how -- how we do that well, um, those types of things.

13 Q. Okay. I'm going to show you an e-mail -- a
14 couple of e-mails. This was sent on May 4th of '17 --
15 oh, I'm sorry, May 1st of 2017, that you -- and it
16 looks like -- um, or Loree Anne sent. I'll let you
17 take a look at it.

18 And then here's another one from Loree Anne to you
19 on 4/23 of '17. I got a copy for you, too. So I've
20 got Exhibit A and Exhibit C. There you go.

21 So on this first one, which has got the 5/4/17
22 date at the top --

23 A. Is the first one Exhibit A?

24 Q. Right.

25 A. Okay.

1 Q. But probably the e-mail I'm going to talk
2 about is the one dated on May 1st of '17.

3 A. Okay.

4 Q. So this e-mail kind of has some action
5 points --

6 A. Mm-hmm.

7 Q. -- for like Daniel, Loree Anne, Rachel,
8 Mike, and yourself, to address. So how were those
9 action points determined?

10 A. Um, let's see -- give me a second to review
11 it.

12 Q. That's all right.

13 A. Sorry. Coming in blind, here. Sure.
14 Let's see. Your question again, how would they -- how
15 were the action points arrived at?

16 Q. Right. It looks like you're sending the
17 e-mail out to all of those kind of as a group e-mail.
18 So how were those action points determined? Was this
19 something that Attorney General Hawley dictated or was
20 this something the consultants asked that you put
21 together, or I guess how did it get started?

22 A. Yeah. So these are all issues that, um, at
23 least to the best of my memory here, these are all
24 issues that we were focusing in on as an office, and
25 that these would be -- have been directed by General

1 Hawley. Now maybe not to the pure logistical level,
2 but, you know, to the extent of Daniel, you know,
3 intergovernmental affairs, you know, Hey, let's --
4 let's build some relation -- this is early on in the
5 administration, right. This is everybody kind of
6 understanding how to work with everybody. I think
7 this was coming out of, you know, the first
8 legislative session.

9 So, you know, you get -- General Hawley is
10 inaugurated January, and then you go straight into
11 the -- into the legislative session. And so I think,
12 given the date of this kind of coming in toward the
13 end of the -- of the session, and then almost kind of
14 catching our breath a little bit and getting to work
15 on building the core competencies of the office.

16 So, if we go through these generally, these would
17 have been focus areas that all of us would have with
18 relation to our work in the office as directed by
19 General Hawley.

20 So, you know -- or -- or as directed by, um -- as
21 self-initiated. Many of these things were things that
22 all of us were already working on, and if I recall
23 this e-mail, it would have been -- it would have been,
24 um, kind of a summary of our conversations at that
25 roundtable meeting, that -- this is me kind of

1 capturing action points that we had discussed together
2 or that people would have said, um, Hey, I'm going to
3 work on this, this, and this.

4 And so it may be a little bit of a dovetail here,
5 but David Allen wrote a book called "Getting Things
6 Done," and he talked about -- and I kind of used that
7 as a process.

8 THE WITNESS: Joel, are you familiar with
9 David Allen?

10 MR. ANDERSON: Mm-hmm.

11 A. So, capturing action points and kind of
12 following up with people just so that we all kind
13 of -- we're on the same page and everybody can see it
14 together. But this would have captured our
15 conversation at the roundtable context. Um --

16 Q. (By Ms. Allison) So up here at the top it
17 says, "Follow Up From Timmy's Visit." That would be
18 Timmy Teepell --

19 A. Yeah.

20 Q. -- the consultant?

21 A. Yeah, yeah. So this would have been the
22 meeting that Timmy was present for, and it looks like
23 Daniel was there, Loree Anne was there, Rachel was
24 there, Mike was there, I was there. And so this would
25 be an example of the type of, um --

1 **Q. This Thursday at 9:00 a.m., you think**
2 **that's the meeting with Timmy or is this kind of after**
3 **you've met with Timmy?**

4 A. I think this is after.

5 **Q. Okay.**

6 A. Yeah, I mean, if it says "Follow Up From
7 Timmy's Visit" as the subject line, that this would
8 have been afterward, and that this would have captured
9 some of our conversation points that we would have
10 discussed as a team with Timmy present. And just from
11 my --

12 **Q. So do you think these action points are**
13 **then from what Timmy suggested at the meeting, then?**

14 A. I mean, he may have had -- he may have had
15 things that he added, you know, that these may have
16 incorporated some of -- some of the suggestions, but
17 it wasn't -- I don't recall this meeting as being
18 Timmy hosting the meeting and saying, Evan, you do
19 this; Daniel, you do this; Loree Anne, you do this;
20 Evan, you know, Rachel, you do this, everybody break.

21 It was -- the way I recall this meeting was
22 everybody kind of going around saying, What are the
23 big issues? What are the big items in our hopper?
24 You know, if Mike's working on opioid stuff -- and
25 this would have kind of matched the time period that I

1 described to you where, toward the summertime, we were
2 starting to get more involved in the opioid issue.
3 Mike was working on that and the veterans pro bono
4 project as an example. Those were all issues that
5 General Hawley would have directed Mike to be working
6 on. And this would have been more in terms of
7 capturing some of our conversation and action points
8 rather than -- rather than Timmy saying --

9 **Q. So was Attorney --**

10 A. -- you do this, you do that, you do that.

11 **Q. Was Attorney General Hawley present at the**
12 **meeting --**

13 A. I don't believe so.

14 **Q. -- with Timmy at this time frame --**

15 A. I don't believe so.

16 **Q. Okay. All right.**

17 A. I'm sorry, I marked on this. Is that --

18 **Q. It's your copy.**

19 A. Okay.

20 **Q. So could you explain what some of these**
21 **items are on the action point list.**

22 A. Sure.

23 **Q. For example, a target list of local and key**
24 **officials for intergovernmental affairs.**

25 A. Yeah, I think this would have related to --

1 I mean, Dan -- this would be good to ask Daniel about
2 because this would have been within his -- his kind of
3 scope. And he didn't report to me, so to speak.

4 So, um -- but a target list of local and key
5 officials. Again, this was kind of coming out of the
6 first session for us and it was the first time, I
7 think as an office, that we wanted to take that summer
8 to kind of think through developing relationships,
9 think through how we could build partnerships
10 throughout the state, think through where efficiencies
11 and partnerships might be possible to pursue different
12 initiatives.

13 For example, one of them would have been kind of
14 working with Whiteman Air Force Base or different
15 military installations, or the Missouri Bar
16 Association to identify some pro bono needs on kind of
17 veterans type issues, and using that information from
18 them, kind of work with them to -- to figure out how
19 the Attorney General's Office could help, to help do
20 that. That would be an example of this.

21 Coalition groups, probably the same -- same type
22 of -- of thing, where -- I couldn't tell you two and a
23 half years later what, you know, specifically
24 "coalition groups" meant. But perhaps it was human
25 trafficking groups, nonprofits, or veterans groups and

1 nonprofits, or maybe ag -- ag industry groups and
2 nonprofits that we wanted to build relationships with
3 to further things.

4 **Q. How about the relational engagement over**
5 **the summer with the key legislators?**

6 A. Yeah.

7 **Q. What would that be?**

8 A. What's that?

9 **Q. What would that be?**

10 A. Um, I think this was pretty
11 self-explanatory. Who are some of the key legislators
12 that we want to build relationships with over the
13 summer? And I remember having a -- perhaps a
14 conversation at that roundtable to say, you know, um,
15 in the hustle and bustle of the legislative session,
16 sometimes you have to jump into issues before you can
17 jump into relationships with them.

18 So, using that summer, then, to build key
19 relationships with people, um, throughout the state,
20 um.

21 **Q. So how -- how did -- how did they do that?**

22 A. I don't know that this ever materialized,
23 but this was kind of one of our suggestions about, you
24 know, who -- who would be, uh, key, and you'd look at
25 things like -- and I'm speculating here, but, you

1 know, budget chairs or appropriations chairs or key
2 committees, maybe a committee that had sponsored a
3 human trafficking initiative, you know, and talking to
4 folks that, um, from a policy sense were sensitive to
5 the same issues that our office was sensitive to and
6 having kind of introductory conversations with folks.

7 I don't think this ever materialized. [REDACTED]

8 [REDACTED] and I
9 couldn't tell you exactly when that was. Um --

10 **Q. So were these lists that you asked them to**
11 **prepare, were they turned in to you?**

12 A. Um, I'm not sure that that was ever turned
13 in.

14 **Q. Okay.**

15 A. I don't know that that was ever --

16 **Q. Or like the target list of local and key**
17 **officials, there are several of these that have lists**
18 **on them.**

19 A. Yeah. I don't recall those ever coming
20 back to me. Um, and, again, this was -- the tone of
21 this e-mail was not necessarily like as chief of
22 staff, You guys do these things and, you know, report
23 back. That's not the tone of this at all.

24 It was more capturing what people had said and
25 so -- or capturing kind of things that folks -- we had

1 talked about in the room and everybody thought was a
2 pretty decent idea, and thought, Well, okay, how do
3 we -- how do we move toward clarity on some of these
4 things? But obviously some of them didn't -- didn't
5 materialize, just by the fast-moving nature of things.

6 MS. ALLISON: Okay.

7 THE WITNESS: If it's okay, could we turn
8 the air-conditioning back on?

9 MR. ANDERSON: Yeah.

10 THE WITNESS: Is anybody else warm?

11 MS. ALLISON: It's warm in here.

12 THE COURT REPORTER: Do you want to take a
13 break?

14 MS. ALLISON: Yeah, we can take a break,
15 too.

16 MR. ANDERSON: Thank you.

17 (Break in proceedings from 1:38 to 1:41 p.m.)

18 MS. ALLISON: Are we back on the record?

19 MR. ANDERSON: She's waiting on you.

20 MS. ALLISON: Oh, okay.

21 Q. (By Ms. Allison) Okay. So you don't think
22 any of these lists or any of this actually got done,
23 or do you think --

24 A. I don't --

25 Q. -- some of these folks would have done some

1 of this?

2 A. Um, so things like -- I'm sure some of
3 these things would have gotten done, obviously. I
4 don't know that I was the bottleneck in terms of
5 everything passing through me, but, you know,
6 constituent services, I know that we did some great
7 work updating that. I know that Loree Anne did find
8 and hire a press secretary. I know Brad Johnson
9 joined the office for a little while.

10 Q. Right, which I think this e-mail on 4/23
11 talks about Brad Johnson --

12 A. Okay.

13 Q. -- being the body man for the AG.

14 A. Okay.

15 Q. What exactly is a body man?

16 A. Are we shifting to Exhibit C?

17 Q. Yeah.

18 A. Um, so a body man is just kind of a casual
19 term for somebody that would go with General Hawley to
20 different official events, state and public events,
21 and help either drive or help him with the logistics,
22 kind of trying to help with -- maximize Attorney
23 General Hawley's time, those types of things.

24 I knew Brad. He went to church with me and he was
25 in law school at the time at UMKC, um, but also had

1 another connection to General Hawley. I'm not sure
2 what the connection was, but had another connection to
3 General Hawley, I believe, that Hawley had raised his
4 name to me, and I said, "I know Brad. He's a great
5 young guy." [REDACTED] so, you know, I
6 think could be a little bit more flexible in terms of
7 time.

8 And so I remember talking to General Hawley as
9 our -- you know, what is this, April of '17? It was
10 kind of in transition, though, at this point. It's
11 three months in office, three and a half months in
12 office, much of that spent during the legislative
13 season, kind of hit the ground running, and so
14 constantly trying to look for ways to make the office
15 more efficient and kind of respond to needs and be
16 dynamic in that sense.

17 My -- there were times where I would travel with
18 General Hawley on things, um, but, uh, um, my role
19 with kind of personnel and budget and those types of
20 things and trying to just help make the -- the office
21 flow well, um, I think General Hawley identified a
22 need for somebody to help him with this type of thing.
23 So I believe --

24 Q. Okay.

25 A. -- Brad Johnson came on board to do --

1 **Q.** And that was kind of one of those action
2 points, right?

3 A. Uh --

4 **Q.** Job description for --

5 A. Yeah, yeah, yeah. So what would that job
6 look like? And so I believe, this is from memory, but
7 I believe it was a hybrid of certainly doing some of
8 the work with General Hawley in terms of being with
9 him and kind of helping him as an aide, but also
10 working with Loree Anne in kind of constituent
11 services and helping chase down issues when they're
12 raised to our office from the general public. I
13 believe it was a hybrid of some sort there.

14 **Q.** Okay.

15 A. And then to the extent we're talking about
16 discussing it with Timmy, it would have been, you
17 know, Hey, what kind of -- what would a role have been
18 like, you've seen, for body -- I mean, how -- how do
19 we -- what -- what would that look like for the
20 office? What are some things that you've seen that
21 have been helpful? What are some elements that you --
22 you know, what kind of characteristics are we looking
23 for, those types of things.

24 But I remember when I kind of had initial
25 conversations with Brad, then Attorney General Hawley

1 had a number of longer conversations with him and
2 eventually hired him. And I don't know that I was
3 directly involved in those. I don't think I was
4 involved in those conversations.

5 **Q. Did anybody else kind of serve as the body**
6 **man or a driver --**

7 A. Um --

8 **Q. -- to events or --**

9 A. I think Daniel did it at times. I did it
10 sometimes. I believe that's all I can recall. But it
11 would be things like we'd run over -- you know,
12 General Hawley and I would run over to the capitol
13 because he would speak at a -- you know, I remember --

14 **Q. What about Steve Hayden, do you think he**
15 **would have done that --**

16 A. Yeah, yeah, Steve would have driven. I
17 don't know that he was involved in things like the
18 logistics or stuff like that, but I know that his -- I
19 think it was consistent with what General Koster had
20 done, in terms of his kind of driving and security and
21 those types of things, um, and --

22 **Q. Is that kind of the same thing Brad Johnson**
23 **did?**

24 A. Brad, I think, was probably in addition to
25 Steve, but I don't know. I wasn't on a lot of those

1 trips, so I couldn't tell you exactly how that played
2 out. But perhaps Brad would have done some of the
3 calendaring and scheduling and the logistics, and
4 Steve would have driven and kind of provided security.
5 He had post certification, I believe at some -- some
6 level, park ranger or something. So there was a
7 security element that he would provide that Brad,
8 though he is a strapping young lad, that he wouldn't
9 have formally provided.

10 **Q. And did you interact with the political**
11 **consultants outside of the meetings?**

12 A. Um, there would be phone calls every now
13 and again, um, um, maybe e-mails, I'm not sure. But
14 it would -- um, the thrust of those things were
15 related to kind of the three or four meetings that we
16 had.

17 **Q. Okay. So take a look at these e-mails.**
18 **These e-mails are all going, Loree Anne Paradise --**

19 A. Which -- which --

20 **Q. Exhibit A, I'm sorry. Exhibit A.**

21 A. Okay.

22 **Q. So we've got LoreeAnnParadise@gmail.com.**

23 A. Mm-hmm.

24 **Q. We've got evanrosell@gmail.com. We've got**
25 **mcmartinich@gmail.com. We've got hartman@gmail.com.**

1 We've got hassani@gmail.com.

2 So this is all personal e-mail. This is not state
3 e-mail, right?

4 A. Mm-hmm.

5 Q. So is this typically how these
6 communications occurred, even though this is
7 supposedly state business?

8 A. Uh, I don't --

9 Q. Or is this because it was --

10 A. This meeting --

11 Q. -- Timmy's meeting or the meeting with the
12 consultants?

13 A. You mean this e-mail or these --

14 Q. Right.

15 A. -- types of communications?

16 Q. I mean, is this pretty typical?

17 A. Uh, I -- I don't know that there would have
18 been a typical way that we would communicate, in the
19 sense that it would be only one way or the other. I
20 know a couple of considerations for me is just from a
21 practical sense, well, hey, it wasn't ever my
22 understanding that it was improper to do that. We'd
23 sometimes -- Mike would send e-mails and his general
24 counsel trusted his, you know, guidance on what was
25 appropriate and what wasn't. Would certainly defer to

1 them in terms of their -- what best practice is on
2 Sunshine and stuff would be.

3 This was early on and a couple of other factors
4 that I remember, A, the relationship with Timmy began
5 via the Gmail stuff, and so there's probably a
6 pattern, and I'm not sure if this was responding to
7 anything from Timmy or somebody else, this particular
8 e-mail.

9 I also -- I had met with the former chief of staff
10 for General Koster, Jim -- his last name escapes me,
11 but he had talked about a practice that he had where
12 his e-mail wasn't open to outside e-mails, so really
13 just only the people that were within a list of
14 internal folks could e-mail him. And so, I -- I just
15 maintained that practice in the office. And so to the
16 extent Timmy or somebody like that would have e-mailed
17 my AGO office, it just wouldn't -- it wouldn't have
18 worked, so, um, potentially use Gmail.

19 But in terms of practice or standard of practice
20 or those types of things, I don't know that there was
21 ever a set -- sometimes you're -- you're at home and
22 you kind of errantly reach for e-mail that, um -- and
23 use, you know, Gmail. But obviously in this case,
24 sending it to all Gmail folks, I don't know that that
25 would be the case.

1 Q. So are you aware of -- I'm going to show
2 you Exhibit D. So this is the AGO's policy regarding
3 computer use and electronic written communication.
4 Where it says: It's the policy of the AGO that all
5 electronic written communication made or received in
6 connection with the official business be made or
7 received using the AGO's communications system. You
8 should not use your personal cell phone, Blackberry,
9 laptop, tablet for AGO business unless you're -- here,
10 you can read over that.

11 So you're saying you weren't aware of that policy?

12 MR. ANDERSON: Do we have a copy for --

13 MS. ALLISON: Oh, yes, right here. Sorry.

14 MR. HADEN: I'm sorry I'm not there, but
15 does that have a date on it, that policy?

16 MS. ALLISON: It's two pages out of the
17 AGO's policy. I can get him the complete policy with
18 the date.

19 MR. HADEN: I just didn't know if it was
20 current or contemporaneous to the date he started
21 or --

22 MS. ALLISON: I think this policy was in
23 place during this time frame and it continues on
24 concurrently now, too.

25 MR. HADEN: Sure. You know how sometimes

1 it will have like a little date stamp in the corner --

2 MS. ALLISON: Right.

3 MR. HADEN: -- showing you the origination
4 date. I didn't know if it had that. We'll figure it
5 out. I just wondered, but we'll figure that out.

6 Thank you.

7 MS. ALLISON: No, I can get him a complete
8 copy.

9 MR. HADEN: Okay.

10 THE WITNESS: Yeah, the date of this, I,
11 um -- are you referring specifically to section 9.0?

12 **Q. (By Ms. Allison) Right, and a little bit**
13 **of 8 encompasses it, too, so policies 8 and 9.**

14 A. Okay. I don't recall seeing this or this
15 kind of being the operative policy when I was in the
16 office. So I'd be curious to know what the date of
17 this was. So, no, I -- I wouldn't have -- um, it was
18 not my understanding that this was the internal policy
19 at the time that these e-mails were sent.

20 **Q. Okay. So, back to when you were -- if this**
21 **is AGO business, is there any reason why you'd be**
22 **using a Gmail account instead of your state e-mail**
23 **account, or could you explain kind of why you chose to**
24 **use Gmail instead of state?**

25 A. Yeah, I -- generally -- I couldn't go back

1 to each of the e-mails and give you a specific mindset
2 at the particular time, but generally speaking, it's
3 kind of what I just described, my e-mail wasn't open
4 to everybody to send it. There were contexts where
5 you would errantly send something via Gmail.

6 But I think more importantly, I -- I didn't
7 believe that it was improper to -- it was not my
8 understanding, based on conversations with our -- our
9 counsel, at least at the time that these e-mails were
10 sent, that that was improper at all. And so, those
11 would have kind of generally been the, um, the
12 responses.

13 **Q. So would you have instructed your staff to**
14 **use Gmail or how did you get everybody's Gmail**
15 **account; do you know?**

16 A. I don't believe we ever instructed anybody
17 to use Gmail. I would have had these e-mail -- well,
18 mostly from transition, really.

19 Rachel's e-mail I would have had because of
20 conversations that we would have had via e-mail within
21 the hiring process before we took office.

22 Um, Martinich, same -- same thing. I wasn't
23 involved in his hiring, but, um, preoffice, you know,
24 we didn't have any -- we didn't have like transition
25 AGO e-mails, right, so it would have been just -- we

1 would have had those generally.

2 I know Loree Anne, I had her e-mail address
3 because of the transition work, and one time we went
4 to lunch before we took office just to meet each other
5 and, you know, that sort of thing.

6 So historically that's where we would have gotten
7 these e-mail addresses, but...

8 **Q. So these wouldn't have been set up just**
9 **prior to -- for the AGO use? Because, you know, a lot**
10 **of people have Yahoo.com or other, you know, personal**
11 **e-mail --**

12 A. I couldn't speak to anybody else, but mine
13 certainly no, that was -- that's an e-mail I've had
14 for years. That was my personal e-mail.

15 **Q. Was there any discussion about these**
16 **e-mails being public record and whether the e-mails**
17 **needed to be retained?**

18 A. I don't recall conversations about that.
19 That would have been within the scope of Daniel
20 Hartman and Mike Martinich, and so, I can't recall any
21 kind of specific conversations about that. That would
22 be something that they could speak to.

23 **Q. Any concerns with Sunshine Law compliance**
24 **or anything like that?**

25 A. Same thing. That would have been within

1 their kind of scope within the office, and that, uh,
2 every, um -- everything I did, um, I believe was
3 within the scope that they kind of set for us from a,
4 um, um, policy standpoint, as I'm not sure who was
5 custodian or who -- you know, Martinich would -- would
6 have done the work, the legal work on that kind of
7 stuff and would have, um --

8 **Q. So would these personal e-mails sent**
9 **through Gmail have been sent through the state e-mail**
10 **system to preserve them, or what was the steps --**

11 A. I don't know that I --

12 **Q. -- you all took to --**

13 A. -- had a practice -- I don't know that I
14 had a practice of that. I don't think that's --

15 **Q. Okay.**

16 A. -- I couldn't speak to --

17 **Q. And that wasn't ever communicated**
18 **office-wide?**

19 A. Not that I -- no, not that I can recall,
20 no.

21 **Q. Okay.**

22 A. I can't speak to everybody else, but, no,
23 it wasn't my understanding or practice.

24 **Q. Okay. Do you think you probably used your**
25 **Gmail account to communicate with Timmy and Gail --**

1 A. Um --

2 Q. -- rather than your state account?

3 A. I think most of it would have been phone
4 calls or in person. But, you know, like I mentioned,
5 my state e-mail was restricted from outside use, and
6 so I could probably e-mail them, but they wouldn't
7 have been able to e-mail me back because they weren't
8 on our internal list of e-mail addresses that my
9 e-mail address could receive it. So, most of it would
10 have been in person or on the phone.

11 Q. Do you have restrictions on your e-mail?

12 A. Right, yeah. That's what I was describing
13 earlier. The prior chief of staff for General Koster
14 had a system set up where there were restrictions as
15 to who could send e-mail to his public -- his public
16 account and, um -- and so I think we just probably
17 maintained the same. I think the IT guy said, You
18 want to do the same thing? And it was like, Sure.

19 Q. But you don't know what those specific
20 restrictions are or anything?

21 A. It would have been the restrictions of
22 these are the -- these are the e-mail addresses that
23 we can -- you know, who could -- who could send me
24 e-mails. I think the idea being you don't want some
25 lobbyist or somebody kind of hounding you or something

1 like that. And so...

2 Q. So who would those e-mails go through
3 constituent services or -- you'd have -- need to have
4 that public, you know --

5 A. I think there was --

6 Q. -- traffic coming in?

7 A. Again, you'd have to talk to kind of the IT
8 folks, but my understanding was that it would be a
9 bounceback as like undeliverable or something like
10 that. I don't know. So...

11 Q. Okay. In a news article on December 7th of
12 '18, here's the news article, you indicated that you
13 told one or two people in the AG's office that you'd
14 downloaded the "Confide" app. Who did you tell in the
15 AG's office?

16 A. Um --

17 MR. ANDERSON: This is Exhibit B, right?

18 MS. ALLISON: Exhibit B. Sorry.

19 A. I don't have a specific memory of who I
20 told that I had it. I believe Mike Martinich knew
21 that I had it. And -- and I potentially mentioned it
22 to Darrell Moore or John Sauer as, yeah, I think I had
23 that for a second, you know, I think I had that app
24 for a second. I wasn't super familiar with it.

25 Q. (By Ms. Allison) Are you aware of anybody

1 **else in the office downloading the Confide app?**

2 A. I believe Mike Martinich had it.

3 Q. Okay.

4 A. And the context of that was a lobbyist -- I
5 think it was early, you know, January, February, a
6 lobbyist sent a link to me saying, Have you seen this?
7 And I -- I downloaded it. I didn't know what it was.
8 [REDACTED] This is
9 kind of weird. I remember I forwarded a link to
10 Martinich, saying, Do you know what this is? Have you
11 seen this? And he probably downloaded it, because we
12 texted back and forth once and just said -- he made a
13 joke about, you know, "Russian spy?" or something. It
14 was a total joke. It had nothing to do with anything
15 in the office.

16 But as general counsel and kind of Sunshine lead
17 for our office, I wanted him to know that that was out
18 there and it wasn't something that I had been familiar
19 with. And so we'd sent a joke or -- he sent a joke.
20 I remember something like, you know, him saying, Is
21 this where I can admit I like KU basketball? It was
22 something to that effect. I mean, it was kind of a
23 frivolous thing, and that's the extent to which I ever
24 used it, to the best of my recollection. It wasn't
25 something that we used at all within the context of

1 the office.

2 Q. Okay. So you didn't use "Confide" other
3 than --

4 A. I don't believe so, no.

5 Q. Okay.

6 A. That's the only memory that I have, at
7 least with Mike.

8 Q. Do you think Mike used it?

9 A. I don't believe he did, no. You know at
10 that point in time, we didn't know what it was and
11 didn't know that it was an issue that was --

12 Q. And you didn't use it to communicate with
13 the consultants?

14 A. No.

15 Q. Okay. Was that on your personal phone or
16 your state phone?

17 A. Personal phone.

18 Q. Did you use your state phone very much?

19 A. Um, no, not very much. Mainly just from
20 carrying two different phones. And, you know, I had,
21 uh, at first used it because e-mail was more
22 accessible, but I figured out how through the Internet
23 I could log into my office phone -- my office e-mail
24 through my personal phone and send e-mails from
25 AGO.mo.gov through, you know, Safari or something like

1 that, so...

2 Q. Okay. So you probably used your personal
3 phone for a lot of text messages, then, correct --

4 A. Yeah.

5 Q. -- regarding AGO business?

6 A. Yeah, I mean, it would have been largely
7 kind of transitory and logistical type stuff. We
8 didn't have a major practice of discussing substantive
9 or legal stuff via text. It's not a format that is
10 beneficial to that. Most of our time was spent either
11 on the phone or in person talking about those types of
12 things.

13 Q. So did you ever retain your text or like
14 send it to your e-mail to retain it?

15 A. I don't believe so.

16 Q. Okay. So do you have any documenta -- do
17 you have any of those texts on your phone?

18 A. I don't believe so. I think from a storage
19 standpoint, I don't know if, um, settings are such
20 that it, you know, deletes after a period of time. I
21 don't know. So, but, no, I -- I don't have any of
22 that, certainly, now.

23 Q. So were you the only one communicating with
24 the consultants, or did others in the office
25 communicate with the consultants?

1 A. I believe others communicated with the
2 consultants, as well.

3 **Q. Would it have been probably through this**
4 **Gmail account or --**

5 A. I couldn't.

6 **Q. -- state e-mail?**

7 A. I couldn't speak as to how they did it. I
8 think --

9 **Q. Or through text or --**

10 A. Yeah, again, I couldn't -- I couldn't -- I
11 wasn't, you know, looking over their shoulder while
12 they were communicating, but probably would have been
13 Loree Anne having touch points with them. Maybe some
14 of the press team, Elizabeth Johnson, maybe Mary
15 Compton, and this is speculation on my end, Mike
16 Martinich, from a policy standpoint, would have
17 probably had some touch points, but you'd have to ask
18 them about some of those.

19 **Q. So was it pretty commonplace to use your**
20 **personal cell phone and your personal e-mail to**
21 **conduct AGO business?**

22 A. Um, I think phone calls, yeah, likely that
23 would have certainly been the case. I think text
24 messages were, again, like we talked about, at least
25 that I can remember, things like, you know, transitory

1 kind of logistic type, you know, Hey, I'm out today,
2 or, Hey, you know, are you in the office? Do you want
3 to chat about -- you know, want to chat about
4 something? You know, something short, you know, that
5 are for that format, generally speaking. But I don't
6 know the extent to which other people used their
7 things.

8 **Q. Okay. So you're not sure whether everybody**
9 **was aware of the policy there in Exhibit D regarding**
10 **texts and personal e-mail being used in violation of**
11 **the policy?**

12 **A.** I'm not aware of the date of that policy
13 and when that came into effect. I'd say that
14 that's -- I would be surprised if that policy was in
15 effect when -- when we were, um -- when I was in the
16 office, um. It was always my understanding through
17 conversations with, um, Mike and -- and John that what
18 we -- you know, what -- again, that was in their realm
19 of kind of direction and -- and what was appropriate
20 and what wasn't appropriate. It was always my
21 understanding that what we were doing was appropriate
22 and above board.

23 **Q. Okay. So did you retain any documentation,**
24 **personally, of any kind of communications, meetings,**
25 **notes, calendars, that you could provide to us --**

1 A. Uh --

2 Q. -- would you have to look and --

3 A. Yeah, I'd have to take a look.

4 Q. Okay.

5 A. I don't know that I, you know, to this day
6 two or three years later -- again, it's a little bit
7 of a blast from the past, here, so I -- I can take a
8 look and see if there's anything there.

9 MR. ANDERSON: Since you're represented,
10 maybe you could give that to your attorney.

11 THE WITNESS: That's fine.

12 Q. (By Ms. Allison) Okay. So were the
13 consultants ever paid out of state funds?

14 A. No. Not to my knowledge, no.

15 Q. So if the consultants were providing some
16 administrative consulting or guidance or kind of
17 working alongside the campaign and working with state
18 employees on state time, why were they being paid out
19 of campaign funds instead of state funds, if they were
20 working with state employees?

21 MR. HADEN: I'm going to object to that
22 question as completely conclusory, and I understand
23 it's investigative, not a deposition, but your whole
24 setup is completely conclusory. It's kind of like,
25 "Did you stop beating your wife last week or the week

1 before?" type question.

2 So if you want to rephrase, that's fine, but,
3 otherwise, I'm going to direct you not to answer that
4 question because the preamble, the whole first half is
5 conclusory to the question underlying the
6 investigation.

7 MR. ANDERSON: I'm not sure I follow the
8 objection. You want to break the question down?

9 MR. HADEN: Okay, so the objection is, you
10 set it up as if -- if all this was happening, if X, Y,
11 and Z was happening, then why? Well, it's presumptive
12 when the first half of the question asks whether that
13 is happening. And I don't want to turn it around and
14 see some press report that, Oh, well, Evan Rosell
15 answered in the affirmative to this and here's how he
16 answered when we asked him this, as if we're agreeing
17 with the initial premise.

18 That's a conclusory statement we don't agree with
19 -- that I don't agree -- I don't know, but I don't
20 agree with the -- the premise is some sort of settled
21 question that then leads to the second half of that
22 compound question.

23 Q. (By Ms. Allison) So do you un -- or can
24 you explain why the consultants were not paid with
25 state funds when they were in the Attorney General's

1 **Office working with the Attorney General employees?**

2 A. I have no knowledge of how they were paid
3 or, um, no knowledge of the campaign fees or
4 structures or anything like that. I know, at least
5 from my understanding, that they were not paid at all
6 from the -- the office, uh, but beyond -- beyond that,
7 I have no knowledge of how that worked.

8 **Q. So did you find it unusual that they were**
9 **not being paid, when they were working with state**
10 **employees, from state funds?**

11 A. Uh, no, I didn't find it unusual.

12 **Q. Did you ever think about it or question it**
13 **in any way?**

14 A. It's my understanding that the campaign
15 could -- could help the office and if that was
16 campaign paying for the time of consultants to aid the
17 office, that that was -- that was appropriate. But
18 other than that, I -- I didn't have any type of
19 conclusion or analysis or kind of legal or even just
20 kind of personal wonder as to what, um --

21 **Q. So, no concerns with state employees**
22 **getting paid to meet with them?**

23 A. I didn't have any concerns based on
24 conversations --

25 MR. HADEN: I'm going to object again.

1 Hold on, Evan. Don't answer that question. I'm going
2 to object again. That is a conclusory statement.
3 You're saying state employees -- your premise was
4 state employ -- you don't -- do you have a concern
5 about state employees getting paid to meet with them,
6 right? And it's a conclusory statement that they were
7 being paid to meet with them. Isn't that conclusory
8 on its face? I mean, what if we don't agree with that
9 premise?

10 MR. ANDERSON: Well, the witness can
11 answer. If he doesn't agree with it, he can say that,
12 I suppose.

13 MR. HADEN: Well, I'm his attorney and
14 that's why I'm entering the objection. So, if you
15 want to rephrase -- Evan, I'm going to direct you not
16 to answer. Obviously, you're a big boy, you can make
17 your own decision.

18 If you want to rephrase the question, that's fine,
19 but I have a problem with the setup of an
20 argumentative question. You're asking an
21 argumentative question at this point.

22 Most of this interview has been great. You've
23 asked open-ended questions that aren't leading or
24 argumentative questions. But that is an argumentative
25 question because the underlying premise of it assumes

1 some violation or assumes the premise that that's what
2 they were being paid for.

3 Q. (By Ms. Allison) So, state employees met
4 with Mr. Teepell and Ms. Gitcho on state time,
5 correct?

6 A. Yeah, to do state work, yes, to do office
7 initi -- to -- to think through and talk about office
8 initiatives that were directed by General Hawley, yes.

9 Q. But the political consultants weren't paid
10 by the state?

11 A. No, not to my knowledge. I don't believe
12 that that's the case, and I don't have any under -- I
13 don't have any knowledge other than the fact that it
14 certainly wasn't paid through the state. I don't have
15 any knowledge of that payment --

16 Q. Okay.

17 A. -- payment relationship.

18 Q. So, campaign records indicate that
19 OnMessage was paid 75,000, roughly, and First Tuesday
20 was paid a little over 30,000 by Hawley's state
21 campaign from the period January of '17 to July of
22 '17. Do you have any -- do you know if any of those
23 payments were for working with the AGO?

24 A. I have no idea. I have no understanding or
25 involvement with any of that.

1 Q. So if these services were being provided by
2 the attorney -- provided to the attorney general's
3 office, was there a contract detailing the work the
4 consultants were going to perform for the Attorney
5 General's office?

6 A. Not that I'm aware.

7 Q. Okay. And since they weren't paid, there
8 weren't any invoices showing what they were working
9 on?

10 A. I don't -- I don't have any knowledge of
11 any kind of invoices like that.

12 Q. Okay. So the OnMessage, Inc.'s website
13 indicates their purpose is to elect candidates to
14 political offices. It doesn't really indicate that
15 they have any role to provide administrative services.
16 And then Ms. Gitcho, First Tuesday, has experience as
17 a communication director for various political
18 campaigns.

19 Can you explain why these firms would have been
20 selected for providing those type of services?

21 A. No, I -- no, that's far beyond my, um --
22 any kind of exposure I had or I have no -- nothing to
23 add to -- to that. I have truly no idea.

24 Q. So did you or anyone else question using
25 those type of firms or the perception of using those

1 **firms?**

2 A. No. It was always my understanding, based
3 on conversations with, um, Mike and John that it was
4 all perfectly appropriate.

5 **Q. So those professional services weren't**
6 **procured through a selection process of any kind?**

7 A. I wouldn't know. I wasn't involved in
8 procuring them.

9 **Q. Okay. And you don't know if any other**
10 **firms were considered or other individuals were**
11 **considered?**

12 A. Again, I have -- I don't have any knowledge
13 or involvement in that.

14 **Q. Okay. So when you started with the**
15 **Attorney General's Office, were you allowed to claim**
16 **relocation expenses?**

17 A. I believe so.

18 **Q. When did you claim those expenses?**

19 A. Um, I'm not sure. It would have been
20 probably January of 2017.

21 **Q. Okay. Who gave you approval to claim those**
22 **expenses?**

23 A. Gosh, um, it would have -- it would have
24 been something I would have discussed with either
25 General Hawley or Rhonda Meyer. I believe Rhonda

1 Meyer kind of operatively had been in the office,
2 what, thirty-something years and knew some of those --
3 those things. But, um, I believe it -- I'm sure at
4 some -- I don't have a specific memory of that, but I
5 assume or I would speculate that there was a
6 conversation with General Hawley and, uh, probably
7 more likely a conversation with Rhonda Meyer.

8 Q. Okay. Did they kind of detail what kind of
9 expenses you could claim or -- or --

10 A. I don't recall that. I don't know.

11 Q. Do you remember what kind of expenses you
12 claimed?

13 A. It probably would have only been moving
14 expenses, but I'm speculating again. I don't have a
15 specific memory of that.

16 Q. Okay. Are you aware of any other employees
17 receiving relocation expenses?

18 A. Um, off the top of my head, I don't know.
19 That's not to say that others didn't. I just don't
20 know.

21 Q. Do [REDACTED]
22 from out of [REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

1 [REDACTED]

2 [REDACTED]

3 But those types of logistic things would have --
4 would have -- practice would have been to run that
5 through Rhonda and trust her direction as to what
6 was -- what was appropriate or not.

7 Q. So you got relocation expenses. Did Loree
8 Anne Paradise get relocation expenses?

9 A. I don't know.

10 Q. You don't know?

11 A. And you mentioned that I got them. I -- I
12 think I did. I don't have a specific memory of it, I
13 promise --

14 Q. Okay.

15 A. -- you know, like I said, we got there and,
16 uh --

17 Q. Well, I would have thought you would have,

18 [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED] [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]

6 So, I don't have a specific memory of that. I
7 wish I could help you. If it happened, then it
8 happened. I'm not sure.

9 MR. ANDERSON: Let me know before you
10 finish your finishing strategy.

11 MS. ALLISON: Okay.

12 Q. (By Ms. Allison) Are you aware of any
13 state resources being used for political or personal
14 purposes, for example maybe a state vehicle?

15 A. I'm not aware of any -- I'm not aware of
16 any of those -- of anything like that.

17 Q. Okay. Were you aware of anything unlawful
18 or --

19 MR. ANDERSON: Is this your last stretch?

20 MS. ALLISON: Yes.

21 MR. ANDERSON: I want about two seconds.

22 MS. ALLISON: Okay.

23 (Break in proceedings from 2:20 to 2:23 p.m.)

24 MS. ALLISON: Are we ready to wrap up?

25 [REDACTED]

1 [REDACTED]
2 Q. (By Ms. Allison) Okay. So, were you aware
3 of anything unlawful or inappropriate regarding
4 political resources or political use of public
5 resources taking place while you were at the Attorney
6 General's Office?

7 A. No, with the only qualification that I
8 didn't do the legal research on that myself. So, um,
9 no, it was never my understanding that anything
10 improper was happening.

11 Q. Okay. Have you had any contact or
12 conversations with anyone other than your attorney
13 about this audit or this meeting?

14 A. When you first called, the day that you
15 called, um, I had -- I called Mike Martinich just to
16 say -- because I've been out of the loop, I haven't
17 followed the news story -- just to say, What -- what
18 is -- what's going on? But we didn't talk about
19 anything substantive. I didn't ask him about who else
20 had been called. I haven't reviewed anything, I
21 haven't, um -- I haven't spoken to anybody other than
22 that. And even -- and even with Mike, it wasn't,
23 um -- we didn't have any conversations about potential
24 answers or potential questions or things like that.
25 It was more just kind of, What's going on? You know.

1 From my under -- we'd worked with the auditor's
2 office when they were doing an end-of-session or
3 end-of-administration audit for General Koster, and I
4 didn't know if this was a standard end-of thing or if
5 there was a unique situation. He didn't really say
6 much. He said, you know, I don't know, I have -- you
7 know, he's out of the office, too, so that was -- that
8 was it, but nothing -- nothing substantive on this
9 kind of stuff.

10 **Q. Are there any individuals you think we**
11 **should talk to?**

12 A. Certainly names that you brought up today.
13 I don't believe anything improper happened. It
14 wasn't -- certainly wasn't my understanding, based on
15 conversations, that anything improper happened. Um, I
16 think, you know, we've -- we just -- we worked hard
17 for the State of Missouri. I think we really felt a
18 passion for things like human trafficking and for
19 opioids and for developing relationships with folks
20 across the state in order to pursue those types of
21 things.

22 But back to your question, um, I'd say certainly
23 people on the e-mails and -- but I'll let the auditors
24 be the auditors. I don't have any direction for you.

25 MS. ALLISON: All right. Well, thank you

1 for your time.

2 THE WITNESS: Appreciate it.

3 MS. ALLISON: Appreciate you traveling up
4 here to visit with us.

5 THE WITNESS: Well, I felt like it was --
6 did you have to come down from Jeff City, Joel?

7 MR. ANDERSON: Mm-hmm, mm-hmm.

8 THE WITNESS: Well, I apologize for that.
9 Is it -- middle ground --

10 MR. ANDERSON: I'm holding him responsible
11 for it. Not --

12 THE WITNESS: How long of a drive was it?

13 THE COURT REPORTER: We're still on the
14 record?

15 THE WITNESS: That's fine.

16 MR. ANDERSON: Okay. Let's finish this
17 part of it up. This will be transcribed. We'll have
18 a copy for you to review, if you want to do that, and
19 sign it, or you can consider it done. I haven't
20 gotten with our -- since I'm used to courtrooms and
21 not audits, I haven't gotten with our people on, you
22 know, whether this is some kind of an audit paper that
23 needs to be protected for some reason or another.

24 So whether we send you an electronic copy or
25 provide one for you to look at, I haven't figured that

1 out yet, but we'll figure it out.

2 THE WITNESS: I don't have a preference. I
3 think we're --

4 MR. ANDERSON: Yeah, I think either way, if
5 you want to, you know, just make sure that, you know,
6 it's transcribed correctly, we can definitely do that.
7 Other than that, I don't think there's anything else.

8 MR. SMITH: And we would certainly
9 appreciate a copy of the transcript, and we're
10 grateful that -- for the auditor's office allowing us
11 to participate.

12 MR. ANDERSON: Well, we're happy to have
13 you.

14 I think we're off the record now.

15 (Proceedings concluded at 2:28 p.m.)

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REPORTER'S CERTIFICATE

3

4

5 STATE OF MISSOURI)
6) ss.
7 COUNTY OF GREENE)

8

I, Christine Richele, Certified Shorthand
Reporter, Registered Professional Reporter, Certified
Court Reporter #385, Certified Realtime Reporter (Mo),
within and for the State of Missouri, do hereby
certify that I was personally present at the
proceedings as set forth in the caption sheet hereof;
that I then and there took down in stenotype the
proceedings had at said time, which were thereafter
transcribed by me and is a true and accurate
reproduction of the proceedings, set forth in the
preceding pages.

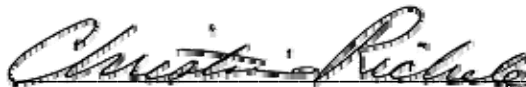
18

19 IN WITNESS WHEREOF, I have hereunto set my hand
20 and seal on July 21, 2019.

21

22

23



24

Christine Richele, CSR, CRR, CCR #385
Registered Professional Reporter

25

;;;

----- Forwarded message -----

From: Loree Anne Paradise <loreeparadise@gmail.com>

Date: Mon, May 1, 2017 at 5:54 PM

Subject: Re: Follow Up From Timmy's Visit

To: Evan Rosell <evanrosell@gmail.com>

Cc: Michael Martinich-Sauter <mcimartinich@gmail.com>, Daniel Hartman <daniel.c.hartman@gmail.com>, Rachel Hassani <rachelhassani@gmail.com>

Call will be Thursday at 9am. Dial-in info is: 641-715-3580; Access Code: 723-423

Thx all!

LA

On Mon, May 1, 2017 at 5:52 PM, Evan Rosell <evanrosell@gmail.com> wrote:

Hey guys --

Thanks for making time to meet together last week. We've been talking through action points for each of us -- I've communicated with several of you about these already. Let me put your respective action points below. I think we'll likely have a conference call toward the end of the week to discuss. LA, can you make sure everyone's square on time/date?

DANIEL: Intergovernmental // Coalition-Building

- Develop a target list of local and key officials for intergovernmental affairs.
- Develop a target list of coalition groups

LOREE ANNE: Communications and Constituent Services

- Find and hire press secretary
- Review constituent services and determine needs and format
- Inventory owned/shared media assets
- Develop list of administration accomplishments
- Job Description for Brad Johnson (Special Assistant to the AG)

RACHEL: Legislative Affairs

- Develop list of key legislators for relational engagement over the summer
- Develop system for tracking legislative requests

MIKE: Policy

- Next steps on Opioid front
- Review Daniel's Veteran's Pro Bono project

EVAN: Admin/Budget/Personnel

- Secure funding for Human Trafficking Coordinator
- Secure funding for additional constituent services representative

- **Finalize line attorney rebuild (Lit, GA)**

Let me know if you guys have questions.

F.

--
Loree Anne Paradise
(912) 245.0212 (mobile)

--
Rachel Hassani
417-838-3067

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asing messages at top of Missouri government the tip of the iceberg?

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Tristan Enaruna says he's a great
fit for KU and settles issue of his
height

MAY 07, 2019 10:40 PM

Consultants worked to raise Josh Hawley's national profile and helped direct the state office's work, records show. BY

JEFFERSON CITY

When news first broke last December about the [use of the self-destructing text message app Confide](#) in the governor's office, the scandal appeared to be confined to a handful of people — former Gov. Eric Greitens and his closest advisers.

A year later, the list of known Confide users in Missouri government has grown alarmingly long, with the true extent of its use still an open question.

A lawsuit uncovered 27 members of Greitens staff who used Confide, which automatically deletes text messages once they are read.

The Star reported last week [that Attorney General Josh Hawley's former chief of staff](#), Evan Rosell, used it while overseeing the operations of the office that [cleared Greitens of any wrongdoing](#). The St. Louis Post-Dispatch disclosed last month that chief of staff for the incoming state attorney general, Missouri Treasurer Eric Schmitt, also [downloaded the app](#).

By deleting messages the moment they are read, Confide ensures text conversations vanish without a trace — a potential subversion of Missouri laws designed to make the inner workings of government open to public scrutiny.

Facing new scrutiny over Confide use in their offices, Hawley and Schmitt addressed the issue Thursday at a press briefing to discuss transition matters.

Hawley, a Republican who will resign Jan. 3 when he is sworn in as a U.S. Senator, said he didn't know that his top aide used Confide.

"We have a policy in this office that says that Confide is not to be used for public business," Hawley said, "and we take that seriously and expect everyone in this office to abide by it."

Appendix D - Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes

Transcribed Interview of Former Chief of Staff

Schmitt, a Republican appointed to replace Hawley as attorney general, was just as adamant that no one in government “should be using Confide for public business.”

“That is my position, and that will be my position in this office,” he said. “Confide is not something people should be using when they are elected to public office.”

[Mark Pedroli](#), a St. Louis-area attorney who sued the governor’s office last year over the use of Confide, pointed out that “Greitens said the same thing” about Confide use by his staffers.

“They always add on the ‘for public business’ in their quotes and in their policies,” Pedroli said. “That’s the loophole. They allow it to be downloaded and used and then ask the public to just trust that they aren’t going to cross the line. The use of burner apps that are unable to retain communications permanently must be banned for all state officials on all phones and for all reasons.”

Pedroli worries the revelations about Confide use in state government over the last year could be just the tip of the iceberg. He’s become convinced his lawsuit is the best way to sort out just how widespread Confide use has become in state government.

But over and over again, he says he’s run into a pair of roadblocks: Gov. Mike Parson and Hawley.

Parson’s attorneys, holdovers from the Greitens administration, continue to urge the judge in his case to dismiss the suit. And Pedroli said Hawley’s legal conclusion that cleared Greitens’ of wrongdoing in the Confide investigation has been weaponized against him in the courtroom.

Now that it’s known the top aides of three GOP statewide officials — Greitens, Hawley and Schmitt — all used Confide, Pedroli is calling on Parson to stop fighting his lawsuit in court and for Hawley and Schmitt to recuse themselves from “all burner app investigations.”

“Draining the swamp of secret, shredded, government communications is what our litigation is all about,” he said. “Holding government officials accountable is a critical component of preventing future violations.”

The Star first [revealed use of Confide in Greitens office](#) in early December 2017.

Hawley launched an investigation into whether the app was being used to destroy public records two weeks later. The inquiry consisted of interviews with eight Greitens staffers, but not Greitens.

Hawley’s office never filed a request for records pertaining to Confide use in the governor’s office.

The two-month inquiry ultimately concluded that there was no evidence of wrongdoing, in part because Confide ensured there was no evidence.

Pedroli’s lawsuit would later uncover that 27 members of the governor’s office, including Greitens himself, used Confide. Public records obtained by Pedroli show Greitens’ staff openly discussing use of the app to conduct public business not only among themselves but also with people outside the governor’s office.

The fact that Rosell used Confide during his 15 months as Hawley’s chief of staff was never disclosed.

Rosell said last week that [he did not use Confide for public business](#). He said he might have told “one or two” people in the attorney general’s office that he had downloaded it, but he did not say whether Hawley knew.

When asked by The Star shortly before the election, Hawley said he didn’t know whether any of his taxpayer-funded staff had ever used Confide.

Asked again Thursday, Hawley insisted that he was never aware Rosell ever used Confide.

Pedroli said Hawley is either “concealing the truth or his chief of staff and a handful of additional senior staff were concealing it from Hawley. Sounds like we have a genuine question that requires an investigation.”

Appendix D - Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes

Transcribed Interview of Former Chief of Staff

Hawley stood behind his investigation of Greitens on Thursday, saying “we found what we found with the tools we were able to use.” He noted he lacks subpoena power in Sunshine Law investigations, something he urged legislators to address to improve enforcement of open records laws.

Pedroli said the findings of Hawley’s Confide investigation are both factually wrong and marred by a possible conflict of interest, creating the appearance that the attorney general’s staff exonerated Greitens’ office to protect their own use of burner apps.

Parson took over the governorship after Greitens resigned in June. He banned the use of Confide in his office, but the attorneys defending the governor’s office against Pedroli’s lawsuit continue making the same arguments that the app doesn’t violate Missouri’s Sunshine Laws.

The legal tussling between Pedroli and the governor’s office culminated in June, when Cole County Circuit Judge Jon Beetem [halted all discovery in the case](#).

Pedroli will ask the judge to reconsider that order next month and allow him to continue collecting evidence.

Parson’s spokesman, Steele Shippy, said the governor’s office is committed to government transparency.

“That’s why we banned the app,” he said. “We wanted to lead by example. But we don’t have the authority to tell someone they can’t have Confide on their personal device. We don’t have the legal authority to do that.”

Barbara Smith, one of the private attorneys defending the governor’s office in the lawsuit, said it’s unfortunate that the plaintiffs are “more focused on trying this case in the press and not inside the courtroom, which reveals the fact that they have zero legal argument to stand on. We are confident in the litigation moving forward and we have nothing to hide.”

Pedroli said the last time the governor’s attorneys said he had no chance in his case “they lost their motion to dismiss.” He added that “it’s “perfectly appropriate that an open records lawsuit over the use of burner apps in government is being extensively discussed in the media. Defendants should welcome the coverage, but they won’t.”

Michael Wolff, a retired judge of the Missouri Supreme Court and former dean of St. Louis University Law School, said the question is whether the use of Confide by Hawley’s chief of staff or other people in the attorney general’s office was unlawful.

“I’m not sure whether it’s a conflict of interest or whether two office holders’ offices disobeying the same law,” Wolff said. “The only way this gets fully investigated if at all would be through a private lawsuit ... So the question is (Pedroli) going to expand his lawsuit to include the AG’s office. Otherwise, unless there’s a suit involving the office the AG and his staff don’t have to answer any questions.”

Hawley seemed to agree with Wolff on Thursday, telling reporters that because of his office’s lack of subpoena power in Sunshine Law investigations “civil litigants often have more authority and tools at their disposal than this office.”

A bill introduced during the 2018 legislative session by Rep. Gina Mitten, D-St. Louis County, would have banned state employees from conducting public business using software designed to send encrypted messages that automatically self-destruct.

It was never given a hearing or referred to committee, but Mitten said she plans to re-file the bill in 2019.

Schmitt said he hasn’t seen the bill so he can’t comment on it specifically, but “I don’t have any problem with that becoming law or policy.”

Jonathan Groves, president of the nonprofit Missouri Sunshine Coalition, said he hopes there will be hearings about Confide and other such apps as the legislature considers strengthening the state’s open records laws.

Appendix D - Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes

Transcribed Interview of Former Chief of Staff

"The Sunshine Law has not really kept up with technology," Groves said, "and this is one of the cases where we need to say: Will the legislature step up and look at this law and how we can beef up the law so that it can keep up with technology? ... There's not an easy solution to this but there's a broader conversation that needs to be had, and the legislature is a place where that could happen."

 **Comments** ▼

Appendix D - Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Transcribed Interview of Former Chief of Staff

Transcribed Interview of Former Chief of Staff

Exhibit C

To: Paradise, Loree Anne[LA.Paradise@ago.mo.gov]
From: Rosell, Evan
Sent: Sun 4/23/2017 10:12:00 PM
Subject: Re: Assistance

;;;;;What do you think about a press intern for the summer? I'd like us to think about what our actual needs are going forward in comms/scheduling/etc. I found a body man for AG -- Brad Johnson -- who can start in May. He's a really smart and capable dude, so I'm sure he can help on some press/human trafficking projects.

Will be good to discuss with Timmy tomorrow.

E

From: Paradise, Loree Anne
Sent: Saturday, April 22, 2017 10:57:38 AM
To: Rosell, Evan
Subject: FW: Assistance

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

[REDACTED]

6.8 Annual Review of Policies

Each year, on or before March 31, the AGO shall review Sections 6.0-6.8 and Section 7.0 to determine whether any provisions of those sections should be changed or updated. A decision not to change any portions of those sections shall be memorialized in writing.

7.0. Discrimination and Equal Employment Opportunity

It is the AGO's policy to maintain a working environment free from discrimination. Discrimination based on gender, race, color, religion, national origin, disability, age, veteran status, sexual orientation, or other characteristic protected by law is prohibited. This applies to all areas of employment including hiring, training, salary administration, promotion, benefits, discipline, and termination.

The AGO will provide a "disabled" employee with a reasonable accommodation to enable the employee to perform the essential functions of his or her job. An employee seeking a reasonable accommodation for a disability should direct his or her request for an accommodation to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

As with harassment, AGO employees must report incidents of discrimination using the process described above for reporting harassment. The AGO will follow the guidelines set forth in Section 6.3 for investigating and remedying harassment when addressing allegations of discrimination. The guidelines described in Section 6.4, 6.5, and 6.6 also apply to complaints of discrimination made under this policy.

8.0. Computer Use and Electronic Communications Systems

The use of computers, facsimile machines, telephones, electronic mail, and voice mail are part of your everyday tasks. This policy applies to employee use of the AGO's Electronic Communications Systems (referred to here as "Communications Systems") which include, but are not limited to, office-issued telephone, computer, facsimile machine, electronic mail, internet and intranet systems, and voice mail hardware and software.

All Communications Systems and any documents or messages created or contained within the Communications Systems are the property of the AGO and regarded as documents belonging to the AGO. The Communication Systems are to be used primarily for business purposes. Excessive use of the Communication Systems for personal reasons, or use of the Communication Systems for inappropriate purposes (e.g., illegal conduct, sexual harassment, etc.) is prohibited and may lead to disciplinary action, up to and including termination of employment.

Employees should not expect that any communication created, sent or received on the Communications Systems is private. The AGO reserves the right to monitor, review, access, reproduce or disclose anything created, sent, or received on the Communications Systems, at any time, without notice.

The AGO's Communications Systems' resources may not be used for the transmission or storage of commercial or personal advertisements, solicitations, promotions, destructive programs (viruses and/or self-replicating code), or any other unauthorized or improper use.

9.0 Electronic Written Communication on Personal Electronic Devices

It is the policy of the AGO that all electronic written communication made or received in connection with the transaction of official business be made or received using the AGO's Communications Systems.

You should not use your personal cell phone, Blackberry, laptop, tablet or other portable electronic device, or home computer for AGO business unless you are remotely logged into your official account as part of the AGO's Communications Systems, whether through the AGO's webmail portal (<https://webmail.ago.mo.gov>), its Mobile Iron (or successor) platform, its virtual desktop program, or otherwise.

10.0. Blogging and Social Media

The guidelines in this policy are intended to assist the AGO's employees to make appropriate decisions about work-related blogging and the contents of blogs, personal websites, postings on social media websites (e.g., Facebook, Twitter, etc.), wikis, and other interactive sites, postings on video or picture sharing sites (e.g., YouTube), or in the comments that employees make online on blogs, elsewhere on the public internet, and in responding to comments from posters either publicly or via email. Any of the AGO's other electronic communications policies (e.g., Computer Use and Electronic Communications Systems) remain in effect and are not modified by this policy.

These guidelines will protect the privacy, confidentiality, and interests of the AGO, our employees, and the constituencies we serve.

10.1. Guidelines for Interactions About the AGO on the Internet

If employees are developing a website, writing a blog, or make comments on social media websites (e.g., Facebook, Twitter, etc.) that will mention the AGO, our employees, or matters likely of interest to the AGO, identify that you are an employee of the AGO and that the views expressed on the blog or website are yours alone and do not represent the views of the AGO.

Unless given written permission by the Attorney General or the Chief of Staff, employees are not authorized to speak on behalf of the AGO, nor to represent that employees are authorized to do so.

Employees should let the Chief of Staff or Deputy Chief of Staff know if they are developing a website or writing a blog that will mention the AGO, our employees, or matters likely of interest to the AGO. The AGO's management may choose to visit those websites from time to time to determine whether employees' comments comply with this policy.

25

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JULY 11, 2019

1	I N D E X		
2	WITNESSES		
3	ALL WITNESSES:		PAGE:
4	For Auditor:		
5	Michael Martinich-Sauter :		
6	Direct Examination by Pamela Allison	6:16	
7	EXHIBITS		
8	NO.: DESCRIPTION:		PAGE:
9	For Auditor:		
10	Exhibit A	Gmail from Elizabeth Johnson: (Retained by court reporter)	68:20
11	Exhibit B	Hawley press conference call: (Retained by court reporter)	50:9
12	Exhibit C	Conference call: (Retained by court reporter)	52:7
13	Exhibit D	Hawley follow up call: (Retained by court reporter)	55:2
14	Exhibit E	Employee handbook: (Retained by court reporter)	58:22
15	Exhibit F	E-mail from Rosell: (Retained by court reporter)	73:23
16	Exhibit G	News article: (Retained by court reporter)	37:10
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IN RE:)
No. 33-02.00
AUDIT OF MISSOURI ATTORNEY)
GENERAL'S OFFICE)

SWORN STATEMENT OF MICHAEL MARTINICH-SAUTER,
produced, sworn, and examined on July 11, 2019,
between the hours of eight o'clock in the forenoon
and six o'clock in the afternoon of that day, at
the office of the Wainwright State Office Building,
111 North 7th Street, St. Louis, Missouri, before
Stephanie D. Darr, a Certified Shorthand Reporter
and Notary Public within and for the State of
Missouri, in re: Audit of Missouri Attorney
General's Office.

1 APPEARANCES

2 Chief Litigation Counsel:

3 Mr. Joel E. Anderson, Esq.
4 OFFICE OF AUDITOR NICOLE GALLOWAY, CPA
5 301 W. High Street, Room 880
6 Jefferson City, Missouri 65102
7 573/751-4213
8 joel.anderson@auditor.mo.gov

9 Audit Manager:

10 Ms. Pamela Allison, CPA, CFE
11 OFFICE OF THE STATE AUDITOR
12 149 Park Central Square, Suite 814
13 Springfield, Missouri 65806
14 573/751-4213
15 pamela.allison@auditor.mo.gov

16 Mr. Joseph Todd Magoffin
17 OFFICE OF THE STATE AUDITOR
18 P.O. Box 869
19 Jefferson City, Missouri 65102
20 573/751-4213
21 joseph.magoffin@auditor.mo.gov

22 Deputy Attorney General:

23 Mr. Justin D. Smith
24 MISSOURI ATTORNEY GENERAL'S OFFICE
25 P.O. Box 899
Jefferson City, Missouri 65102
573/751-0304
justin.smith@ago.mo.gov

Reported By:

Stephanie Darr, CCR(MO)
ALARIS LITIGATION
711 North 11th Street
St. Louis, Missouri 63101
314/644-2191

1 IT IS HEREBY STIPULATED AND AGREED by
2 and between counsel that this sworn statement may
3 be taken in shorthand by Stephanie D. Darr, CCR and
4 Notary Public, and afterwards transcribed into
5 printing, and signature by the witness expressly
6 reserved.

7 (Sworn statement proceedings began
8 at 10:00 a.m.)

9 * * * * *

10 MR. ANDERSON: I'm just going to go
11 ahead and start it off. Ms. Allison will be asking
12 most of the questions. Since we have so many
13 lawyers in the room, I thought I'd start off by
14 saying this isn't exactly a deposition like we're
15 normally used to. It's more of a sworn statement.
16 I don't think lawyers know how to act anyway other
17 than if it's a deposition. Pam Allison is the
18 primary audit staff on this, and she will be asking
19 most of the questions. I don't plan on saying
20 anything unless something maybe needs to be
21 clarified or if there is some kind of objection we
22 need to deal with. I don't expect there to be many
23 of those. Just like a deposition, the Attorney
24 General's office is here to ensure confidentiality
25 as far as communications and so forth. If there is

1 ever any time you need to discuss something with
2 them, that's fine. We can go off the record and
3 step out in the hall. That's not a problem at all.
4 It's not our intention to get into anything like
5 that. But we may not know what question leads to
6 that. I think this is easier to do with lawyers
7 around than it is with lay people. The usual rules
8 apply. If you don't understand something we'll
9 repeat it until you do. This is mainly a bunch of
10 stuff that I don't understand because it has to do
11 with numbers. Pam understands, and she can
12 certainly explain it. Other than that, do you have
13 any questions?

14 THE WITNESS: I don't think so.

15 MR. ANDERSON: Pam.

16 MICHAEL MARTINICH-SAUTER,
17 of lawful age, produced, sworn, and examined,
18 deposes and says:

19 DIRECT EXAMINATION

20 QUESTIONS BY MS. ALLISON:

21 Q. Well, to get started, can you tell
22 us a little bit about your background prior to
23 joining the AGO.

24 A. Sure. How far back would you like
25 me to go? I'll just go back. [REDACTED]

■ [REDACTED]
■ [REDACTED]
■ [REDACTED] I went to undergrad in law school here in
4 St. Louis. After law school I spent a year
5 clerking for a federal court of appeals judge. I
6 worked a couple of years as a private practice
7 lawyer. In January of 2017 I accepted a position
8 in the Attorney General's office. I worked for the
9 Attorney General's office until I believe February
10 1st of this year. Since then I've been back in
11 private practice in St. Louis.

12 **Q. So how did you know former Attorney**
13 **General Hawley?**

14 A. While I was in private practice my
15 law firm represented I guess a not-for-profit
16 entity he was associated with, drafting some amicus
17 briefs, some federal appellate court cases. So
18 that's how I get to know him.

19 **Q. So kind of how did your job at the**
20 **AGO transpire? Did you just go through the normal**
21 **application process, or did you kind of reach out**
22 **after he got elected?**

23 A. Sure. So Attorney General Hawley
24 hired John Sauer as his first assistant. I was in
25 private practice with John, and frankly we had a

1 four person law firm. The two of us were full
2 time. One person I think billed zero hours the
3 year before, and the other person was a law
4 professor at Stanford. So when John left it was
5 sort of necessary to find a new job. John
6 recommended me to Attorney General Hawley, and I
7 accepted.

8 **Q. Okay. So you started working in?**

9 A. January 2017, either the 9th or
10 10th. I'm not sure. I believe the 9th was
11 inauguration. I'm not sure when my employment
12 formally started. But the day after inauguration
13 was my first day doing work.

14 **Q. So tell us a little bit about your**
15 **duties and responsibilities while you were at AGO**
16 **and if they changed during the time of your**
17 **employment.**

18 A. Sure. I would say I wore two hats
19 generally. One hat was to provide equivalent of
20 sort of in-house counsel legal advice to the
21 office, sort of a general counsel like role. The
22 other hat that I wore was to staff and service lead
23 counsel in, you know, lawsuits or investigations
24 that needed someone working on them. I would say
25 that broadly speaking those duties persisted

1 throughout my two years there. Obviously the
2 specifics changed, you know, as different cases
3 were involved or, you know, different issues came
4 forward. But broadly speaking that's what I did
5 for two years.

6 **Q. So you said you left in February?**

7 A. Yes. I believe February 1st was my
8 last day at the office.

9 **Q. So how did you communicate with**
10 **Attorney General Hawley, through e-mail, phone, in**
11 **person? Can you expand kind of on --**

12 A. Sure. I would say that the two
13 principle media of communication were by telephone
14 and in person. You know, I live in St. Louis, and
15 I lived in St. Louis throughout my time working for
16 the Attorney General's office. I came to Jeff City
17 quite a bit. When I was in Jeff City I would say
18 we spoke principally face to face. When I was in
19 St. Louis or if for whatever the AG was traveling
20 around the state we spoke by phone.

21 **Q. Did you use e-mail at all, the**
22 **state e-mail system or private e-mail?**

23 A. When you say did I use e-mail, to
24 communicate with the AG or in general?

25 **Q. With the AG.**

1 A. I know that we did communicate by
2 e-mail some, particularly early on. My
3 recollection is that over time the AG just didn't
4 use e-mail all that much. So certainly I did
5 communicate with him by state e-mail to be clear
6 when I say e-mail. But that was principally early
7 on in 2017.

8 **Q. Okay. So how did you communicate**
9 **with the AGO staff primarily?**

10 A. Telephone principally, especially
11 if, you know, I was in St. Louis and whoever I was
12 speaking with in Jeff City. In person if I was in
13 the same office. Then e-mail. You know, I would
14 say certainly when I was dealing with attorneys on
15 cases that was mostly by e-mail or, you know, in
16 person if I was in the same office.

17 **Q. So would that be state e-mail?**

18 A. Correct. Yes.

19 **Q. Okay. Did you ever use personal**
20 **e-mail?**

21 A. To the best of my recollection, I
22 never initiated any communications over personal
23 e-mail with anyone in the office. My recollection
24 based on reviewing documents in late 2018 in
25 response to a request from the Secretary of State's

1 office is that I did receive a couple of e-mails
2 from, you know, Evan Rosell and maybe one or two
3 other people. I believe that I responded to one of
4 those based on the e-mails that I produced to the
5 office. Any e-mails that would fit into that
6 category were produced to the Secretary of State's
7 office.

8 **Q. Okay.**

9 A. So that set of documents you
10 probably know better than I do.

11 **Q. Okay. So what about text messages?**
12 **Did you use the state phone or private texts?**

13 A. I received probably about five or
14 six text messages on my state phone. I never sent
15 a text message on my state phone. I would
16 occasionally exchange logistical text messages on
17 my personal phone of the nature, you know, are you
18 in Jeff City today or do you have availability?
19 Can you talk like at 11:00 a.m.? Things like that.

20 **Q. Okay. So regarding meetings and**
21 **conferences, meetings and conferences with Attorney**
22 **General Hawley, how were they scheduled or where**
23 **were they held?**

24 A. What sorts of meetings or
25 conferences are you referring to?

1 **Q. Any kind of meetings you would have**
2 **had regarding state business with Attorney General**
3 **Hawley, either in Jefferson City or in St. Louis,**
4 **how were those typically scheduled? Were they put**
5 **on your Outlook calendar and kind of where were**
6 **they held, or did you participate by phone?**

7 A. Sure. I mean obviously over the
8 course of two years there were a lot of meetings.
9 So I would have to sort of group them into
10 categories.

11 **Q. Okay.**

12 A. We had more or less weekly
13 executive team meeting. My recollection is it was
14 on Mondays or Tuesdays. I think that changed over
15 time. That I believe there was always an Outlook
16 event. You know, I don't recall who sent those. I
17 think Evan did when he was chief of staff, and then
18 Loree Anne did when she was chief of staff. I
19 don't know who sent them after Loree Ann left. But
20 certainly that should be available from the
21 calendar invites. In terms of other meetings, I
22 mean I would say they were mostly informal in
23 nature. So my office was in the basement of the
24 Supreme Court building. It was quite common for
25 Josh to call me up and say, hey, can you come up

1 here and talk about X, Y and Z? You know, there
2 wouldn't be calendar entries for that largely
3 because they popped up out of the blue.

4 I'm having trouble recalling any
5 other meetings outside the executive staff meeting
6 with Attorney General Hawley that were sort of
7 planned in advance, at least that I participated
8 in.

9 **Q. So did you participate by phone for**
10 **those executive meetings every Tuesday, or did you**
11 **go to Jeff City?**

12 A. I may have participated in one or
13 two by phone. I tried to come to Jeff City unless
14 there was some reason I had to be elsewhere in the
15 state.

16 **Q. And so those were held in the**
17 **conference room there?**

18 A. Correct.

19 **Q. In the AG's office?**

20 A. Yes.

21 **Q. So who typically attended those**
22 **meetings or conferences?**

23 A. The executive team meetings?

24 **Q. Uh-huh.**

25 A. The Attorney General, John Sauer,

1 me, Loree Ann Paradise, Evan when he was in the
2 office, Ryan Banger, who was the head of civil
3 litigation, Daryl Moore, who was the head of
4 criminal litigation. Daniel Hartman at some point
5 started attending them. He didn't attend them sort
6 of early on. I don't recall precisely when he did
7 start attending them. You know, I hate to guess.
8 But if I had to guess it would be late 2017. But I
9 don't recall any specific triggering event that I
10 was aware of or anything like that. To the best of
11 my recollection, it had something to do with as the
12 office was implementing the I-manage document
13 management system Daniel was really the point
14 person on that. So as that was crystalizing he
15 started attending meetings to provide updates on
16 it.

17 **Q. Okay. So were these meetings that**
18 **you said those were tracked on your Outlook**
19 **calendar, your AGO calenders, right, the executive**
20 **meetings?**

21 **A.** I certainly know that many, if not
22 most, if not all of them, were -- I mean I can't
23 sit here and guarantee that every single one of
24 those were an Outlook entry. But I believe so.

25 **Q. Did -- so were those also logged**

1 **like on a private calendar or anything like that?**

2 A. You know, I didn't have a private
3 calendar when I was in the office, and I don't know
4 whether anybody else logged in on any other
5 calendar.

6 **Q. How were the meetings with**
7 **consultants, for example, Timmy Teepell and Gail**
8 **Gitcho, scheduled or held?**

9 A. I only recall being in one such
10 meeting. I believe it was in April of 2017. I
11 don't recall sort of when I first learned it was
12 happening. I do know that I had a calendar entry.
13 I know that we produced that calendar entry to the
14 Secretary of State's office, and I believe that
15 calendar entry would reflect who sent the calendar
16 invite.

17 **Q. So you think that's the only**
18 **meeting you had with Timmy Teepell or Gail?**

19 A. That's the only thing that I would
20 characterize as a meeting. I know that they came
21 to the Supreme Court building in January 2017 and
22 I, you know, met them and shook hands with them.
23 But I didn't participate in any substantive
24 discussions with them, and I don't know the nature
25 of any meetings they may have had while they were

1 there.

2 **Q. Did you participate in any phone**
3 **conference meetings with them?**

4 A. I know that I was on, you know, at
5 least one phone call with them. I don't know how
6 many. I couldn't really give you a ballpark. It
7 could be anywhere between one and whatever. I
8 don't have strong recollections of them.

9 **Q. Okay. So who normally participated**
10 **in those meetings or conferences?**

11 A. In telephone conferences with Timmy
12 or Gail?

13 **Q. Uh-huh.**

14 A. To the best of my recollection,
15 from the office I don't recall anyone other than
16 Loree Anne participating. As I said, I don't
17 recall anyone else participating. It's possible
18 that Evan might have. But I don't recall anyone
19 beyond them.

20 **Q. Okay. And then the in-person**
21 **meeting in April, same thing?**

22 A. So to the best of my recollection,
23 the folks who attended that meeting at least while
24 I was there was Timmy. I don't believe Gail was
25 there, to the best of my recollection. Daniel

1 Hartman was there. Loree Anne Paradise was there.
2 Rachel Hassani was there. I was there. It's
3 possible that Elizabeth Johnson was there, but I
4 don't recall. I don't recall anyone else being
5 there.

6 **Q. And so were those type of meetings**
7 **tracked on your Attorney General calendar?**

8 A. As I said, to the best of my
9 recollection, I only attended one such meeting. To
10 the best of my recollection, that's on my official
11 calendar.

12 **Q. Would you have put those on like a**
13 **private calendar?**

14 A. As I said, I didn't have a private
15 calendar at the time.

16 **Q. So throughout 2017 it appears there**
17 **was a 10:30 executive meeting held nearly every**
18 **Tuesday. Is that what you were referring to**
19 **earlier with the staff?**

20 A. Correct.

21 **Q. Okay. What was generally discussed**
22 **at those meetings?**

23 A. I would say largely, if not
24 entirely, case-related issues. More or less the
25 purpose of it was that, you know, as you guys know,

1 state offices do a lot of things. Not every action
2 by a state office requires the approval of the
3 elected official. But some things do, and
4 particularly in the Attorney General's office there
5 is certain litigation decisions like settlement or
6 a decision to institute certain lawsuits requires
7 the Attorney General to give the thumbs up or the
8 thumbs down. So the principle purpose of that
9 meeting was to provide the office the opportunity
10 to, in a structured way, put those issues in from
11 of the Attorney General on a regular basis.

12 **Q. So sometimes those meetings were**
13 **called executive meetings on the calendars, and**
14 **then other times they were called executive**
15 **litigation meetings. Could you explain the**
16 **difference, or was there a difference?**

17 **A.** No. I couldn't explain the
18 difference. I didn't put together those calendar
19 entries. Frankly, until you raised it I'm not sure
20 that I knew that that difference existed. But I
21 would say that all of the meetings were litigation
22 oriented. So I don't know what that different
23 wording reflects.

24 **Q. Okay. You may have mentioned this**
25 **earlier. But who attended those meetings?**

1 A. So the Attorney General did, John
2 Sauer did, Ryan Banger and Daryl Moore, who were
3 the heads of the respective civil and criminal
4 litigation divisions. Loree Anne Paradise did.
5 Daniel Hartman began attending them at some point I
6 attended them. I don't recall anyone else.
7 Obviously those names changed in, you know, January
8 2019 when the Attorney General changed. But I
9 assume we're talking about AG Hawley.

10 **Q. Correct. So was there an agenda**
11 **for those meetings or kind of any itinerary or**
12 **agenda or anything that detailed what you were**
13 **going to discuss each week?**

14 A. So generally sort of everyone but
15 the Attorney General would meet in person right
16 before the executive staff meeting, and we would
17 talk about what we wanted to present in the
18 executive staff meeting. John Sauer generally
19 preside over those. I think -- I don't want to
20 speak for him. But I think he viewed his role as
21 streamlining it. In particular identifying issues
22 that he as first assistant could say yes or no to
23 without the Attorney General sort of having to
24 weigh in on it because the executive staff meetings
25 sometimes lasted hours, which wasn't really

1 necessarily an efficient use of anyone's time. So
2 we met in advance of them to try and identify what
3 needed to be presented, what didn't, and then, you
4 know, come up with an order. That usually
5 manifested as we would go around the circle, Mike,
6 what issues do you need to present today? Ryan,
7 what issues do you need to present today? And on
8 around the circle.

9 **Q. So mostly verbal then and probably**
10 **no written agenda?**

11 A. I don't recall whether or not --
12 let me say this: I believe that there were
13 meetings that had written agendas. I don't think
14 every meeting did, and I couldn't tell you sort of
15 what percentage. But I don't recall those ever
16 being circulated. So I don't know whether it was
17 sort of a situation of somebody sitting at a
18 computer while we were meeting and then typing it
19 up and printing it out. I know there were meetings
20 that had agendas. Not all of them. And I don't
21 really know the details of how they came about.

22 **Q. So would you have any of those**
23 **agendas that you could provide them?**

24 A. I don't have them. I don't know
25 whether the Attorney General's office has them or

1 not.

2 **Q. So did you take notes at those**
3 **meetings?**

4 A. The pre-meetings?

5 **Q. Uh-huh. Or at your executive**
6 **meetings. Pre or executive.**

7 A. I'm sure that I did take notes. If
8 there was an issue that I needed to present to the
9 Attorney General, I certainly wrote down, yes, we
10 can move forward on this or, no, we can't.

11 **Q. So would you have any of those**
12 **left?**

13 A. I don't have any such notes. You
14 know, to the extent that I took notes they would
15 certainly be reflected in sort of like the
16 litigation of decisions that were taken. I suspect
17 that -- I can't think of any issue I ever presented
18 in those meetings that wouldn't be privileged
19 and/or work product.

20 **Q. So throughout 2017 it appears there**
21 **was a 9:00 phone call that occurred to the number**
22 **everybody dialed in at (641) 715-3180 every Tuesday**
23 **prior to the executive meetings. Were you involved**
24 **in any of those phone calls?**

25 A. I don't -- I don't recall that. I

1 don't recall a regular phone call in advance of the
2 executive staff meetings.

3 **Q. Would this have been those**
4 **meetings, those pre-meetings you think? Did anyone**
5 **participate by phone or --**

6 **A.** I don't recall whether anyone
7 participated in them by phone. But if somebody did
8 participate by phone, I suspect it would have been
9 sitting in John Sauer's office, you know, him
10 calling that person or that person calling his desk
11 line. I guess that's somewhat speculative because
12 I don't recall whether or not anyone did. But I
13 certainly don't recall sort of a regular
14 pre-meeting call in.

15 **Q. So do you think your pre-meeting --**
16 **so the other executive meeting was at 10:30. What**
17 **time do you think your pre-meeting might have**
18 **gotten started?**

19 **A.** I don't recall the specificity.
20 Honestly, the starting time is generally governed
21 by when John and I would get in from St. Louis. We
22 generally carpooled together. Sometimes we would
23 get in early, 7:30 or 8:00. Sometimes if for
24 whatever reason we were delayed in St. Louis we'd
25 get in at like 10:00. So the timing would just

1 depend on when we were in town.

2 **Q. So regarding the consultants, in**
3 **your statement to the Secretary of State you**
4 **indicated you attended a meeting with Timmy Teepell**
5 **in late April 2017. Was that the first time you**
6 **met people? You kind of indicated you might have**
7 **met him in January. Or did you meet him prior to**
8 **joining the AGO?**

9 A. The first time I met Timmy Teepell
10 was in January 2017 in that instance that I
11 described earlier.

12 **Q. So how did Mr. Teepell become**
13 **involved with the AGO?**

14 A. I don't know the answer to that.

15 **Q. So in your statement to the**
16 **Secretary of State you stated you had a couple of**
17 **conference calls with Timmy Teepell in attendance**
18 **prior to the April 2017 meeting. Can you provide**
19 **any details of kind of what was discussed or what**
20 **those meetings involved?**

21 A. To the best of my recollection, the
22 phone call or phone calls, again, I don't recall
23 how many there were, were in advance of the offices
24 roll out of our human trafficking regulations. So
25 the subject matter of those calls was sort of

1 planning that roll out.

2 **Q. So what do you mean by roll out?**

3 A. Sure. So we made several
4 announcements. We issued human trafficking
5 regulations. We also created a unit within the
6 Attorney General's Office focussed on addressing
7 human trafficking issues. I believe there was
8 another component, but off the top of my head I
9 can't recall what it was. So in order to implement
10 those various components, you know, there were a
11 lot of moving pieces. There was a regulatory
12 component. There was the office logistical
13 component of setting up a team, you know, budgeting
14 for someone or someone to staff it. You know,
15 identifying who would be the right people to staff
16 it. Figuring out where in the office to house it,
17 and that tied in closely with the budgeting issues
18 in terms of where money was available in the budget
19 to do something like that. So we wanted to have
20 all of those issues sorted out before making a
21 public announcement about it. So there was a
22 logistical matter to address before that public
23 announcement.

24 **Q. Okay. So did you take any notes of**
25 **those phone calls or meetings?**

1 A. I don't recall.

2 **Q. Would there have been agendas for**
3 **those meetings?**

4 A. To the best of my recollection, I
5 put into the possession the Attorney General's
6 Office several documents that were housed on Google
7 docs. To the extent that I believe one of them --
8 I don't know whether I would characterize it as an
9 agenda. But to the extent that there was anything
10 like an agenda, that document is in the possession
11 of the Attorney General' office and was produced to
12 the Secretary of State.

13 **Q. Okay. So did you exchange any**
14 **e-mails with the outside consultants prior to the**
15 **inauguration?**

16 A. No.

17 **Q. Do you know how the meetings with**
18 **the consultants were scheduled?**

19 A. I don't. I was not involved in it.

20 **Q. So when was the first time you met**
21 **Gail Gitcho?**

22 A. I believe the first time I met her
23 -- the first time I met her was in January 2017 at
24 that, you know, handshake in the Attorney General's
25 office. I know that she also attended the press

1 conference where we announced the human trafficking
2 regulations. But to the best of my recollection,
3 she didn't attend the April meeting.

4 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

11 Q. What about any phone conference
12 calls?

13 A. To the best of my recollection, any
14 phone conference calls in advance of the roll out
15 involved her. I recall at least one phone call
16 that she was on.

17 Q. Okay. So what would have been
18 discussed like at the roll out or at that first
19 meeting when you had the handshake meeting?

20 A. As I said, there was no substantive
21 discussion at the handshake meeting. You know, I
22 had no idea who Timmy Teepell or Gail Gitcho were
23 and Josh. Just said, hey, this is Timmy. This is
24 Gail. I shook their hands.

25 Q. So you might have already answered

1 **this. But are you aware of who arranged for Gail**
2 **to attend those meetings?**

3 A. I am not aware.

4 Q. Okay. So did you have any meetings
5 **with any other outside consultants besides Timmy**
6 **Teepell and Gail Gitcho?**

7 A. No. Not to the best of my
8 recollection.

9 Q. So you indicated earlier I think
10 **you met with the outside consultants in January and**
11 **in April. Did you meet with them any other time?**

12 A. I would say I met them in January,
13 and I had a meeting with Timmy in April. I don't
14 recall any other meetings.

15 Q. Okay. Then phone conferences, you
16 **thought just a couple or --**

17 A. Yeah. I mean, as I said, I don't
18 recall a specific number. I know there is at least
19 one.

20 Q. Okay.

21 A. But I don't -- I just don't have a
22 recollection of how many there were and precisely
23 when they occurred.

24 Q. So for the April meeting that was
25 **in person, who established the agenda for that**

1 **meeting, or was there an agenda?**

2 A. I don't recall an agenda. My
3 understanding, the purpose of the meeting --
4 welcoming into the meeting I didn't really have any
5 understanding what the purpose was. You know, as
6 the meeting began, my understanding of the purpose
7 was principally to help identify the roles or lanes
8 of various people on the executive team. You know,
9 we had several people on the executive team whose
10 roles were either ill defined or overlapping,
11 including certain components of my role. I
12 understood the purpose of the meeting to delineate
13 the roles so that there wasn't duplication of
14 efforts or sort of turf wars so to speak. I mean
15 that's what I understood the agenda to be. But I
16 don't recall a written agenda or anything that was
17 provided in advance either in writing or orally.

18 **Q. So do you know who was responsible**
19 **for coordinating the visits with the consultants?**

20 A. I don't know.

21 **Q. And do you know, did you include**
22 **those meetings on your Outlook calendar?**

23 A. The April meeting?

24 **Q. Uh-huh.**

25 A. I believe there is an entry on my

1 Outlook calendar for it. To the best of my
2 recollection, and, again, this will be reflected in
3 the documents, it was a calendar entry sent to me
4 by someone else.

5 **Q. Okay. So before the meetings with**
6 **the consultants, did you discuss the meetings with**
7 **them with anyone?**

8 A. Not to the best of my recollection.
9 I suspect that at some point somebody told me that
10 the meetings were happening. But I don't recall
11 who that was or what the discussion was.

12 **Q. So during those meetings with the**
13 **consultants, were any topics raised that were only**
14 **campaign related?**

15 A. No. Never discussed anything
16 campaign related.

17 **Q. So were there any references of the**
18 **Attorney General running for Senate?**

19 A. No. In fact, all of those -- well,
20 one meeting. But also the handshake meeting in
21 January, all of those occurred months before I knew
22 that he was going to run for Senate.

23 **Q. So how did you come to know he was**
24 **running for Senate?**

25 A. I learned in the papers.

1 **Q. So he didn't make an announcement**
2 **to the employees or anything?**

3 A. Well, he -- we had an executive
4 staff meeting soon after he made his announcement.
5 At the executive meeting he said something to the
6 effect of you may have seen in the papers that I'm
7 running for U.S. Senate and I don't want it to
8 change the office operates. We're doing important
9 work here. I also don't want an elephant in the
10 room. I learned in the papers. But he did address
11 it when the next executive meeting was.

12 **Q. What do you think the timeframe was**
13 **when all of this occurred?**

14 A. I don't recall. In terms of what
15 month?

16 **Q. Yes.**

17 A. I don't recall when he announced.

18 **Q. So did discussion in those meetings**
19 **with the consultants ever drift towards campaign**
20 **issues or --**

21 A. No. In fact, I'm not sure at that
22 time that I even realized that Timmy or Gail had
23 any sort of professional, you know, campaign roles
24 either with Josh's campaign or with any other
25 campaign.

1 Q. So when you're meeting with Timmy
2 and Gail, were there any topics that ever caused
3 you concern that were brought up?

4 A. No.

5 Q. Do you know if any of the topics or
6 the issues with the consultants caused any other
7 AGO staff concerns?

8 A. I need to tread carefully here in
9 terms of privilege. To the best of my
10 recollection, Rachel Hassani in advance of the
11 meeting raised concern to Adam Rosell. I believe
12 she raised them in advance of the meeting.
13 Therefore, her concerns weren't caused by the
14 content of the meeting which had not yet happened
15 but instead the identity of the people we were
16 meeting with. Presumably she, you know, either
17 knew who they were or Googled them. But I was not
18 part of that conversation at least in terms of not
19 privileged information. I can't really speak to
20 what transpired.

21 Q. So how was the AGO staff informed
22 of the topics of those meetings with the
23 consultants?

24 A. Well, as I said, I only attended
25 the April meeting. To the best of my recollection,

1 as I said, there was no advanced notice to me of
2 what the content of the meeting would be. So I
3 guess that's responsive to your question.

4 **Q. Okay. So were you given any**
5 **documents to prepare for the meetings or after the**
6 **meetings?**

7 A. Certainly not before the meeting
8 for the reasons I have stated. I don't recall
9 certainly myself having any documents to prepare
10 coming out of the meeting.

11 **Q. Okay. So what was the role of the**
12 **consultants or what was your understanding of the**
13 **role of the consultants and who determined their**
14 **roles?**

15 A. As to the latter part, who
16 determined it, I don't know. My understanding of
17 what their role was, I guess I would say there is
18 two levels of that question. The most basic level
19 and probably the most important one is that most of
20 the people in the Hawley administration had little
21 or no government experience coming in. So, you
22 know, there are -- there is a knowledge base on how
23 to effectively run a government office the people
24 who have been particularly in state government have
25 that I certainly didn't have and Evan didn't have.

1 So my understanding of the principle role of the
2 consultants was to sort of help us government
3 novices sort of understand how to operate a
4 government office. You know, as I said, sort of a
5 level below that and to my mind the most important
6 thing they did was sort of help us think through
7 the various roles of the people on the executive
8 team so that they were delineated, not conflicting,
9 not overlapping, and also so that we could identify
10 areas there may have been a gap.

11 So to the best of my recollection,
12 one issues that was discussed in April was the need
13 for more constituents. That was, to the best of my
14 recollection, something that came out of concerns
15 raised by Loree Anne but was really clarified by
16 Timmy who had run a governor's office and,
17 therefore, sort of hand, I think, a pretty good
18 handle on what statewide constituent services
19 should look like. So to the best of my
20 recollection, one action item coming out of that
21 meeting, although it wasn't an action time for me,
22 was to consider whether or not we could hire
23 someone to spend more time on constituent services.
24 If not, if there was a way to sort of reallocate
25 various tasks so that there would be more time to

1 spend on constituent services.

2 **Q. So was there any direction clearly**
3 **given that consultants were not performing campaign**
4 **work?**

5 A. I don't recall ever being told
6 they're not performing campaign work. But I also
7 don't recall ever thinking that they were such that
8 such instruction would be required, if that makes
9 sense.

10 **Q. So was the role of the consultants**
11 **explained to the staff?**

12 A. I don't recall anyone ever
13 explaining to me expressly here is the role of the
14 consultants.

15 **Q. So how long did the consultants**
16 **serve in that role?**

17 A. I don't know. I mean I know my
18 interactions with them. You know, as I have
19 described, I met them in January of 2017. There
20 was one or more phone calls in the human
21 trafficking roll out. There was the April meeting
22 of Timmy Teepell. I don't have personal knowledge
23 of sort of beyond that time period, their
24 interactions with the office, if any.

25 **Q. Okay. So you think January to May**

1 **then?**

2 A. I don't have personal knowledge.

3 **Q. Okay.**

4 A. I don't know.

5 **Q. So would you describe the type of**
6 **work that they did to be kind of administrative**
7 **consulting services, or how would you describe it?**

8 A. Yeah. I mean I would sort of
9 compare them to like a McKenzie consultant in terms
10 of operational consulting, which I think is similar
11 to administrative consulting maybe.

12 **Q. So were the AGO staff expected to**
13 **report to the constituents?**

14 A. I certainly didn't feel like I had
15 to report to them, and no one ever expressed to me
16 that they felt they had to report to them.

17 **Q. Did you feel like you had to follow**
18 **the direction you gave?**

19 A. I never felt that way certainly,
20 and I don't recall anyone ever expressing to me
21 that they felt that way.

22 **Q. And did you ever interact with the**
23 **political consultants outside the meetings or phone**
24 **calls or the phone conferences via e-mail, texts,**
25 **social media apps, self-erasing or self-destructing**

1 **messaging apps?**

2 A. Well, certainly not the last
3 category. I believe that there were e-mails to
4 which I was a party. To the extent that those
5 exist, I produced them or they were produced to the
6 Secretary of State's office. I don't have clear
7 recollection of them. But they're in the record.

8 **Q. Were those state e-mails or**
9 **personal e-mails?**

10 A. They were over Gmail.

11 **Q. Any texts that you are aware of?**

12 A. I don't recall any. Let me put it
13 this way: In late 2018 I searched all personal
14 digital data that I had available to me. There
15 weren't any. I don't recall any, and I didn't have
16 any when I searched for them.

17 **Q. Okay. So how often do you think**
18 **you communicated with the consultants either e-mail**
19 **or phone or --**

20 A. I mean I would say rarely. You
21 know, I mean obviously more than zero as we've
22 discussed. But, you know, not very often and for a
23 pretty time limited period.

24 **Q. So on December 7, 2018, there was a**
25 **news article that was released quoting that Evan**

1 **Rosell had told one or two people in the AG's**
2 **office that he downloaded a Confide app. Are you**
3 **familiar with that?**

4 A. With the news article?

5 Q. **Uh-huh.**

6 A. I don't know that I've read the
7 article. But I'm aware that such an article may
8 exist.

9 Q. **Well, I'll show you the news**
10 **article here. So we've got it as appendix G.**
11 **That's mine.**

12 A. I'm not sure I actually need a
13 copy.

14 Q. **So did -- were you one of the one**
15 **or two people that Evan Rosell told about the app?**

16 A. I think the answer to that would be
17 privileged.

18 Q. **Okay. Did he forward you the**
19 **Confide app?**

20 A. He did not forward me the Confide
21 app.

22 Q. **So are you aware of anyone else in**
23 **the office downloading a self-destructing messaging**
24 **app such as Wicker, Telegram, Bleep or Signal?**

25 A. Well, two answers to that. I think

1 your last question may have been narrower than
2 intended. I downloaded Confide. Or maybe not
3 narrowed. I downloaded Confide probably in January
4 of 2017. I had it on my phone very briefly. The
5 only person I exchanged any messages with was Evan
6 Rosell, probably about five messages back and
7 forth. That app was in the news in early 2017
8 because of its use by people in the executive
9 branch of the federal government. You know, as
10 somebody who does civil litigation, I kind of
11 wanted to understand the various media that kids
12 are using these days so to speak. I spent a lot of
13 time thinking about ESI issues. So I downloaded
14 it, exchanged a few messages with Evan. Never with
15 anyone else. You know, deleted it not long
16 thereafter.

17 In terms of other self-deleting
18 apps, I mean I certainly didn't have any. To the
19 best of my recollection, Ryan Banger had Signal on
20 his phone. To the best of my recollection, that
21 was because there was a witness in a case who would
22 only communicate via Signal. I don't believe -- I
23 don't know exactly how Signal works, so I may be
24 misstating it. But to the best of my
25 understanding, Signal is not a self-deleting app.

1 Instead it has a setting to that effect. I
2 certainly know that Ryan's communications with that
3 witness were retained as part of the case file and
4 were retained, you know, when I left the office in
5 February.

6 **Q. So --**

7 MR. ANDERSON: When you said ESI
8 earlier.

9 THE WITNESS: Electronically stored
10 information. Computer or electronic data that's
11 evidence in a case.

12 **Q. (By Ms. Allison) So you're not**
13 **aware of the Signal app being distributed to**
14 **several staff in January of '17 to be used as an**
15 **encrypting app?**

16 A. I -- I'm not aware of that. I mean
17 I didn't have Signal.

18 **Q. And you weren't forwarded that app?**

19 A. No. I mean I don't -- and maybe
20 I'm confessing my technical ignorance. I'm not
21 exactly sure what forwarding that means. My
22 understanding is that for Confide there is some
23 sort of setting where you can essentially send a
24 text message to somebody to download this app.

25 **Q. Were you asked to download Signal?**

1 A. I never received such an invite
2 from anybody about any app.

3 **Q. Including Confide?**

4 A. Including Confide.

5 **Q. So how did you come to know about**
6 **Confide or know to download it?**

7 A. As I said before, it was being
8 discussed in the media in connection with the
9 federal executive branch and to the best of my
10 recollection sort of focusing on the executive
11 branch trying to communicate without their
12 superiors knowing communications were happening.
13 As I said, I, as a civil litigator, trying to keep
14 abreast of sort of potential ESI issues. That's
15 what I spend -- now that I'm back in private
16 practice, that's essentially what I spend all of my
17 time dealing with. So from a professional
18 competency perspective I felt like I needed to at
19 least understand what it was.

20 **Q. But you said you sent some messages**
21 **back and forth to Evan Rosell. Is that what you**
22 **indicated earlier?**

23 A. Correct.

24 **Q. Anybody else that you know of?**

25 A. I mean I've never exchanged Confide

1 messages with anyone else. To be clear for the
2 record, you know, none of the messages I exchanged
3 with Evan were work related. The only one I
4 remember was sort of a mean-spirited joke about KU
5 basketball, Evan being a KU grad. But, you know,
6 certainly not about state business.

7 **Q. Okay. Are you aware or did you use**
8 **Facebook Messenger or LinkedIn to communicate about**
9 **state business between staff or communicate with**
10 **the legislature?**

11 A. I certainly never did, and I'm not
12 aware of anyone who used those media.

13 **Q. Okay. So did you communicate via**
14 **private or personal e-mail with the consultants?**

15 A. To the extent that such
16 communications exist, they're produced to the
17 Secretary of State. To the best of my
18 recollection, the only e-mail sent by me was a
19 response to, you know, a scheduling e-mail that
20 someone else had sent. I think I said that time
21 works for me. I certainly don't recall initiating
22 any e-mail communications over personal e-mail with
23 them or with anyone else about state business. As
24 I said, I produced all of the, you know, the whole
25 universe of documents to the office. So anything

1 that existed has been produced.

2 Q. Okay. Was there any discussion
3 about those e-mails, private e-mails or personal
4 e-mails, being public record and whether those
5 e-mails needed to be retained?

6 A. I would say that anything
7 responsive to that would be privileged work
8 product.

9 Q. And so any of those e-mails you
10 said you produced and you retained, correct?

11 A. When you say any of those e-mails,
12 can you clarify what you mean?

13 Q. Personal or private e-mails with
14 the consultant?

15 A. As I said, you know, in 2018 I
16 searched all of the electronic and paper for that
17 matter communications accessible to me and produced
18 to the AG's office anything that would fit into
19 that category. Those materials were all in turn
20 produced to the Secretary of State.

21 MR. ANDERSON: I'm going to
22 interject something here. On the question you
23 claim privilege on, what was your question, Pam?

24 MS. ALLISON: Was there any
25 discussion about the e-mails being public record or

1 whether e-mails needed to be retained?

2 MR. ANDERSON: Is your assertion
3 privilege, would it be as to the fact of
4 communication?

5 THE WITNESS: Well, I mean the
6 question asks about communications. Were there
7 communications between me, the general counsel at
8 the office. I mean I can tell you anyone I would
9 have had those communications with would have been
10 the client of the Attorney General's office. So
11 I'm not sure how to answer that question in a way
12 that's not breaching privilege.

13 MR. ANDERSON: In other words,
14 leaving aside the content, like what was the
15 communication, the fact of the communication which
16 you're claiming privilege to --

17 MS. ALLISON: So I guess --

18 MR. ANDERSON: Hang on, Pam.

19 THE WITNESS: So is your question
20 can I confirm the communications exist without
21 disclosing the content of the communication?

22 MR. ANDERSON: Right. And you may
23 not care. I was just listening to the question.

24 MS. ALLISON: Go ahead.

25 THE WITNESS: I will defer to the

1 Attorney General's office as to whether or not they
2 think the fact of the communication is privileged.

3 MR. SMITH: I think the way the
4 question was phrased called for privileged
5 information. So we would ask that you not divulge
6 any such privileged information.

7 THE WITNESS: Is there a way to
8 rephrase the question that asks -- I mean, Joel,
9 can I take you to be saying were there any
10 communications regarding the subject matter of
11 whether or not -- I can't recall the rest of the
12 question.

13 MR. ANDERSON: Whether or not they
14 were to be retained. Something like that.

15 MR. SMITH: Or public record.

16 MR. ANDERSON: That was my question
17 is the fact of that communication leaving aside
18 what the communication was.

19 THE WITNESS: I think I can answer
20 that by saying --

21 MR. ANDERSON: You good with that
22 part?

23 MR. SMITH: I'm good with him
24 answering that question.

25 MR. ANDERSON: Okay.

1 MR. SMITH: And not getting any
2 details.

3 THE WITNESS: I think I can answer
4 that without breaching privilege by saying, yes,
5 there were privileged communications regarding
6 whether or not -- I guess can you clarify what
7 e-mails? We've had so many communications that
8 I've lost track of what the direct object of the
9 question was.

10 MR. ANDERSON: And I'm sure I
11 helped it along.

12 THE WITNESS: Well, I mean you did
13 help us along by getting us where we can have an
14 answer.

15 Q. (By Ms. Allison) So basically
16 whether those private or personal e-mails were
17 public record and should have been retained?

18 A. And by those private e-mails, you
19 mean the ones that I put into the possession of the
20 Attorney General's office?

21 Q. Or just in general should private
22 or personal e-mails to the consultants discussing
23 state business, was there a discussion that those
24 should be retained or should be public record?

25 A. I mean I now feel like that the

1 question has been phrased so broadly that I'm not
2 sure. Can we break it up into discrete questions
3 so that I can --

4 MR. ANDERSON: I think the question
5 is -- you need to listen to me, Pam. Were there
6 communications about whether those --

7 MR. ALLISON: Types.

8 MR. ANDERSON: Those types of
9 communications or records should or should not be
10 retained.

11 MR. ALLISON: Or public record.
12 Right.

13 THE WITNESS: So do you mind if I
14 articulate what I think the question is, and you
15 can tell me if that's the right question?

16 MR. ANDERSON: Yes.

17 MS. ALLISON: Yes.

18 THE WITNESS: Were there ever
19 communications involving me regarding whether or
20 not communications over personal e-mail needed to
21 be retained under Missouri law?

22 MS. ALLISON: Right.

23 THE WITNESS: Yes. The answer to
24 that question is yes.

25 MR. ANDERSON: Now we can't ask

1 what the communications were.

2 **Q. (By Ms. Allison) So were -- was**
3 **there a policy and was there direction given to**
4 **staff regarding?**

5 A. Regarding what.

6 **Q. Whether those e-mails, personal**
7 **e-mails or private e-mails, should be returned?**

8 MR. SMITH: I, again, encourage you
9 not to get into the legal advice area. Your
10 question might call for that. So not to disclose
11 any privileged communications.

12 A. In terms of policies, yes. In
13 terms of guidance, I want to answer this without
14 revealing privileged content. So if the AG office
15 will stop me if they think I'm veering off course.
16 But certainly, yes, legal guidance was given
17 regarding what sorts of documents and
18 communications were subject to retention
19 obligations under Missouri law. I don't know if
20 that answered your question.

21 **Q. (By Ms. Allison) So did you use a**
22 **private e-mail account to schedule official**
23 **meetings and press conferences?**

24 A. Did I use -- sorry. Can you repeat
25 the question?

1 **Q. Did you use a private e-mail**
2 **account, for example, like Gmail that you mentioned**
3 **earlier, to schedule official meetings and press**
4 **conferences?**

5 A. No. I want to make sure I
6 understand your question, so I'm going to answer it
7 sort of in parts. I certainly never scheduled any
8 press conferences personally. In terms of
9 scheduling meetings or phone calls, as I said, I
10 believe that there is a document that I produced to
11 the AG's office, which was in turn produced to the
12 Secretary of State, in which there was an e-mail
13 sent to me and several other people, whose
14 identities I don't recall, basically trying to
15 schedule a time. I believe I responded, yeah, that
16 time works for me, or something to that effect.

17 To the best of my recollection, and
18 as I said, I searched my personal e-mail for a
19 particular response to records. To the best of my
20 recollection, that's the only phone call or sort of
21 communication by e-mail that would be responsive to
22 your question.

23 **Q. Okay. Were consultants included in**
24 **those type of e-mail invites? You know, you said**
25 **you were a party or you might have received. So**

1 **were the consultants included in those invites?**

2 A. I guess are you asking about
3 e-mails or sort of calendar invites?

4 **Q. Calendar invites.**

5 A. And calendar invites over personal
6 e-mail?

7 **Q. Right.**

8 A. So to the best of my -- well, a
9 couple of things. I never used sort of a Google
10 calendar largely because my phone at the time, the
11 calendar function on my phone didn't work. So I
12 wasn't able to create entries. If people sent
13 entries to me and I accepted it, they didn't show
14 up on my calendar. So I didn't use Google calendar
15 or any other personal calendar, you know,
16 throughout the relevant time period.

17 After, you know, as I was
18 collecting responsive documents to the Secretary of
19 State's investigation, I went through in my Google
20 account basically every application, whatever the
21 proper noun is for that, in the Google suite. In
22 the course of doing that I realized that there were
23 calendar entries that were accessible from my
24 desktop computer when I was logged in to my Google
25 account that I never seen before.

1 To the best of my recollection --
2 and, again, all of those have been produced to the
3 Secretary. So you undoubtedly know the documents
4 better than I do as I sit here. To the best of my
5 recollection, at some of those if not all of them
6 had Timmy and/or Gail as an invite.

7 **Q. Okay. So I was going to show you a**
8 **couple of things. So Exhibits B, C and D. So to**
9 **start with Exhibit B.**

10 A. Uh-huh.

11 **Q. So that says Hawley Press**
12 **Conference Call?**

13 A. Correct.

14 **Q. Created by yourself on your Gmail?**

15 A. It says created by my Gmail
16 address. Correct.

17 **Q. Okay. So you created this calendar**
18 **invite?**

19 A. I did not.

20 **Q. Can you explain what this is or**
21 **what this represents?**

22 A. Sure. Well, I can do my best. It
23 says created by my personal Gmail account. As I
24 said before and as I explained to the Secretary of
25 State's office, I didn't use my Google calendar. I

1 didn't even realize it was an application on my
2 Google account, and I didn't use the calendar
3 function on my phone at this time. I pointed out
4 to the Secretary of State's office that that was
5 there. But this document appears to reflect that I
6 created it. I can't speak to why it says that. I
7 don't know whether it's because in the course of
8 pulling these up and printing them out it somehow
9 modified the calendar entry. I don't know. You
10 know, I recognize that there is a tension between
11 what I'm saying and what these documents say. I
12 don't have an answer for you beyond what I've
13 given.

14 **Q. Okay. So are you saying that**
15 **somebody else sent you this meeting invite? Is**
16 **that what you're saying?**

17 A. I don't know the providence of
18 these documents. As I said, I didn't realize they
19 existed until, you know, late 2018 when I was
20 searching through all of the personnel files that
21 are available to me to see whether or not there was
22 anything else out there. It was only in that
23 context -- to the best of my recollection, that's
24 the first time I ever went into Google calendar,
25 and these were there. So I printed them out,

1 scanned them and put them in the possession of the
2 Attorney General's office. So I don't know who
3 sent them. I didn't review them at the time of the
4 phone calls that are reflected. But that's all I
5 really know about that.

6 **Q. Okay. So the same thing with**
7 **Exhibit C. It says created by you 9:00 to 10:00**
8 **a.m. Central Time-Chicago with Timmy Teepell, Gail**
9 **Gitcho, Loree Anne Paradise and yourself on June**
10 **15th. So this is kind of another time period where**
11 **I think earlier you indicated you didn't**
12 **participate with them after April?**

13 **A. Well --**

14 **Q. Do you remember this conference**
15 **call or --**

16 **A. I would say two things. First, I**
17 **don't recall saying I didn't participate with them**
18 **after April. I don't have recollections of it. I**
19 **certainly didn't have any. I mean I don't recall**
20 **any specific phone calls in looking at the -- what**
21 **appears to be an agenda here on Exhibit C, I don't**
22 **recall discussing any of those issues with Timmy**
23 **Teepell or Gail. I'm not even sure what PSA or**
24 **virtual training relate to. I don't know for sure**
25 **-- I suspect business council relates to the human**

1 trafficking business council that the office later
2 launched. But as I sit here right now, I don't
3 recall ever having discussed that with Timmy or
4 Gail.

5 **Q. Okay. So you don't recall this**
6 **meeting at all?**

7 A. I have no recollection of a phone
8 call, you know, involving that content, you know,
9 and I don't recall what happened on June 15, 2017.

10 **Q. Okay. Then on the second page**
11 **there of C, this is another press conference,**
12 **Hawley press conference, created by yourself, 2:00**
13 **to 3:00 p.m. Do you know what press conference**
14 **that might have been?**

15 A. Again, I have no recollection of
16 that call. I would push back on the wording you
17 used. It says -- rather than saying created by me,
18 the document says created by that Gmail address.
19 As I said, I never created any such calendar
20 entries.

21 **Q. Okay. So do you remember being**
22 **involved in a press conference in June of '17, or**
23 **around this time?**

24 A. I mean I -- what do you mean by
25 involved in a press conference?

1 **Q. Did you attend the press**
2 **conference? Do you know what this press conference**
3 **was for, or do you remember anything going on at**
4 **this timeframe?**

5 A. I don't recall when the Attorney
6 General had press conferences. I know that I
7 attended several press conferences. I attended his
8 April 2017 -- I think it was April 2017 press
9 conference regarding the human trafficking
10 regulations. I attended his press conference
11 announcing the opioids lawsuit. I know that over
12 the course of two years I attended other press
13 conferences. They were largely press conferences
14 involving cases or investigations that I was
15 working on. But I have no recollection of anything
16 that was happening in late June of 2017 about which
17 he gave a press conference.

18 **Q. So how would you have been notified**
19 **of those press conferences?**

20 A. I suspect by phone call probably
21 from Loree Anne Paradise, who as I understand
22 organized the press conferences.

23 **Q. Okay. So do you think she might**
24 **have sent these invites?**

25 A. I would be speculating about who

1 sent them. I don't know.

2 **Q. All right. So then Exhibit D, this**
3 **is in March of '17. It's a Hawley follow-up call.**
4 **So it's got -- again, it's like the others. It**
5 **says it's created by your Gmail account. But it's**
6 **got your response, Yes, I'm going?**

7 A. It reflects on the document the
8 words, Yes, I'm going. As I explained with the
9 others, I didn't realize that these even existed
10 until late 2018. I couldn't speak to the inner
11 workings of the Google accounts and why it reflects
12 what it does. I acknowledge there is a tension
13 between what I'm saying and what the document says.
14 Beyond that I'm not sure what other information I
15 have.

16 MS. ALLISON: Anything else I
17 should ask him about?

18 MR. MAGOFFIN: Nothing to add.

19 **Q. (By Ms. Allison) Do you have any**
20 **idea on the guest list, sometimes it's got your**
21 **name at the top and sometimes it's at the bottom.**
22 **Do you have any idea? Is that why it does that?**

23 A. As I said, I don't know how Google
24 calendar works.

25 **Q. Okay.**

1 A. I would just be speculating, and my
2 technical knowledge is such that my speculation is
3 probably not accurate.

4 Q. Okay. So a lot of these have phone
5 **numbers on them. Do you recognize the phone**
6 **numbers?**

7 A. I don't recognize the phone
8 numbers.

9 Q. Okay. Because this Exhibit D that
10 **has the (641) 715-3580, that's the number of those**
11 **9:00 calls that were on everybody's Outlook**
12 **calendar. So I was just curious as to if you were**
13 **familiar with that phone number or --**

14 A. I don't recognize it, which is not
15 necessarily to say I didn't recognize it at the
16 time. But as I sit here now I don't know what it
17 is.

18 Q. All right. So you weren't tasked
19 **with setting up the conference calls with the**
20 **consultants?**

21 A. I was not.

22 Q. Earlier you indicated you were
23 **issued a state phone from the AGO. Did you use it**
24 **very often for text messages?**

25 A. Well, as I said before, I received

1 a small handful, maybe like five text messages over
2 the course of two years. I never sent a text
3 message with it.

4 **Q. Were those text messages retained?**

5 A. Yes.

6 **Q. Do you know how long they were**
7 **retained or just in the course of your employment?**

8 A. Well, they were all case related.
9 To the best of my knowledge, they were incorporated
10 into the relevant case files.

11 **Q. So did you and other AGO staff**
12 **frequently use personal cell phones to text or**
13 **communicate?**

14 A. As I said I earlier, I know that I
15 did text with at least some people in the office in
16 sort of a logistical nature of, hey, are you free
17 to talk? Something like that.

18 **Q. So do you have any knowledge of**
19 **personal text being used to communicate state**
20 **business?**

21 A. I'm not aware of any such text
22 messages that constitute records.

23 **Q. Was it common place to communicate**
24 **via private e-mail or private phone, private text**
25 **or social media apps in the AG office?**

1 A. Well, I'm not aware of anyone
2 communicating over social media apps. With regards
3 to personal e-mail, as I said, I have produced all
4 of those e-mails that I have. The volume of those,
5 especially in the relation to the volume of e-mails
6 that I sent over my state server, I think common
7 place would be an inaccurate word. In terms of
8 text messages, I wouldn't describe it as common
9 place either. Again, they were a logistical
10 nature.

11 **Q. So how would you describe the**
12 **personal e-mails that were sent, if not common**
13 **place? Were they used frequently, infrequently?**

14 A. I would say infrequently. Again, I
15 think the volume of them speaks for themselves,
16 especially in relation to the thousands of e-mails
17 I sent from my state e-mail account. So in terms
18 of frequency, I think, yes, infrequently and not
19 common place would be inaccurate statements.

20 **Q. So are you -- here is -- I'm going**
21 **to give you this. This is Exhibit E. So this is**
22 **the employee handbook from Missouri Attorney**
23 **General Hawley. Then if you turn to pages 5 and 6,**
24 **there on page 5 is the computer use and electronic**
25 **communication system policy. Then over on page 6**

1 **is number 9, electronic written communication on**
2 **personal electronic devices. Were you aware and**
3 **familiar with these policies?**

4 A. I don't have a distinct
5 recollection. But I am confident that I was aware
6 of them and familiar with them at the time.

7 Q. **Were other AGO staff aware of this**
8 **policy?**

9 A. I can't speak to anyone's
10 awareness. But to the best of my recollection, the
11 office requires all new employees to sign a
12 document more or less saying, yes, I've read and
13 understand the policies.

14 Q. **Were any AGO staff ever directed to**
15 **violate this policy?**

16 A. Not to my knowledge.

17 Q. **Okay. So this policy on page 6,**
18 **number 9, basically says that, "It is the policy of**
19 **the AGO that all electronic written communication**
20 **made or received in connection with the transaction**
21 **of official business be made or received using the**
22 **AGO's Communication Systems." "You should not use**
23 **your personal cell phone, Blackberry, laptop,**
24 **tablet or other portable electronic device or home**
25 **computer for AGO business unless you are remotely**

1 **logged into your official account." So are you**
2 **aware of any employees violating that policy or**
3 **using their personal e-mail account to communicate?**

4 A. I guess I'm aware that, you know --
5 here is what I would say in terms of personal
6 e-mail accounts. All such communications that I'm
7 aware of I have produced to the office for the
8 record. I do think that, you know, probably at
9 least one or two of those fall within the scope of
10 this policy. I don't believe that their original
11 sending violated the policy. But I certainly think
12 that their being put into the possession of the
13 office cured any violations there might have been.

14 **Q. How about are you aware of any**
15 **texts that might have violated this policy?**

16 A. I am not aware of any text message
17 that might have violated that policy. I would
18 point out that the first sentence there tracks the
19 language of the definition of record in Chapter
20 109. Therefore, the scope of the policy is going
21 to track the scope of Chapter 109 as, you know,
22 reflected in conversations that I've had with
23 counsel for the auditor's office and our prior
24 review of the auditor's office. I believe we're on
25 the same page of Chapter 109.

1 **Q. Can you expound on that?**

2 A. Sure. As Joel knows, the AG's
3 office and I led this inquiry I believe is the noun
4 we used involving daughter's (s.i.c.) offices,
5 record retention and Sunshine compliance. In the
6 course of that we had detailed conversations on
7 what Chapter 109 required. I certainly left those
8 meetings thinking that we were all on the same
9 page. Mike Morefield, who reviewed the report that
10 I wrote that includes our legal conclusions,
11 indicated that he agreed with that as well.

12 **Q. Okay. Would you have advised staff**
13 **that if private e-mails or texts used to conduct**
14 **state business were requested, that the AGO would**
15 **fight providing them tooth and nail?**

16 MR. SMITH: And I'm just going to
17 object that it clearly sounds like it's calling for
18 privileged communications.

19 MR. ANDERSON: Give me the question
20 again.

21 MS. ALLISON: Would you have
22 advised staff that if private e-mails or texts used
23 to conduct state business were ever requested, the
24 AGO would fight providing them tooth and nail?

25 MR. ANDERSON: Yeah. I think the

1 word advised is probably --

2 MR. SMITH: It's in the question.

3 THE WITNESS: But I will say this:
4 Hopefully the AG's office doesn't get upset with
5 me. No.

6 Q. (By Ms. Allison) So you have
7 provided all notes, agendas, correspondence,
8 calendars that you have?

9 A. Yes. I mean in terms of
10 communications, the calendar entries, those were
11 all produced to the AG office. In terms of notes
12 or things like that, I didn't take any from the
13 Attorney General's office when I left. Notes were
14 incorporated in the case files and things like
15 that. I can't speak to whether or not the AG
16 office retained them since I left. But I assume
17 so.

18 Q. Okay. Are you aware if the
19 consultants, Mr. Teepell or Gail Gitcho, were paid
20 out of state funds?

21 A. I am not aware of them being paid
22 out of state funds.

23 Q. Are you aware of the consultants
24 working with state employees while they were on
25 state paid time?

1 A. Can you repeat the question?

2 **Q. Were you aware of whether**
3 **consultants were working with state employees while**
4 **those state employees were on state time or being**
5 **paid with state dollars?**

6 A. Could you clarify what you mean by
7 working with?

8 **Q. When they came, for example, to the**
9 **meeting or the phone conferences, those type of**
10 **things?**

11 A. Sure. I mean I guess the answer
12 would be yes in the sense that I mean I think
13 probably those meetings happened on state time.
14 There were meetings that involved state business on
15 state time.

16 **Q. But the consultants weren't being**
17 **paid by the state, correct?**

18 A. I'm not aware of them being paid by
19 the state.

20 **Q. Okay. Would you find that unusual**
21 **that there are consultants working with state**
22 **employees on state time that are not being paid by**
23 **state funds?**

24 A. Would I find it unusual that
25 consultants would provide services without being

1 paid by the state?

2 **Q. Uh-huh.**

3 A. I wouldn't necessarily find it
4 unusual. I think that it's not uncommon for people
5 to help out so to speak with government without,
6 you know, being paid.

7 **Q. Okay. So from January of '17 to**
8 **July 2017, campaign records indicate that OnMessage**
9 **was paid \$75,000, roughly, which is Timmy Teepell's**
10 **organization. Then First Tuesday was paid \$30,506**
11 **by Hawley's state campaign. Do you think that**
12 **would represent the amount of work performed**
13 **providing those kind of administrative consulting**
14 **services to the AGO?**

15 A. I mean I have no familiarity with,
16 you know, the campaign finance reports, and I have
17 no sense of what they would charge, Timmy and Gail
18 would charge. So I couldn't even begin to
19 speculate about whether or not that would reflect
20 that amount of time, nor do I have a factual basis
21 to say how much time they actually spent in total
22 consulting with the office. I can only speak to
23 the, you know, at least in my experience, limited
24 interactions that I have with them.

25 **Q. Are you aware of there being a**

1 **contract for them to provide that work for the AGO?**

2 A. I am not aware of such a contract.

3 **Q. Are you aware of any invoices?**

4 A. I am not aware of any invoices. To
5 be clear, I am not aware of invoices from them.
6 I'm aware of invoices to and from the Attorney
7 General's office. But in the realm of what we're
8 talking about here, no.

9 **Q. Okay. So the OnMessage website**
10 **indicates their purpose is to elect candidates to**
11 **political office. There is really no indication on**
12 **that website that they are in the business of**
13 **providing administrative services. Then Gail**
14 **Gitcho, First Tuesday, has experience as a**
15 **communications director for various political**
16 **campaigns. Can you explain why these firms would**
17 **have been selected or providing that type of**
18 **service of administrative service to the AGO?**

19 A. I mean I have no knowledge of how
20 their affiliation with the AGO came about, and I
21 can't speak to what they do professionally.

22 **Q. Did you or anyone else question**
23 **using those types of firms or the perception of**
24 **using those types of firms for those kind of**
25 **administrative consulting services?**

1 A. As I described before, my
2 understanding is that Rachel Hassani raised
3 concerns about meeting with Timmy and Gail to Evan.
4 I am not aware of anyone else raising concerns
5 about that. You asked about perception. I mean I
6 would certainly say retrospectively whatever
7 benefit their involvement might have had has been
8 outweighed by the sort of perception that has been
9 generated as a result. But that's a retrospective
10 perception of mine.

11 **Q. So you didn't have that concern at**
12 **the time they were providing those services?**

13 A. I don't recall having that concern.
14 But I also don't recall really knowing much about
15 their backgrounds or, you know, perceptions of
16 them.

17 **Q. Do you know if those firms had**
18 **previously provided those types of administrative**
19 **consulting services before?**

20 A. I have no knowledge one way or the
21 other.

22 **Q. Do you know if those professional**
23 **services were procured through a selection process?**

24 A. I have no knowledge regarding that.

25 **Q. The last payment made to First**

1 **Tuesday during that January to July 2017 time**
2 **period was made on June 30, 2017. After that time**
3 **period First Tuesday, or Gail Gitcho, was no longer**
4 **providing any kind of administrative consulting**
5 **services, correct?**

6 MR. SMITH: If I can just clarify.
7 When you say payment, you mean from the campaign
8 and not the Attorney General's office?

9 MS. ALLISON: Correct. Campaign.

10 MR. SMITH: And your question
11 though was related to the campaign services being
12 provided, or to services provided elsewhere?

13 **Q. (By Mr. Allison) To the**
14 **administrative consulting services. Are you aware**
15 **of her providing any administrative consulting**
16 **services after June of '17?**

17 A. You know, as I said before, I don't
18 have a clear recollection of -- I mean, A, I don't
19 have a clear recollection of precisely when any
20 interactions I had with them were. B, you know, I
21 really don't know what interactions they may have
22 had with other people in the office that I was a
23 party to. So the short answer is I'm not sure
24 whether June 30th was a critical date or not. I
25 just don't know.

1 **Q. Okay. Do you know the timeframe in**
2 **which they began working on the Senate campaign?**

3 A. I have no knowledge on their work
4 on the Senate campaign.

5 **Q. Do you recall roughly when Attorney**
6 **General Hawley announced he was running for Senate?**

7 A. I don't recall. I mean I think it
8 was in mid 2017. But I couldn't give you the
9 month. I'm not sure.

10 **Q. So I'm going to show you Exhibit A.**

11 A. Can I just say one other thing?

12 **Q. Yes.**

13 A. I believe the words that I used
14 before was I know nothing Timmy and Gail's work on
15 the Senate campaign. To be clear, I do know they
16 worked on the campaign. But I don't know the
17 details of what they did on the campaign. I used
18 more general language than I should have. I just
19 want to be clear.

20 **Q. So this is a Gmail to you from**
21 **Elizabeth Johnson. It's to your Gmail account from**
22 **Elizabeth Johnson's Gmail account. Elizabeth**
23 **Johnson is a state employee, correct?**

24 A. She was at the time.

25 **Q. So she's sending you an invitation**

1 **to edit a Google doc Backpage OPED. Can you tell**
2 **us a little bit about what this document was?**

3 A. Sure. This is -- I mean this is
4 another document that I didn't realize I even had
5 possession of until late 2018 when I went back and
6 ran search terms on my Gmail to identify documents
7 that might be related to the Secretary of State's
8 investigation. Based on sort of the timestamp
9 here, on August 1, 2017 -- well, to take a step
10 back. Earlier in 2017 our office had served a
11 civil investigative demand on a company called
12 Backpage.com in order to investigate their
13 potential facilitation of human trafficking in
14 Missouri. They, rather than complying with the
15 civil investigative demand, filed a Federal 1983
16 suit against the Attorney General's office in an
17 effort to stop it. On August 1st, which is the
18 apparent date of this communication, we filed a
19 motion to dismiss that lawsuit. Sort of as part of
20 that in support of a jurisdictional argument we're
21 making, we were releasing exhibits of, you know, in
22 our view it was very damning evidence that Backpage
23 was in fact engaged in some extraordinarily
24 heinous behavior.

25 To the best of my recollection, the

1 Attorney General was planning on having a press
2 conference in conjunction with that filing. So
3 August 1st was a busy day for me because I spent
4 the first half of it frantically trying to finish a
5 complex and fact intensive filing. [REDACTED]

[REDACTED]
[REDACTED] So I have no recollection of
8 seeing this communication. Frankly, I suspect that
9 I went several days without checking the e-mail at
10 that time. So it doesn't surprise me that I didn't
11 realize this communication came in.

12 Q. Okay. But would you feel like this
13 does violate the Attorney General's policy number
14 9?

15 MR. SMITH: And I would just state
16 to the extent you're asking for a legal conclusion
17 from the office, I think that would call for him to
18 give legal advice from either his role as general
19 counsel or speculate in his role as a private
20 citizen. So we would object to that type of
21 questioning.

22 MR. ANDERSON: I don't think the
23 question called for an opinion on coming from the
24 office. What was your question -- can I get the
25 question one more time?

1 **Q. (By Ms. Allison) I'm not sure how**
2 **I phrased it. This -- did you feel like this**
3 **e-mail or looking at this e-mail now, would this**
4 **violate Attorney General's policy number 9?**

5 A. Well, I think in order to assess
6 whether or not this violates the policy I think
7 implicates the legal question of whether or not
8 this constitutes a record under Chapter 109. As I
9 sit here right now, I'm not sure that I have the
10 opportunity to sort of run through that legal
11 analysis. But what I would say is that as soon as
12 I was aware that this document existed I brought it
13 into the possession of the Attorney General's
14 office.

15 **Q. So this e-mail says Gail says we**
16 **need a clear tic-toc on how the events transpired**
17 **for the record so that Josh gets appropriate**
18 **credit. We can pull from his remarks and the TPs,**
19 **which I assume is talking point. I will start**
20 **putting something together. What did this getting**
21 **appropriate credit comment mean?**

22 A. I don't know what Elizabeth meant
23 by that. I don't recall the context well enough
24 even to speculate about that what means.

25 **Q. So you don't think this comment is**

1 **in reference to promoting his bid for Senate?**

2 A. I mean I certainly have no reason
3 to believe that it relates to promoting his bid for
4 Senate. I also do not know if he was a candidate
5 for Senate at the time. But I mean I suspect that
6 it just relates to getting media attention for the
7 office. Not for any political campaign. But,
8 again, I didn't send that communication. So I
9 don't know what the intent of the communication
10 was.

11 Q. **So do you believe Gail was**
12 **providing those administrative consulting services**
13 **to the AGO at this time?**

14 A. I don't know.

15 Q. **Do you know if she was working for**
16 **the campaign at that time?**

17 A. I have no knowledge of, you know,
18 when she was working for the campaign.

19 Q. **But you indicated that you and Ms.**
20 **Johnson were state employees at this time of this**
21 **e-mail?**

22 A. Certainly on August 1, 2018, we
23 were both state.

24 Q. **So did you end up reviewing or**
25 **revising that Google document at some point in**

1 **time?**

2 A. I have no recollection of revising
3 it. As I said, I have no recollection of receiving
4 this at the time. The first recollection I have of
5 this communication is in late 2018 when I was going
6 through my personal accounts to see if there was
7 anything responsive to the Secretary of State. I
8 don't recall for sure. But to the best of my
9 recollection, in late 2018 one of the documents
10 that I put in the possession of the office which
11 then went to the secretary was a Google doc
12 generally relating to Backpage. To the best of my
13 recollection, that was the document that opens if
14 you click open in docs in this communication.

15 MS. ALLISON: Do have that
16 document?

17 MR. MAGOFFIN: I can look real
18 quick.

19 THE WITNESS: I know the Secretary
20 of State has it. It was discussed in my interview
21 with Khريس. And Khريس is K-h-r-i-s.

22 **Q. (By Ms. Allison) We may come back**
23 **to that. So I'm going to give you Exhibit F, which**
24 **is going to make you --**

25 MS. ALLISON: Justin, you've seen

1 this one before too.

2 **Q. (By Ms. Allison) So this is an**
3 **e-mail from Evan Rosell. It looks like it went out**
4 **to several folks. It started -- let me make sure I**
5 **get this right. So Evan sent it. It's basically**
6 **action points for each person to address. Do you**
7 **recall getting this e-mail?**

8 **A. To the best of my recollection, I**
9 **didn't -- again, to the best of my recollection, I**
10 **didn't recall getting it at the time of the e-mail.**
11 **This is yet another e-mail that when I was**
12 **searching through my records in late 2018 I**
13 **identified sort of the version of this that came**
14 **from my Gmail account, put it in the possession of**
15 **the office, and that was in turn produced to the**
16 **secretary. I don't recall getting this at the**
17 **time. But I don't sort of have a clear**
18 **recollection to say definitively. I didn't read it**
19 **at the time.**

20 **Q. Okay. So up at the top it says**
21 **follow up from Timmy's visit?**

22 **A. Uh-huh.**

23 **Q. These e-mails are dated May 1st and**
24 **May 4th. So is this the meeting that they had**
25 **there in the AGO's office where Timmy was present?**

1 A. As I read this document the
2 reference to "Timmy's visit" most likely refers to
3 when Timmy was in the office in late April.

4 **Q. Okay. And so everybody there at**
5 **the top, were they all included in that meeting**
6 **with Timmy, Evan, yourself, Daniel Hartman, Rachel**
7 **Hassani, Loree Anne Paradise?**

8 A. Yes. I believe that matches up
9 with the roster I provided earlier.

10 **Q. And so this e-mail was sent out to**
11 **everybody's Gmail account. Do you know, was it**
12 **also sent to everybody's state e-mail account?**

13 A. Not that I recall. I don't recall
14 receiving an e-mail containing this content on my
15 state e-mail. I also don't recall such an e-mail
16 being identified in the searches I ran in late 2018
17 on my state e-mail account.

18 **Q. So can you tell me a little bit**
19 **about the different things that's on each person's**
20 **list as far as action points that each person is**
21 **supposed to follow up on, or specifically yours if**
22 **you're not familiar with the others. Or if you're**
23 **familiar with the others if you can comment on**
24 **those.**

25 A. I can certainly comment on the two

1 under my name. You know, I would need to read
2 other people's, and if there is specific ones you
3 want to ask about I can try and handle those. In
4 terms of "next steps on Opioid front", we had been
5 thinking within the administration for several
6 months about what the office's role, if any, would
7 be in sort of addressing the opioid crisis for lack
8 of a better more specific term. I don't -- I'll
9 try and avoid saying anything about privileged work
10 product.

11 Obviously at some point we reached
12 the decision to file a lawsuit against three major
13 opioid manufacturers, and later we decided to serve
14 civil investigative demands on a number of others.
15 I don't recall precisely when we decided that, yes,
16 the office's best role on this issue was to file
17 that lawsuit. I believe we filed the lawsuit in
18 mid to late June. So I couldn't say with
19 specificity on whether May 1st we had made that
20 decision yet. I suspect the next steps on opioid
21 front refers either to continuing to think about
22 the office's proper role on this issue and/or if we
23 had already decided to sue, moving that lawsuit
24 forward towards filing.

25 **Q. And then the other bullet point?**

1 A. The other bullet point "Review
2 Daniel's Veteran's Pro Bono project." The office
3 launched sometime in 2017 a program that would
4 facilitate private practice attorneys providing pro
5 bono legal representation to I believe both
6 veterans and active duty members of the military in
7 Missouri. Daniel was -- Dan Hartman was leading
8 that effort. I didn't have much of a role in it,
9 if any.

10 To the best of my recollection, the
11 state of Nevada launched a substantially similar
12 program, and I spoke by phone with the then chief
13 of staff for the Nevada AG's office sometime in
14 January 2017, within the first couple of weeks of
15 taking the job. I had talked with him about that
16 program, how they had launched it. You know, in
17 particular how they recruited attorneys to
18 participate in it and how they sort of dealt with
19 the authority question of the Office of the
20 Attorney General potentially being construed as
21 providing legal advice to private citizens.

22 At some point Daniel really took
23 that over. So I know that Evan wanted me to give
24 input on the project as Daniel worked on it. So I
25 guess I understand looking at this bullet point now

1 to be pointing towards as Daniel continues to work
2 on this project, giving input on it.

3 **Q. So both those topics there for you**
4 **are state business, correct?**

5 A. Yes. I would characterize both of
6 them as state business.

7 **Q. How about the topics under**
8 **everybody else, are those all kind of state**
9 **business?**

10 A. I'll need to read them.

11 **Q. Okay.**

12 A. I mean as I read them I don't see
13 any that look like they're not state business. I
14 confess that, for example, inventory owned/media
15 assets, I don't know what that means. But I don't
16 see any reason to think that it's anything other
17 than state business. I also don't know what
18 develop a target list of coalition groups means.
19 But, again, I see no reason to think it's anything
20 other than state business.

21 **Q. Now, what was that first one did**
22 **you say?**

23 A. Inventory owned/shared media
24 assets. Loree Anne.

25 **Q. So what would develop a target list**

1 **of local and key officials for governmental affair,**
2 **what would your understanding of that be?**

3 A. Sure. And I couldn't provide you
4 details. But it's very common, I use common place
5 here, for the Attorney General's office to have to
6 interact with and rely on other governmental
7 entities, whether it's other state governmental
8 entities or local entities. Frequently local law
9 enforcement. Sometimes municipalities I certainly
10 reengaged on some housing issues where engaging
11 with municipalities was necessary.

12 So it's sort of essential when
13 those needs come about that the office have
14 relationships with -- I guess preexisting
15 relationships with the governmental entities. So
16 that's what I read that bullet point to refer to is
17 developing those institutional relationships we can
18 draw on if and when we needed to.

19 **Q. How about under the legislative**
20 **affairs, develop a key -- develop list of key**
21 **legislatures for relational engagement over the**
22 **summer?**

23 A. I confess that my knowledge of the
24 legislative affairs world is pretty limited. But I
25 think this is somewhat similar in the sense that

1 one goal was for the office to develop
2 institutional relationships with members of the
3 legislature such that, you know, when the office
4 had a legislative priority there would be folks to
5 connect with, whether it's a budget issue.
6 Certainly there were a few legislative proposals
7 that the office had where presumably relationships
8 with key legislatures would have been helpful.
9 That's my understanding of that bullet point. But
10 as I said, my role of legislative affairs was very
11 minor, and I don't know the role that well.

12 **Q. Okay. So this e-mail was sent via**
13 **Gmail. You don't have -- well, you had indicated**
14 **earlier that it was rare, infrequent that state**
15 **business was conducted on private e-mail?**

16 A. Yes. I think that would be an
17 accurate characterization.

18 **Q. So this would have been one of**
19 **those times?**

20 A. I think this is an e-mail over
21 Gmail that involves state business.

22 **Q. Well, to kind of -- let's see. So**
23 **when you started with the Attorney General's**
24 **Office, were you allowed to claim relocation**
25 **expenses, or have you always been in St. Louis?**

1 A. I don't whether I was allowed to.
2 I certainly didn't.

3 **Q. Are you aware of any other**
4 **employees receiving relocation expenses?**

5 A. Honestly, until a moment ago I
6 didn't know they existed.

7 **Q. Are you aware of state resources**
8 **being used for political or personal purposes,**
9 **including use of a state vehicle, anything like**
10 **that?**

11 A. I'm not aware of any state
12 resources being used for political or personal
13 purposes.

14 **Q. Okay. Were you aware of anything**
15 **unlawful or inappropriate regarding state resources**
16 **being used for political purposes or personal**
17 **purposes?**

18 A. No.

19 **Q. Have you had any contact or**
20 **conversations with anyone about this audit?**

21 A. Well, I certainly as a former
22 attorney for the Attorney General's Office, when
23 you initially reached out to me I notified the
24 Attorney General's Office the state auditor wanted
25 to interview me, conduct a interview. So I

1 consulted with the Attorney General's Office in an
2 effort to protect that office's privilege. I
3 received phone calls from both Evan Rosell and
4 Loree Anne Paradise after, as I understand it, you
5 reached out to them. You know, both of those phone
6 calls were basically them asking whether there had
7 been any outreach to me. At the time there hadn't
8 been. I don't remember the details of those phone
9 calls. But I do recall indicating to them that I
10 thought it was everyone's interest, both theirs,
11 the offices and the auditor's interest, if they
12 would cooperate.

13 **Q. Are there any individuals you think**
14 **we need to talk to?**

15 A. I mean I suspect that you guys
16 already have on your wish list everyone that would
17 be relevant. I think certainly folks whose names
18 appear on these communications would be relevant
19 individuals.

20 **Q. Anyone else?**

21 A. Are there specific topics that you
22 have in mind in particular?

23 **Q. Just in general regarding the**
24 **consultants or political use or state resources**
25 **being used for political purposes?**

1 A. I mean in terms of folks
2 interacting with the consultants, I'm not sure that
3 I'm aware of anyone other than the people that run
4 these communications. I'm not aware of state
5 resources used for political purposes. Therefore,
6 I can't speak to anyone who would have relevant
7 knowledge.

8 MS. ALLISON: I think we're done.

9 MR. ANDERSON: Would you like to
10 read a copy?

11 THE WITNESS: I would appreciate
12 that.

13 MR. ANDERSON: We'll get you a copy
14 of that. You have my e-mail address there, right?
15 Any questions?

16 THE WITNESS: No. I don't think
17 so.

18 (Record proceedings were
19 concluded at 11:44 a.m.)

20

21

22

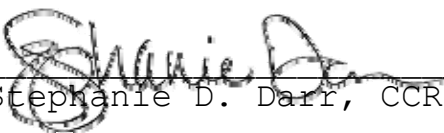
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NOTARIAL CERTIFICATE

I, Stephanie D. Darr, a Certified Court Reporter for the State of Missouri and a duly commissioned Notary Public within and for the State of Missouri, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.


Stephanie D. Darr, CCR





Michael Martinich-Sauter <mcmartinich@gmail.com>

Backpage OPED - Invitation to edit


Elizabeth Johnson (via Google Docs) <johnsonelizabeth816@gmail.com>

Tue, Aug 1, 2017 at 3:59 PM

Reply-To: Elizabeth Johnson <johnsonelizabeth816@gmail.com>

To: mcmartinich@gmail.com

Elizabeth Johnson has invited you to **edit** the following document:

 Backpage OPED



Gail says we need a clear tic-toc on how the events transpired for the record so that Josh gets appropriate credit. We can pull from his remarks & the TPs. I will start putting something together.

[Open in Docs](#)

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Hawley Press Conference Call

Created by: mcmartinich@gmail.com

Time

2pm - 3pm (Central Time - Chicago)

Date

Thu Jun 29, 2017

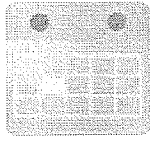
Where

1 (877) 553-6064

My Notes

Guests

✓ Timmy Teepell
daniel.c.hartman@gmail.com
Evan Rosell
Elizabeth Johnson
Loree Anne Paradise
Michael Martinich-Sauter



Conference Call

Created by: mcmartinich@gmail.com

Time

9am - 10am (Central Time -
Chicago)

Guests

Timmy Teepell
Gail Gitcho
Loree Anne Paradise
Michael Martinich-Sauter

Date

Thu Jun 15, 2017

Where

1-877-553-6064

Description

Talking Points:

- HT part 2
- A) business council
- B) PSA
- C) virtual training

My Notes



Hawley Follow Up Call

Created by: mcmartinich@gmail.com · Your response: ✓ Yes, I'm going

Time

2:30pm - 4pm (Central Time -
Chicago)

Guests

✓ Michael Martinich-Sauter
canyoufrythat@me.com
Evan Rosell
ggitcho@rnchq.org
Loree Anne Paradise

Date

Tue Mar 14, 2017

Where

641-715-3580; Access Code: 723-423

Description

641-715-3580; Access Code: 723-423

My Notes



EMPLOYEE HANDBOOK

MISSOURI ATTORNEY GENERAL

JOSH HAWLEY

TABLE OF CONTENTS

1.0.	This Handbook’s Guidelines and Policies	1
2.0.	Your Employment Relationship	1
3.0.	Confidentiality	1
4.0.	Use of the AGO’s Name	2
5.0.	Substance Abuse	2
6.0.	Sexual and Other Harassment.....	2
6.1.	Sexual Harassment.....	3
6.2.	Other Forms of Prohibited Harassment	3
6.3.	Procedure for Reporting Sexual or Other Prohibited Harassment.....	3
6.4.	Retaliation is Prohibited.....	4
6.5.	Confidentiality	4
6.6.	False Complaints of Harassment or Discrimination	5
7.0.	Discrimination and Equal Employment Opportunity	5
8.0.	Computer Use and Electronic Communications Systems	5
9.0.	Electronic Written Communication on Personal Electronic Devices	6
10.0.	Blogging and Social Media.....	6
10.1.	Guidelines for Interaction About the AGO on the Internet	7
10.2.	Confidential Information Component of the Blogging and Social Media Policy	7
10.3.	Respect and Privacy Rights Components of the Blogging and Social Media Policy	8
10.4.	Legal Liability Component of the Blogging and Social Media Policy.....	8
10.5.	Media Contact Component of the Blogging and Social Media Policy	8
11.0.	Media Communications	8
12.0.	Attendance	9
12.1.	Hazardous Travel Policy.....	9
13.0.	Family and Medical Leave Act Policy.....	10
13.1.	Basic Leave Entitlement	10

13.2.	Military Family Leave Entitlements	10
13.3.	Benefits and Protections	11
13.4.	Eligibility Requirements	11
13.5.	Definition of Serious Health Condition	11
13.6.	Use of Leave	11
13.7.	Substitution of Paid Leave for Unpaid Leave.....	12
13.8.	Employee Responsibilities.....	12
13.9.	Employer Responsibilities	12
13.10.	Unlawful Acts by Employers.....	13
13.11.	Enforcement.....	13
14.0.	Dress Code and Professional Appearance	13
15.0.	Personal Telephone Usage.....	14
16.0.	Smoking Policy	14
17.0.	Political Activities.....	14

1.0. This Handbook's Guidelines and Policies

The guidelines and policies contained in this handbook are for your information only. Because it is impossible to cover all of the possible issues that may arise, this handbook is not all-inclusive and the Office of the Attorney General ("AGO") may add to, revise, or change these guidelines at any time.

This handbook is not an express or implied contract of employment. No employee of the AGO has the authority to create a verbal or written contract of employment with any employee.

2.0. Your Employment Relationship

Your employment with the AGO is "at-will." This means that either you or the AGO may conclude the employment relationship, at any time, for any reason or no reason at all, with or without notice.

3.0. Confidentiality

Lawyers and staff who work with lawyers are expected to keep communications concerning the legal matters they are working on in strictest confidence. The law classifies these communications as "privileged." That means that normally even a court cannot compel a lawyer to disclose confidential information unless the client agrees. This privilege exists so that all clients will feel free to consult counsel without fear that what they may have said to their lawyer in confidence will ever be used to their disadvantage. The counterpart of this privilege is that the lawyer must not, without permission, disclose to others what has been communicated in confidence.

A violation of this rule is a grave breach of professional ethics that may lead to disciplinary proceedings against the lawyer, and even to disbarment.

The practice of law involves lawyers, but also legal assistants, paralegals, and other staff employees. Lawyers frequently must communicate confidential information to staff. All staff employees are charged with the same duty to keep this information absolutely confidential. Every lawyer's and staff member's responsibility to safeguard the confidentiality of clients' information exists both during and *after* the termination of employment with the AGO (regardless of the reason for termination).

All of the AGO's personnel should avoid any discussion of any substantive work of the AGO with friends or family. Discussion of the AGO's matters should not take place in public areas such as elevators, restaurants, or other places where the discussion can be overheard. Any unauthorized disclosure can adversely affect our clients' interests and be a source of grave embarrassment to the AGO.

Violation of this confidentiality policy may result in disciplinary action up to and including termination.

4.0. Use of the AGO's Name

The AGO, including its letterhead and the name of the Attorney General, should be used only by the AGO's personnel in the performance of services or the conduct of business by or on behalf of the AGO. In personal or other matters not involving the AGO's business, the personal letterhead (not governmental letterhead) of the attorney, staff member, or other individual should be used.

No person other than a licensed attorney should sign a letter on the AGO's stationery unless the title of such person (for example, "Legal Assistant," "Paralegal", "Administrative Assistant," or "Administrative Assistant to _____") is indicated below the employee's signature. This disclosure is important so that the recipient of the letter does not mistakenly believe that the author of the letter is an attorney employed by the AGO.

5.0. Substance Abuse

Use of alcohol or the illegal use of drugs by an employee while performing work on behalf of the AGO may result in disciplinary action, up to and including termination of employment.

6.0. Sexual and Other Harassment

It is the AGO's policy to maintain a working environment free from harassment based upon sex, sexual orientation, race, color, religion, national origin, disability, age or any other characteristic protected by law. Unlawful harassment by any person, regardless of whether he or she is a member of the AGO, an AGO employee, a client, or a vendor representative, is prohibited by this policy.

This policy describes prohibited harassment, its forms, and the procedure for reporting and investigating complaints of harassment.

6.1. Sexual Harassment

Unwelcome sexual advances, unwelcome requests for sexual favors, and other unwelcome verbal or physical conduct of a sexual nature constitute sexual harassment prohibited by this policy when: (a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (b) submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment on the basis of the employee's sex.

Sexual harassment may include subtle pressure for sexual activity; accusations of sexual preference; demands for sexual favors accompanied by promises or threats related to an individual's employment status. In addition, unwelcome sexual suggestive objects, pictures or written words, sexual jokes, slurs or innuendoes, graphic commentaries or descriptions of sexual conduct, suggestive or insulting sounds, touching, leering, whistling, and obscene gestures, if unwelcome, may constitute forms of sexual harassment prohibited by this policy.

6.2. Other Forms of Prohibited Harassment

Prohibited harassment based on other attributes, such as sexual orientation, gender, race, color, religion, national origin, disability, age or other protected characteristics may include, without limitation, unwelcome jokes, slurs, graphic commentaries, insulting sounds, obscene gestures, demeaning remarks and other conduct that has the purpose or effect of interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment on the basis of an employee's protected characteristics.

6.3. Procedure for Reporting Sexual or Other Prohibited Harassment

All AGO personnel are responsible for maintaining acceptable standards of personal behavior in the work environment and for helping to ensure that assigned duties can be carried out in an atmosphere free of prohibited harassment.

The following step-by-step reporting, investigation, and corrective procedure for handling incidences of harassment will be used:

Step 1: Any employee with a complaint of any form of harassment prohibited by this policy has a responsibility to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

Because the AGO is concerned about this important topic, reporting violations of this policy to members of the AGO's management other than those specifically designated in this policy are not enough – the AGO has designated the two individuals specifically identified within this policy as the appropriate persons to whom violations of this policy should be reported so that the AGO can ensure that complaints are handled consistently with this policy.

Step 2: An investigation will then be conducted.

Step 3: Upon completion of the investigation, and where it is necessary, the AGO will take corrective measures that the AGO determines are appropriate under the circumstances. Corrective measures will be considered on a case by case basis, will depend on the severity of the behavior, and can include anything, including but not limited to counseling, verbal or written warning, suspension without pay, or termination of employment.

6.4. Retaliation is Prohibited

Retaliation against an individual for making a good faith complaint or report of harassment, or providing information regarding harassment, will not be tolerated. Retaliation will result in discipline, up to and including termination. Any employee with any complaint of retaliation has a responsibility under this policy to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

6.5. Confidentiality

The AGO will attempt to provide as much confidentiality as possible under the circumstances for all parties involved in any complaint of harassment or discrimination.

6.6. False Complaints of Harassment or Discrimination

False accusations or complaints made in bad faith may result in disciplinary action, up to and including the termination of employment of the person making such false or bad faith allegations.

7.0. Discrimination and Equal Employment Opportunity

It is the AGO's policy to maintain a working environment free from discrimination. Discrimination based on gender, race, color, religion, national origin, disability, age, veteran status, sexual orientation, or other characteristic protected by law is prohibited. This applies to all areas of employment including hiring, training, salary administration, promotion, benefits, discipline, and termination.

The AGO will provide a "disabled" employee with a reasonable accommodation to enable the employee to perform the essential functions of his or her job. An employee seeking a reasonable accommodation for a disability should direct his or her request for an accommodation to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

As with harassment, AGO employees must report incidents of discrimination using the process described above for reporting harassment. The AGO will follow the guidelines set forth in Section 6.3 for investigating and remedying harassment when addressing allegations of discrimination. The guidelines described in Section 6.4, 6.5, and 6.6 also apply to complaints of discrimination made under this policy.

8.0. Computer Use and Electronic Communications Systems

The use of computers, facsimile machines, telephones, electronic mail, and voice mail are part of your everyday tasks. This policy applies to employee use of the AGO's Electronic Communications Systems (referred to here as "Communications Systems") which include, but are not limited to, office-issued telephone, computer, facsimile machine, electronic mail, internet and intranet systems, and voice mail hardware and software.

All Communications Systems and any documents or messages created or contained within the Communications Systems are the property of the AGO and regarded as documents belonging to the AGO. The Communication Systems are to be used primarily for business purposes. Excessive use of the

Communication Systems for personal reasons, or use of the Communication Systems for inappropriate purposes (e.g., illegal conduct, sexual harassment, etc.) is prohibited and may lead to disciplinary action, up to and including termination of employment.

Employees should not expect that any communication created, sent or received on the Communications Systems is private. The AGO reserves the right to monitor, review, access, reproduce or disclose anything created, sent, or received on the Communications Systems, at any time, without notice.

The AGO's Communications Systems' resources may not be used for the transmission or storage of commercial or personal advertisements, solicitations, promotions, destructive programs (viruses and/or self-replicating code), or any other unauthorized or improper use.

9.0 Electronic Written Communication on Personal Electronic Devices

It is the policy of the AGO that all electronic written communication made or received in connection with the transaction of official business be made or received using the AGO's Communications Systems.

You should not use your personal cell phone, Blackberry, laptop, tablet or other portable electronic device, or home computer for AGO business unless you are remotely logged into your official account as part of the AGO's Communications Systems, whether through the AGO's webmail portal (<https://webmail.ago.mo.gov>), its Mobile Iron (or successor) platform, its virtual desktop program, or otherwise.

10.0. Blogging and Social Media

The guidelines in this policy are intended to assist the AGO's employees to make appropriate decisions about work-related blogging and the contents of blogs, personal websites, postings on social media websites (e.g., Facebook, Twitter, etc.), wikis, and other interactive sites, postings on video or picture sharing sites (e.g., YouTube), or in the comments that employees make online on blogs, elsewhere on the public internet, and in responding to comments from posters either publicly or via email. Any of the AGO's

other electronic communications policies (e.g., Computer Use and Electronic Communications Systems) remain in effect and are not modified by this policy.

These guidelines will protect the privacy, confidentiality, and interests of the AGO, our employees, and the constituencies we serve.

10.1. Guidelines for Interactions About the AGO on the Internet

If employees are developing a website, writing a blog, or make comments on social media websites (e.g., Facebook, Twitter, etc.) that will mention the AGO, our employees, or matters likely of interest to the AGO, identify that you are an employee of the AGO and that the views expressed on the blog or website are yours alone and do not represent the views of the AGO.

Unless given written permission by the Attorney General or the Chief of Staff, employees are not authorized to speak on behalf of the AGO, nor to represent that employees are authorized to do so.

Employees should let the Chief of Staff or Deputy Chief of Staff know if they are developing a website or writing a blog that will mention the AGO, our employees, or matters likely of interest to the AGO. The AGO's management may choose to visit those websites from time to time to determine whether employees' comments comply with this policy.

10.2. Confidential Information Component of the Blogging and Social Media Policy

Employees may not share information that is confidential or proprietary about the AGO. This includes information about personnel matters, legal matters that are subject to attorney-client, work product, or other applicable privileges, and any other information that is not subject to public disclosure by the AGO.

These are given as examples only and do not cover the range of what the AGO considers confidential or proprietary. Any questions about whether information has been released publicly or doubts of any kind about whether information may be shared on the internet should be directed to the Chief of Staff or Deputy Chief of Staff before releasing such information.

The AGO's logos, the Attorney General's name, etc. may not be used without explicit permission in writing from the AGO. This is to prevent the appearance that employees' speak for or represent the AGO officially.

10.3. Respect and Privacy Rights Components of the Blogging and Social Media Policy

Speak respectfully about the AGO, our employees, and the constituencies we serve. Employees should not engage in name calling or behavior that will reflect negatively on the reputation of the AGO or its employees. Use of copyrighted materials, unfounded or derogatory statements, harassing or intimidating comments, or misrepresentation about the AGO or our employees is not viewed favorably by the AGO and can result in disciplinary action up to and including the termination of employment with the AGO.

Honor the privacy rights of our current employees by seeking their permission before writing about or displaying internal AGO happenings that might be considered to be a breach of their privacy and confidentiality.

10.4. Legal Liability Component of the Blogging and Social Media Policy

The AGO's employees should recognize that they may be legally liable for anything they write or present online. Employees can be disciplined by the AGO for commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can contribute towards the creation of an unlawful hostile work environment. Employees can also be sued by the AGO, our employees, or other individuals who view employees' online commentary, content, or images as defamatory, pornographic, proprietary, harassing, libelous, or that contributes towards the creation of an unlawful hostile work environment.

10.5. Media Contact Component of the Blogging and Social Media Policy

Employees with questions about the guidelines provided in this policy should contact the Chief of Staff or the Deputy Chief of Staff. An employee's failure to comply with this policy may lead to disciplinary action, up to and including the termination of employment, as well as potential legal action against the employee by the AGO and/or our employees or members of the public.

11.0. Media Communications

If you are contacted by the media, you should immediately refer them to the AGO's Communication Director, Ryan Cross. Reporters may be insistent and encourage you to talk "off-the-record." No AGO employee is authorized to communicate with the media without prior authorization from the Press Secretary about an AGO matter in either an on-the-record or off-the-record situation.

12.0. Attendance

Regular and predictable attendance is an essential function of every job with the AGO. Poor attendance is disruptive. When employees are unable to work as scheduled they should notify their immediate supervisor as soon as possible in advance of the anticipated absence. Poor attendance may result in disciplinary action, up to and including termination.

There is no leave without pay unless approved in advance or as provided under the AGO's Family and Medical Leave Act Policy found in Section 13.0. Where appropriate, the AGO may grant unpaid personal leaves of absence. Any employee who does not come to work and is not on approved leave is taking an unapproved and unexcused absence from work.

Any absence without notification and approval will be considered unexcused. The AGO may take disciplinary action, up to and including terminating employment, for any employee who, in the AGO's judgment, has unacceptable attendance.

12.1. Hazardous Travel Policy

Employees who are delayed or prevented from reporting to work due to inclement weather or who wish to leave work early due to worsening weather or road conditions may account for the absence by one of the following methods with the approval of their supervisors:

- a. charged to an employee's accumulated compensatory time.
- b. charged to an employee's accumulated annual leave.
- c. made up by adjusting work schedule. Make-up work shall be completed within a reasonable period after the absence, and the make-up work shall not count toward compensatory time. Employees should consult their Division Chief about an acceptable schedule to make-up the work. Note: Due to the nature of an individual employee's duties, make-up work may not be an available alternative.

d. charged to leave without pay only if the employee has insufficient accumulated compensatory and/or annual leave and the work schedule cannot be adjusted for the absence to be made up.

13.0. Family and Medical Leave Act Policy

Employees may, depending upon whether they meet defined eligibility and qualifications criteria, be entitled to take up to 12 weeks of unpaid, job-protected leave each year in accordance with the AGO's obligations under the Family and Medical Leave Act ("FMLA"). The AGO applies a "rolling calendar" method for determining an employee's eligibility for leave. The AGO may also require an employee to concurrently use paid time off (such as accrued vacation or sick leave) during any period of leave under designated as leave under the FMLA.

13.1. Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- To care for the employee's child after birth, or placement for adoption or foster care ("bonding time");
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

13.2. Military Family Leave Entitlements

Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a

member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

13.3. Benefits and Protections

During FMLA leave, the AGO maintains the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

13.4. Eligibility Requirements

Employees are eligible if they have worked for the AGO for at least one year, for 1,250 hours over the previous 12 months, and if at least 50 employees are employed by the AGO within 75 miles.

13.5. Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

13.6. Use of Leave

An employee requiring leave for the employee's own serious health condition or the serious health condition of an immediate family member does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Leave for "bonding time" cannot be taken intermittently but must be taken in one block, and must be used within 12 months of the child's birth or adoption/ foster care placement.

13.7. Substitution of Paid Leave for Unpaid Leave

Employees may choose and the AGO may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the AGO's normal paid leave policies.

13.8. Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

13.9. Employer Responsibilities

The AGO will inform employees requesting leave whether they are eligible under FMLA. If they are, the notice will specify any additional information required as well as

the employees' rights and responsibilities. If they are not eligible, the AGO will provide a reason for the ineligibility.

The AGO will inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the AGO determines that the leave is not FMLA-protected, the AGO will notify the employee.

13.10. Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

13.11. Enforcement

The AGO requests that any employee who believes that the AGO has not complied with the FMLA first bring the employee's concerns to the attention of the Deputy Chief of Staff or the Chief of Staff so that the AGO may first attempt to resolve the matter internally.

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against the AGO if the employee believes that the AGO has not complied with its obligations under the FMLA. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

14.0. Dress Code and Professional Appearance

The dress code for Monday through Friday is **Business Dress** attire.

Repeated violation of the dress code policy will result in disciplinary action. Questions regarding the appropriateness of particular clothing should be resolved with the Deputy Chief of Staff or Human Resources Manager prior to wearing the clothing to the office. Employees are expected to use good judgment and common sense when deciding on appropriate attire for the workplace. The AGO expects our personnel to dress

professionally. The AGO has the discretion to advise any employee of the AGO that his or her attire is inappropriate and send that person home to change into appropriate attire, without pay, or to impose more severe discipline, up to and including termination.

The following clothing is never appropriate Business Dress attire:

- jeans of any color
- denim skirts or dresses
- t-shirts
- shorts
- tank tops
- bare midriffs
- halter tops
- hats
- low-cut blouses
- sweat suits or wind suits
- skirts or dresses shorter than 3" above the knee
- lycra or spandex tops or bottoms
- tennis shoes
- hiking boots
- casual mules or crocs
- flip flops
- sandals without a heel or ankle strap

15.0. Personal Telephone Usage

The AGO recognizes that employees must from time to time receive personal telephone calls. However, personal telephone calls should not interfere with normal business routine. To the extent possible it is expected that personal calls, other than emergency calls, will be made during the lunch hour. Business hours should not be used to make personal arrangements concerning outside activities.

16.0. Smoking Policy

Smoking is prohibited inside all buildings exclusively occupied by the State of Missouri regardless of whether the building is owned or leased by the State.

17.0. Political Activities

Political activity must not interfere with the normal work for the AGO and never occur on state time. AGO employees cannot post political signs on AGO property. The AGO's name and its supplies, equipment, or services may not be utilized in political causes and activities. Such action could be viewed as an activity of the AGO and result in possible embarrassment to the AGO or in having the value thereof deemed a financial contribution by the AGO.

EMPLOYEE ACKNOWLEDGEMENT FORM

The Employee Handbook of the Office of the Attorney General for the State of Missouri (“AGO”) describes important information and guidelines about my employment with the AGO. I understand that my employment with the AGO is terminable “at will,” which means that either the AGO or I may terminate the relationship at any time, for any reason or no reason, at any time with or without notice.

Because the information, policies and benefits described in the handbook are necessarily subject to change, I understand that revisions to the handbook may occur. I understand that no such change will affect my at-will employment relationship with the AGO. I understand that revised policies will supersede, modify, or eliminate existing policies.

I acknowledge and understand that nothing contained in this handbook is a contract of employment, either express or implied. I also understand that no AGO employee has the right or authority to create any type of employment contract, either express or implied.

I also acknowledge I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

Employee’s Signature

Date

Employee’s Name (Printed or Typed)

ACKNOWLEDGMENT OF HARASSMENT AND DISCRIMINATION POLICIES

I acknowledge that I have received and read the policies of the Office of the Attorney General for the State of Missouri ("AGO") regarding sexual and other harassment, and discrimination contained in the AGO's Employee Handbook. I understand that the AGO prohibits harassment and discrimination on the basis of sex, race, color, religion, age, disability, national origin, and any other characteristic protected by law.

I understand that I have a responsibility to refrain from engaging in conduct prohibited by the AGO's harassment and discrimination policies.

I understand that if I am subject to conduct that I believe is harassing or discriminatory, I have the responsibility to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

Because the AGO is concerned about this important topic, I understand that reporting violations, incidents of unlawful harassment or discrimination to members of the AGO's management other than those specifically designated in this Acknowledgement is not enough. That is, I understand that I have the responsibility to immediately report unlawful harassing or discriminatory conduct to either of the two individuals specifically identified by the AGO as the appropriate persons to whom incidents of unlawful harassment or discrimination should be reported so that the AGO can ensure that complaints are handled consist with this policy.

I also understand that the AGO's harassment and discrimination policies prohibit retaliation towards an employee who makes a good faith complaint of harassment or discrimination under the AGO's policies.

Signature

Date

Name (Printed or Typed)

;;;

----- Forwarded message -----

From: Loree Anne Paradise <loreeparadise@gmail.com>

Date: Mon, May 1, 2017 at 5:54 PM

Subject: Re: Follow Up From Timmy's Visit

To: Evan Rosell <evanrosell@gmail.com>

Cc: Michael Martinich-Sauter <mcimartinich@gmail.com>, Daniel Hartman <daniel.c.hartman@gmail.com>, Rachel Hassani <rachelhassani@gmail.com>

Call will be Thursday at 9am. Dial-in info is: 641-715-3580; Access Code: 723-423

Thx all!

LA

On Mon, May 1, 2017 at 5:52 PM, Evan Rosell <evanrosell@gmail.com> wrote:

Hey guys --

Thanks for making time to meet together last week. We've been talking through action points for each of us -- I've communicated with several of you about these already. Let me put your respective action points below. I think we'll likely have a conference call toward the end of the week to discuss. LA, can you make sure everyone's square on time/date?

DANIEL: Intergovernmental // Coalition-Building

- Develop a target list of local and key officials for intergovernmental affairs.
- Develop a target list of coalition groups

LOREE ANNE: Communications and Constituent Services

- Find and hire press secretary
- Review constituent services and determine needs and format
- Inventory owned/shared media assets
- Develop list of administration accomplishments
- Job Description for Brad Johnson (Special Assistant to the AG)

RACHEL: Legislative Affairs

- Develop list of key legislators for relational engagement over the summer
- Develop system for tracking legislative requests

MIKE: Policy

- Next steps on Opioid front
- Review Daniel's Veteran's Pro Bono project

EVAN: Admin/Budget/Personnel

- Secure funding for Human Trafficking Coordinator
- Secure funding for additional constituent services representative

- **Finalize line attorney rebuild (Lit, GA)**

Let me know if you guys have questions.

F.

--
Loree Anne Paradise
(912) 245.0212 (mobile)

--
Rachel Hassani
417-838-3067

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height

MAY 07, 2019 10:40 PM

Consultants worked to raise Josh Hawley's national profile and helped direct the state office's work, records show. BY

JEFFERSON CITY

When news first broke last December about the [use of the self-destructing text message app Confide](#) in the governor's office, the scandal appeared to be confined to a handful of people — former Gov. Eric Greitens and his closest advisers.

A year later, the list of known Confide users in Missouri government has grown alarmingly long, with the true extent of its use still an open question.

A lawsuit uncovered 27 members of Greitens staff who used Confide, which automatically deletes text messages once they are read.

The Star reported last week [that Attorney General Josh Hawley's former chief of staff](#), Evan Rosell, used it while overseeing the operations of the office that [cleared Greitens of any wrongdoing](#). The St. Louis Post-Dispatch disclosed last month that chief of staff for the incoming state attorney general, Missouri Treasurer Eric Schmitt, also [downloaded the app](#).

By deleting messages the moment they are read, Confide ensures text conversations vanish without a trace — a potential subversion of Missouri laws designed to make the inner workings of government open to public scrutiny.

Facing new scrutiny over Confide use in their offices, Hawley and Schmitt addressed the issue Thursday at a press briefing to discuss transition matters.

Hawley, a Republican who will resign Jan. 3 when he is sworn in as a U.S. Senator, said he didn't know that his top aide used Confide.

"We have a policy in this office that says that Confide is not to be used for public business," Hawley said, "and we take that seriously and expect everyone in this office to abide by it."

Schmitt, a Republican appointed to replace Hawley as attorney general, was just as adamant that no one in government “should be using Confide for public business.”

“That is my position, and that will be my position in this office,” he said. “Confide is not something people should be using when they are elected to public office.”

[Mark Pedroli](#), a St. Louis-area attorney who sued the governor’s office last year over the use of Confide, pointed out that “Greitens said the same thing” about Confide use by his staffers.

“They always add on the ‘for public business’ in their quotes and in their policies,” Pedroli said. “That’s the loophole. They allow it to be downloaded and used and then ask the public to just trust that they aren’t going to cross the line. The use of burner apps that are unable to retain communications permanently must be banned for all state officials on all phones and for all reasons.”

Pedroli worries the revelations about Confide use in state government over the last year could be just the tip of the iceberg. He’s become convinced his lawsuit is the best way to sort out just how widespread Confide use has become in state government.

But over and over again, he says he’s run into a pair of roadblocks: Gov. Mike Parson and Hawley.

Parson’s attorneys, holdovers from the Greitens administration, continue to urge the judge in his case to dismiss the suit. And Pedroli said Hawley’s legal conclusion that cleared Greitens’ of wrongdoing in the Confide investigation has been weaponized against him in the courtroom.

Now that it’s known the top aides of three GOP statewide officials — Greitens, Hawley and Schmitt — all used Confide, Pedroli is calling on Parson to stop fighting his lawsuit in court and for Hawley and Schmitt to recuse themselves from “all burner app investigations.”

“Draining the swamp of secret, shredded, government communications is what our litigation is all about,” he said. “Holding government officials accountable is a critical component of preventing future violations.”

The Star first [revealed use of Confide in Greitens office](#) in early December 2017.

Hawley launched an investigation into whether the app was being used to destroy public records two weeks later. The inquiry consisted of interviews with eight Greitens staffers, but not Greitens.

Hawley’s office never filed a request for records pertaining to Confide use in the governor’s office.

The two-month inquiry ultimately concluded that there was no evidence of wrongdoing, in part because Confide ensured there was no evidence.

Pedroli’s lawsuit would later uncover that 27 members of the governor’s office, including Greitens himself, used Confide. Public records obtained by Pedroli show Greitens’ staff openly discussing use of the app to conduct public business not only among themselves but also with people outside the governor’s office.

The fact that Rosell used Confide during his 15 months as Hawley’s chief of staff was never disclosed.

Rosell said last week that [he did not use Confide for public business](#). He said he might have told “one or two” people in the attorney general’s office that he had downloaded it, but he did not say whether Hawley knew.

When asked by The Star shortly before the election, Hawley said he didn’t know whether any of his taxpayer-funded staff had ever used Confide.

Asked again Thursday, Hawley insisted that he was never aware Rosell ever used Confide.

Pedroli said Hawley is either “concealing the truth or his chief of staff and a handful of additional senior staff were concealing it from Hawley. Sounds like we have a genuine question that requires an investigation.”

Hawley stood behind his investigation of Greitens on Thursday, saying “we found what we found with the tools we were able to use.” He noted he lacks subpoena power in Sunshine Law investigations, something he urged legislators to address to improve enforcement of open records laws.

Pedroli said the findings of Hawley’s Confide investigation are both factually wrong and marred by a possible conflict of interest, creating the appearance that the attorney general’s staff exonerated Greitens’ office to protect their own use of burner apps.

Parson took over the governorship after Greitens resigned in June. He banned the use of Confide in his office, but the attorneys defending the governor’s office against Pedroli’s lawsuit continue making the same arguments that the app doesn’t violate Missouri’s Sunshine Laws.

The legal tussling between Pedroli and the governor’s office culminated in June, when Cole County Circuit Judge Jon Beetem [halted all discovery in the case](#).

Pedroli will ask the judge to reconsider that order next month and allow him to continue collecting evidence.

Parson’s spokesman, Steele Shippy, said the governor’s office is committed to government transparency.

“That’s why we banned the app,” he said. “We wanted to lead by example. But we don’t have the authority to tell someone they can’t have Confide on their personal device. We don’t have the legal authority to do that.”

Barbara Smith, one of the private attorneys defending the governor’s office in the lawsuit, said it’s unfortunate that the plaintiffs are “more focused on trying this case in the press and not inside the courtroom, which reveals the fact that they have zero legal argument to stand on. We are confident in the litigation moving forward and we have nothing to hide.”

Pedroli said the last time the governor’s attorneys said he had no chance in his case “they lost their motion to dismiss.” He added that “it’s “perfectly appropriate that an open records lawsuit over the use of burner apps in government is being extensively discussed in the media. Defendants should welcome the coverage, but they won’t.”

Michael Wolff, a retired judge of the Missouri Supreme Court and former dean of St. Louis University Law School, said the question is whether the use of Confide by Hawley’s chief of staff or other people in the attorney general’s office was unlawful.

“I’m not sure whether it’s a conflict of interest or whether two office holders’ offices disobeying the same law,” Wolff said. “The only way this gets fully investigated if at all would be through a private lawsuit ... So the question is (Pedroli) going to expand his lawsuit to include the AG’s office. Otherwise, unless there’s a suit involving the office the AG and his staff don’t have to answer any questions.”

Hawley seemed to agree with Wolff on Thursday, telling reporters that because of his office’s lack of subpoena power in Sunshine Law investigations “civil litigants often have more authority and tools at their disposal than this office.”

A bill introduced during the 2018 legislative session by Rep. Gina Mitten, D-St. Louis County, would have banned state employees from conducting public business using software designed to send encrypted messages that automatically self-destruct.

It was never given a hearing or referred to committee, but Mitten said she plans to re-file the bill in 2019.

Schmitt said he hasn’t seen the bill so he can’t comment on it specifically, but “I don’t have any problem with that becoming law or policy.”

Jonathan Groves, president of the nonprofit Missouri Sunshine Coalition, said he hopes there will be hearings about Confide and other such apps as the legislature considers strengthening the state’s open records laws.

Transcribed Interview of Former General Counsel, Director of Policy, and Deputy Attorney General for Special Litigation

"The Sunshine Law has not really kept up with technology," Groves said, "and this is one of the cases where we need to say: Will the legislature step up and look at this law and how we can beef up the law so that it can keep up with technology? ... There's not an easy solution to this but there's a broader conversation that needs to be had, and the legislature is a place where that could happen."

 **Comments** ▼

DANIEL HARTMAN 10/3/2019

Page 1

1 STATE OF MISSOURI
2 OFFICE OF THE STATE AUDITOR
3 Audit of Missouri Attorney General's Office
4 Deposition of Daniel Hartman
5
6 October 3rd, 2019
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18
19
20
21
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DANIEL HARTMAN 10/3/2019

Page 2

1 INDEX OF EXAMINATION

2

3 Examination by Ms. Allison 14

4

5 INDEX OF EXHIBITS

6 EXHIBITS:

7 Exhibit A (Teepell Email String) 37

8 Exhibit B (Hawley Conference Call) 51

9 Exhibit C (Employee Handbook) 44

10

11 Reporter's Note: The original exhibits were attached
12 to the original transcript.

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DANIEL HARTMAN 10/3/2019

Page 3

1 APPEARANCES
2 For the State of Missouri Auditor's
3 Office:
4 MR. JOEL E. ANDERSON
5 STATE OF MISSOURI
6 OFFICE OF AUDITOR NICOLE GALLOWAY
7 301 West High Street, Room 880
8 P.O. Box 869
9 Jefferson City, Missouri 65102
10 (573) 751-4213
11 joel.anderson@auditor.mo.gov
12 MS. PAMELA ALLISON, CPA, CFE
13 STATE OF MISSOURI
14 OFFICE OF THE STATE AUDITOR
15 149 Park Central Square, Suite 814
16 Springfield, Missouri 65806
17 (573) 751-4213
18 pamela.allison@auditor.mo.gov
19 MR. JOSEPH MAGOFFIN
20 STATE OF MISSOURI
21 OFFICE OF THE STATE AUDITOR
22 301 West High Street, Room 869
23 P.O. Box 869
24 Jefferson City, Missouri 65102
25 (573) 751-4213
joseph.magoffin@auditor.mo.gov
For Mr. Hartman:
MR. BRENT E. HADEN
HADEN & HADEN
827 East Broadway, Suite B
Columbia, Missouri 65201
(573) 442-3535
brent@hadenlaw.com
Also present:
The Court Reporter:
MS. LISA BALLALATAK, CCR
Missouri CCR No. 1336
ALARIS LITIGATION SERVICES
2511 Broadway Bluffs, Suite 201
Columbia, Missouri 65201

ALARIS LITIGATION SERVICES

www.alaris.us

Phone: 1.800.280.3376

Fax: 314.644.1334

DANIEL HARTMAN 10/3/2019

Page 4

1 (The deposition commenced at 10:05 a.m.)

2 DANIEL HARTMAN,

3 of lawful age, being produced, sworn, and examined on
4 behalf of the state auditor's office, deposes and
5 says:

6 MR. ANDERSON: Mr. Hartman, my name is
7 Joel Anderson. I'm not actually going to be the one
8 questioning you, but I usually get these things
9 started. I'm an attorney with the auditor's office.
10 I'm serving more as support staff as the auditors
11 are conducting their interviews for this audit. You
12 met Pam Allison. Pam will be the one asking you
13 some questions.

14 If at any time -- I'm sure your lawyer has
15 probably already told you this. If at any time a
16 question is not clear to you, just let us know.
17 We'll rephrase it, repeat it, whatever we need to
18 do. We just need to make sure your answers are true
19 to the best of your recollection, and we don't need
20 you to guess at any time. If you need to take a
21 break, if you need to discuss anything with your
22 lawyer, you're more than welcome to do that. This
23 is a department audit of the Missouri Attorney
24 General's office, and there's always a danger of
25 getting into communications that are protected by

DANIEL HARTMAN 10/3/2019

Page 5

1 law, which would be privileged communications.

2 Are you an attorney, sir?

3 THE WITNESS: I am.

4 MR. ANDERSON: Good. So maybe I can
5 shorten this a little bit, then. If you think
6 something might be privileged -- and we have
7 representative from the attorney general's office,
8 in addition to your lawyer, but if you have some
9 questions about whether something is privileged and
10 you want to talk to him, we can take a break and you
11 can do that. Is that agreeable with you?

12 THE WITNESS: Yes.

13 MR. ANDERSON: Okay. Now, I'll insult you
14 by saying that all of the answers have to be verbal.
15 Head nods won't work -- I know you already know
16 that.

17 Any questions before we start?

18 MR. HADEN: I've got a couple.

19 MR. ANDERSON: Okay.

20 MR. HADEN: Sorry. I didn't mean to step
21 on you there. All right. So just so I know where
22 we're at, this is your -- this is -- this audit is
23 being conducted as part of the closeout audit of the
24 attorney general's office; is that correct?

25 MS. ALLISON: That is correct.

DANIEL HARTMAN 10/3/2019

Page 6

1 MR. HADEN: Is there only a closeout
2 audit, or is there some other function, in terms of
3 the investigation -- or is there an investigation?

4 MS. ALLISON: It's part of the closeout
5 audit. We're conducting -- we may issue a couple of
6 different reports, but it's all under the same
7 umbrella of the same audit.

8 MR. HADEN: Okay. So then I just want to
9 make sure -- because, Joel, you and I have talked
10 about this. Obviously, we've got Mr. Hartman under
11 oath today, we're making a transcript. He's here
12 voluntarily, not a true deposition, but we are where
13 we are on that, in terms of agreement. I think --
14 well, I've gone back and looked at the law on this.
15 I've looked 29.200, and it talks about the audit
16 work papers related to supported material being kept
17 confidential. So is this transcript going to be
18 kept confidential as a -- I don't know if it's an
19 audit work paper, but is it related to supported
20 material?

21 MR. ANDERSON: Well, as I explained on the
22 phone, the audit report itself -- the final report
23 is public, and anything that is attached to that as
24 an appendix is also public. If the transcript or
25 portions of it are attached to the audit report,

DANIEL HARTMAN 10/3/2019

Page 7

1 those will be public. If they're not attached to
2 the audit report, they're not.

3 MR. HADEN: Okay.

4 MR. ANDERSON: Is that right, Pam?

5 MS. ALLISON: Right.

6 MR. HADEN: So what's your obligation to
7 keep confidential versus publish? And I'm going to
8 ask this -- I mean, you-all knew this -- I don't do
9 this. I'm looking at 29.200(17), it's the last
10 paragraph. The very last sentence says:

11 "Except as provided in this section" --
12 and the rest of the section talks about certain --
13 like, government agencies could get it, I presume
14 the legislators could get it, I don't know. Because
15 it says:

16 "Except as provided in this section, audit
17 work papers and related supportive materials shall
18 be kept confidential, including any interpretations,
19 advisory opinions, or other information or materials
20 used and relied on in performing the audit."

21 So what part do you have to keep
22 confidential and what part do you not? It's a good
23 faith question. I'm not trying to be argumentative;
24 I'm just trying to figure this out.

25 MR. ANDERSON: I don't know how much more

DANIEL HARTMAN 10/3/2019

Page 8

1 I can clarify. If it's not part of the report -- if
2 you, like, concerned with, like, a Sunshine request
3 or something like that?

4 MR. HADEN: Well, that's what you and I
5 talked about, and I know you said you don't believe
6 that you can even cite an investigatory exception
7 under the Sunshine Act to a Sunshine request for
8 this transcript. I think that's where we left it
9 last time we talked about it.

10 MR. ANDERSON: Well, I think my point was
11 I don't think it's necessary, because if it isn't a
12 public document under that section, it's got a heck
13 of a lot more protection than something that's
14 closed under the Sunshine Law.

15 MR. HADEN: Well, that's easy to say when
16 you're not the one not being asked questions here
17 today.

18 MR. ANDERSON: True.

19 MR. HADEN: So when we get done, if you
20 want to go under oath, I can ask you, but, I mean --

21 MR. ANDERSON: But I'm not going to answer
22 those -- you probably guessed --

23 MR. HADEN: I figured as much. I figured
24 as much. So that's my point, then. I know you say
25 it's not necessary; we can feel our way as we go

DANIEL HARTMAN 10/3/2019

Page 9

1 here. I just want to make sure I understand --
2 because -- and the reason -- and, again, I'm not
3 trying to be difficult, but to have this
4 conversation now, so I don't have to accidentally blow
5 up your rhythm later, I want to make sure I
6 understand the scope of what you're doing here
7 today, in terms of constitutional authority, the
8 statutory authority of the auditor.

9 So you're telling me it is a closeout
10 audit under -- and I get that part of the authority,
11 obviously. Are you looking at it as -- 29.201 deals
12 with further investigations or other potential
13 investigations. Do you think you're asking
14 questions under that section of the statute, or is
15 it only under a closeout audit theory?

16 MR. ANDERSON: Well, I think we're doing a
17 closeout audit, and there's an investigation here.

18 MS. ALLISON: Right.

19 MR. HADEN: There's a separate
20 investigation, you think, along with a closeout
21 audit, or separate from the closeout audit?

22 MR. ANDERSON: How much of this is public?
23 I don't even know. I think part of that's public --
24 do you know?

25 MR. HADEN: How much of what you're doing

DANIEL HARTMAN 10/3/2019

Page 10

1 is public?

2 MR. ANDERSON: No, no, no. Ordinarily, we
3 don't discuss an ongoing audit, so I need to be
4 careful what I say about what's going on. In terms
5 of -- is what we're doing right now public? No.

6 MR. HADEN: Well, right. I mean, I
7 understand you're not live streaming our discussion
8 here today, and neither am I, to be clear with
9 everybody.

10 You understood my concern, because as --
11 it's not a shock. I mean, a lot of what the auditor
12 does gets press coverage. In particular, what we
13 may talk about here today may. What I asked you
14 was, if a request comes in from the press, are you
15 going to turn around and disclose it on the theory
16 that you don't have the investigatory exception to
17 the Sunshine Act, because that's probably how this
18 is going to go down. Somebody will file and give
19 you a request under 610. Are you going to cite your
20 investigatory exception, or are you going to say,
21 Nope, here it is, here you go?

22 MR. ANDERSON: Well, I'm not sure what
23 piece I'm leaving out here. Whatever we've got
24 going on in an ongoing audit isn't public.

25 MR. HADEN: Okay.

DANIEL HARTMAN 10/3/2019

Page 11

1 MR. ANDERSON: So if they send up
2 something tomorrow because we took this deposition
3 today, is that what you're talking about?

4 MR. HADEN: Right. Right. Right.

5 MR. ANDERSON: Well, that's an audit work
6 paper and related support materials.

7 MR. HADEN: Okay.

8 MR. ANDERSON: At the very least, it's
9 that.

10 MR. HADEN: You do believe it's that?

11 MR. ANDERSON: Once the audit is
12 published, if it's part of it, that part is.

13 MR. HADEN: I understand that, because of
14 that -- the theory on that would be that it's a
15 public document anyway. Now, what determines
16 whether or not you attach -- because here is my
17 issue -- and you and I have talked about it. We
18 don't have to do this on a transcript. I'm not --
19 by the way, I'm not necessarily opposed to doing
20 this on a transcript, but he's here voluntarily, and
21 you've got a boss that's running for governor, and
22 you've got a boss that's going to have -- I'm not
23 saying she will do this or she won't do this, and
24 I -- frankly, America is America, but she would have
25 some incentive to take potshots at a sitting senator

DANIEL HARTMAN 10/3/2019

Page 12

1 from the opposite party.

2 MR. ANDERSON: You've said that to me
3 before --

4 MR. HADEN: I have said it, and I'll say
5 it on the record here today.

6 MR. ANDERSON: You already have said it on
7 the record.

8 MR. HADEN: Okay. So that being the case,
9 what's --

10 MR. ANDERSON: I'm kind of done with it at
11 this point.

12 MR. HADEN: Done with what?

13 MR. ANDERSON: Well, the same question
14 over and over again.

15 MR. HADEN: Okay. So -- all right. So
16 what is my assurance that this is not going to be a
17 politicized event? I'm just a lawyer doing my job.

18 What is my assurance from the auditor's
19 office that this is going to be about doing their
20 job, rather than about pursuing some political
21 agenda?

22 MR. ANDERSON: I don't know what assurance
23 you're looking for.

24 MR. HADEN: Well, I'm at least looking for
25 assurance that you will do your utmost to ensure

DANIEL HARTMAN 10/3/2019

Page 13

1 that doesn't happen.

2 MR. ANDERSON: What is the "that" that
3 you're talking about?

4 MR. HADEN: What I just said. It's not
5 going to be some politicized event --

6 MR. ANDERSON: What does "politicized"
7 mean? Will it be public? Well, an audit is public.

8 MR. HADEN: Okay.

9 MR. ANDERSON: I mean, where do you go
10 from there?

11 MR. HADEN: Okay. All right. Well, we
12 can proceed with the questions, I guess, and see
13 where we end up today.

14 MR. ANDERSON: If you have an objection to
15 make or a concern with a question, that's why you're
16 here.

17 MR. HADEN: Obviously.

18 MR. ANDERSON: Uh-huh.

19 MR. HADEN: I'm just trying to figure out
20 what exactly the auditor's office is going to do
21 with the information they're gathering.

22 MR. ANDERSON: They're going to do a
23 report, and it's going to be published, just like
24 every audit they've ever done.

25 MR. HADEN: Okay. We'll see.

DANIEL HARTMAN 10/3/2019

Page 14

1 MR. ANDERSON: Good to start?

2 MR. HADEN: Yes.

3 MR. ANDERSON: Pam.

4 EXAMINATION

5 BY MS. ALLISON:

6 Q. So, Mr. Hartman, can you tell us a little
7 bit about your background prior to joining the
8 attorney general's office?

9 A. Sure. I served as a U.S. Army officer for
10 a period of time before going to law school; I did
11 two tours in Iraq as an entry officer. And whenever
12 I went to law school, I attended the University of
13 Missouri, and after that, I actually worked for
14 Mr. Haden, and then I started working for Josh.

15 Q. So how did you know former Attorney
16 General Hawley?

17 A. Well, he was my professor in law school,
18 as was his wife, and I got to know him initially at
19 the University of Missouri.

20 Q. So tell us what your duties and
21 responsibilities were at the attorney general's
22 office and how they changed while you were employed.
23 I think you first started off as special counsel and
24 director of legislation, and then later you became
25 chief of staff; is that correct?

DANIEL HARTMAN 10/3/2019

Page 15

1 A. Initially, I was -- my title was special
2 counsel, and in that capacity, I handled a number of
3 miscellaneous issues, some legal and nonlegal. For
4 instance, a nonlegal would be the implementation of
5 our document management system at the attorney
6 general's office. A legal responsibility would be
7 the Sunshine Law -- responding to those. I guess
8 another nonlegal role would be, eventually -- you
9 mentioned that I was legislative director. That was
10 not until -- at some point into the term. I don't
11 recall exactly when, but I took over those duties at
12 some point. And then, yes, in 2018, I became chief
13 of staff.

14 **Q. Okay. So kind of what were your duties as**
15 **director of legislation and then chief of staff?**

16 A. As legislative director, I would -- I was
17 responsible for our monitoring of legislative
18 initiatives occurring at the capital and responding
19 to fiscal notes; I oversaw that. And when
20 legislators had questions or concerns or any contact
21 that they had -- or wanted to have with our office,
22 I was their primary point of contact. As chief of
23 staff, I filled the traditional chief of staff role
24 that one might expect, primarily, operations of the
25 office was my purview.

DANIEL HARTMAN 10/3/2019

Page 16

1 **Q. So when did you leave the AGO?**

2 A. When Senator Hawley took office as
3 senator.

4 **Q. So that would be January of --**

5 A. January 2019, yes.

6 **Q. 2019?**

7 A. Yes.

8 **Q. Okay. So how did you communicate with**
9 **Attorney General Hawley while you were employed at**
10 **the office?**

11 A. Primarily, in person and by phone.

12 **Q. Okay. How did you communicate with other**
13 **staff? Did you use state email, state text, private**
14 **email, private text? What kind of method?**

15 A. Primarily, in person, phones, certainly
16 used email -- state email accounts.

17 **Q. So is that a -- like a state-issued cell**
18 **phone, or are you talking office phone?**

19 A. I did have a state-issued cell phone, so,
20 yes, I did use that, in addition to the state desk
21 phone -- I did have a desk phone.

22 **Q. Okay. What about your personal phone or a**
23 **personal email account?**

24 A. I had a personal phone, and I made calls
25 from it, as well.

DANIEL HARTMAN 10/3/2019

Page 17

1 **Q. Related to attorney general business?**

2 A. I don't recall specific phone calls
3 from --

4 **Q. Okay.**

5 A. -- my personal phone and the content of
6 specific phone calls.

7 **Q. What about texts regarding AGO business?**

8 A. I did use my state-issued cell phone for
9 text, although, primarily, those were received by
10 me, and my ordinary practice was to respond to
11 somebody by calling them back. My state-issued cell
12 phone was distributed to people that I worked with
13 outside of the building -- outside of our office, so
14 when people wanted to reach me, sometimes they would
15 text me. Generally, I would respond to those people
16 with a phone call. And I did retain those text
17 messages on AGO servers.

18 **Q. Okay. What about personal email? Did you**
19 **ever use personal email to either set up meetings or**
20 **discuss meetings regarding AGO business?**

21 MR. HADEN: I think method may have a
22 privilege issue, so I'm going to object to the
23 question.

24 MR. ANDERSON: The method of communication
25 would be a privilege issue?

DANIEL HARTMAN 10/3/2019

Page 18

1 MR. HADEN: Uh-huh. Potentially. How do
2 you talk to your lawyer when you talk to him, or how
3 as a lawyer do you talk to your client, actually, is
4 more to the specifics here. We've got to be
5 careful, because we've got to make sure that -- I
6 have to make sure that Mr. Hartman as an attorney,
7 as we all do. It's the client's privilege to waive,
8 so --

9 MR. ANDERSON: Yeah, I've got that.
10 Do you want to weigh in? I don't think
11 it's a privilege issue, but you may not be that
12 concerned with it. I don't know. Do you have a --
13 Mr. Smith, do you?

14 MR. SMITH: Yeah. I mean, we maintain we
15 don't want any privileged -- obviously, he waived,
16 so I -- you mean, it does flag a potential privilege
17 issue, so we would encourage Mr. Hartman not to get
18 into any privileged subject matter.

19 MR. HADEN: Can I get the question again?
20 I'm sorry.

21 Q. (By Ms. Allison) Did you communicate
22 regarding any AGO business -- any type at all,
23 whether -- or I can rephrase that to any AGO
24 business that's not legal or attorney-client
25 privileged using personal email?

DANIEL HARTMAN 10/3/2019

Page 19

1 MR. ANDERSON: Can I interrupt you, Pam?
2 I think he wanted you to repeat the question you
3 asked.

4 MR. HADEN: Yeah. Sorry. I just want
5 make sure I understood -- I heard it; I want to make
6 sure I'm thinking about the substance of it, so ...

7 MR. ANDERSON: As best you can.

8 MR. HADEN: As best you can. I mean, as
9 close as you can to what you asked.

10 MS. ALLISON: Did you ever use personal
11 email to conduct AGO business or communicate with
12 other staff?

13 MR. HADEN: Okay. So -- that's a compound
14 question that I ask be broken up, to the extent he
15 is going to answer it, because I think it may be --
16 it's two different questions. But I still -- I want
17 to make sure I'm clear on what the AG's -- you're
18 saying don't get into privileged material. Does the
19 AG have a position as to whether method would be a
20 privileged matter?

21 MR. SMITH: The fact of an action being
22 taken, I don't -- I don't think we would claim that
23 as privileged, but, certainly, any communications
24 about business we would claim as privileged.

25 MR. HADEN: So the substance of the

DANIEL HARTMAN 10/3/2019

Page 20

1 communication --

2 MR. ANDERSON: The content, I understand.

3 I think she's just asking did you use this method to
4 communicate or not.

5 MR. HADEN: I just want to make sure.

6 Okay. So --

7 MR. ANDERSON: Did I get that right, Pam?

8 MS. ALLISON: Right.

9 MR. HADEN: Okay. Now, then, as to AGO --
10 or business versus communicate with the staff, I
11 would ask that that be bifurcated, because that
12 could be --

13 MR. ANDERSON: Sure. That's compound.

14 MR. HADEN: Yeah.

15 MR. ANDERSON: Yeah, that's fair.

16 If you just want to break those up into
17 two parts, that'll be fine.

18 MS. ALLISON: Right.

19 **Q. (By Ms. Allison) So did you use personal**
20 **email to communicate with other AGO staff?**

21 A. Yes.

22 **Q. Okay. Could you tell us how meetings and**
23 **conferences with Attorney General Hawley were**
24 **scheduled or held?**

25 A. Can you tell me during what time frame

DANIEL HARTMAN 10/3/2019

Page 21

1 you're referring to?

2 **Q. From January of 2017 until July of 2017.**

3 A. And I understand the question is how the
4 attorney general's time was scheduled?

5 **Q. Well, how were meetings held? Were they**
6 **held in person or were they held -- did you have**
7 **phone conferences, or how did you typically meet**
8 **with Attorney General Hawley?**

9 A. I can speak for myself. I was not his
10 scheduler there or involved with his scheduling
11 process. When he was in the office is whenever I
12 would meet with him one-on-one.

13 **Q. Who typically attended those meetings?**

14 A. I don't recall being in that time frame a
15 part of any formal meetings where other people were
16 attending with the attorney general.

17 **Q. Okay.**

18 A. My interactions with him at that time
19 were, as best as I can recall, one-on-one.

20 **Q. Okay. Were those meetings put on your AGO**
21 **calendar or a private calendar?**

22 A. With the attorney general?

23 **Q. Uh-huh.**

24 A. Not that I recall.

25 **Q. Okay. How were meetings with consultants,**

DANIEL HARTMAN 10/3/2019

Page 22

1 **Mr. Teepell and Gail Gitcho scheduled or held?**

2 A. I recall meeting -- one meeting that I
3 attended with Mr. Teepell at the attorney general's
4 office. I do not recall how that was scheduled.

5 **Q. Okay. So that was an in-person meeting?**

6 A. Yes.

7 **Q. Who attended that meeting?**

8 A. I recall that Mr. Teepell was there and
9 then I was there. And as I was instructed earlier
10 not to guess, I don't recall precisely who else was
11 there.

12 **Q. Okay. Do you know an approximate time**
13 **frame that meeting was held?**

14 A. I can say that it was during working hours
15 that the attorney general's office was open during
16 the day.

17 **Q. Do you know if it was winter, spring, fall**
18 **or --**

19 A. Oh. I thought you were referring to the
20 time of day.

21 Okay. In the first half of the year of
22 2017.

23 **Q. And you may have indicated this earlier --**
24 **so was that on your calendar or ...**

25 A. I don't recall.

DANIEL HARTMAN 10/3/2019

Page 23

1 Q. You don't remember?

2 So regarding that meeting, was there an
3 agenda or did you take notes?

4 A. I don't recall there being an agenda. And
5 to extent that I took notes, I don't recall taking
6 any.

7 Q. Okay. So in your statement to the
8 secretary of state's office, you indicated attending
9 one in-person meeting with Timmy Teepell, and so you
10 think the date of that was within the first six
11 months? Is that what you said earlier, is that one
12 meeting was in the first six months of 2017?

13 A. Yes. To the best of my recollection.

14 Q. Was that the first time you ever met
15 Mr. Teepell?

16 A. No.

17 Q. When did you previously meet him?

18 A. I served as the attorney -- then Attorney
19 General Hawley's campaign manager in the 2016
20 campaign, so I met Timmy in my capacity as campaign
21 manager.

22 Q. Do you know how Mr. Teepell became
23 involved with the attorney general's office?

24 A. No.

25 Q. During your in-person meeting with

DANIEL HARTMAN 10/3/2019

Page 24

1 **Mr. Teepell, what topics were discussed?**

2 A. I recall at the meeting Mr. Teepell looked
3 at me and said something to the effect of, Hey, Dan,
4 you know a lot of people across the street, what do
5 you think about handling intergovernmental relations
6 or intergovernmental affairs, something to that
7 effect.

8 **Q. Okay. Do you recall talking about the**
9 **iManage software update or veterans initiative or**
10 **human trafficking?**

11 A. I don't recall any of those.

12 **Q. Did you exchange any emails with the**
13 **outside political consultants prior to the**
14 **inauguration?**

15 MR. HADEN: Could I hear that one more
16 time, just to make sure I didn't catch the last part
17 wrong?

18 **Q. (By Ms. Allison) Did you exchange any**
19 **emails with outside political consultants prior --**
20 **just prior to the inauguration? So December --**

21 MR. HADEN: Okay. So I'm going to object
22 to that question on the grounds -- and if you clean
23 it up -- and maybe you're going to -- it's public
24 record. I don't think it's a secret Mr. -- that
25 Mr. Hartman was a campaign employee for Mr. Hawley

DANIEL HARTMAN 10/3/2019

Page 25

1 before he went to the AG's office, and I don't think
2 any of that would be a proper line of questioning
3 for today, and so -- and I think maybe you were
4 going to clarify at the end, I apologize. I just
5 want to have that on the record.

6 Q. (By Ms. Allison) Okay. So would you have
7 communicated with the outside political consultants
8 about your future employment with the attorney
9 general's office prior to the inauguration?

10 A. I do not recall doing that.

11 Q. In your statement to the secretary of
12 state's office, you indicated the first time you met
13 Gail Gitcho was at a human trafficking press
14 conference in St. Louis. Did you attend any
15 meetings where Gitcho was in attendance?

16 A. No.

17 Q. Did Ms. Gitcho participate in any phone
18 conference calls that you would have participated
19 in?

20 MR. ANDERSON: Pam, I'd suggest a time
21 frame on that, just to be clear.

22 MS. ALLISON: Okay.

23 Q. (By Ms. Allison) During your employment at
24 the AGO's office, or even, specifically, the first
25 seven months of 2017, did you participate in any

DANIEL HARTMAN 10/3/2019

Page 26

1 **phone conference calls with Ms. Gitcho?**

2 A. No.

3 **Q. Did you have meetings with any other**
4 **outside consultants during that first seven months**
5 **in 2017?**

6 A. No. Not that I recall.

7 **Q. Okay. So how many meetings and phone**
8 **calls in total did you attend in which outside**
9 **political consultants were present or participated?**

10 MR. ANDERSON: You need a time frame on
11 that, too.

12 **Q. (By Ms. Allison) During the first seven**
13 **months of 2017.**

14 A. The only one I recall is the one I
15 referenced earlier that was the at the Supreme Court
16 building.

17 **Q. Do you know who was responsible for**
18 **coordinating that meeting?**

19 A. I don't have personal knowledge of that.

20 **Q. Before that meeting with the consultants,**
21 **did you discuss kind of what we were -- you were**
22 **going to talk about with anyone else at the AGO's**
23 **office, like a prep meeting or anything like that?**

24 A. No. Not that I recall.

25 **Q. At that meeting with the consultants, were**

DANIEL HARTMAN 10/3/2019

Page 27

1 **any topics raised that were only campaign related?**

2 A. No.

3 **Q. Were there any references to Attorney**
4 **General Hawley running for U.S. Senate at that**
5 **meeting?**

6 A. No.

7 **Q. Did the discussion ever drift to**
8 **campaign-related issues?**

9 A. No.

10 **Q. Were there any topics that were discussed**
11 **that caused you any concern?**

12 A. No.

13 **Q. So how were you informed of what was going**
14 **to be talked about at that meeting?**

15 A. I don't know that I was given advance
16 notice, so to speak.

17 **Q. Okay. So you weren't given any documents**
18 **or asked to prepare anything for that meeting?**

19 MR. HADEN: The only thing -- I mean,
20 we're talking about some old events. I'd advise you
21 to answer within your memory and not speculate.

22 A. This was two and a half years ago. I hope
23 you understand. So the answer to your question is,
24 no, not that I recall.

25 **Q. (By Ms. Allison) Did anyone come to you**

DANIEL HARTMAN 10/3/2019

Page 28

1 **and discuss their concerns with meeting with the**
2 **political consultants?**

3 A. No.

4 **Q. What was the role of the consultants, to**
5 **your knowledge?**

6 A. My understanding is that they were to
7 advise us on the efficient operations of a state
8 office. I had never been in state government, nor
9 had then-Attorney General Hawley or most of our
10 staff, as I recall -- as best as I can recall.

11 So I understood it to be advice given
12 that -- for instance, Mr. Teepell, I understand, had
13 experience in government in high levels.

14 **Q. Do you know who determined the roles of**
15 **Mr. Teepell and Ms. Gitcho?**

16 A. I do not.

17 **Q. Was the role ever -- of the consultants**
18 **ever explained to you or other AGO staff?**

19 A. No. Not that I recall.

20 **Q. Was there any direction clearly given that**
21 **the consultants were not performing campaign work?**

22 A. I'm sorry. Can you say that again?

23 **Q. Was there any direction clearly given that**
24 **consultants were not performing campaign work?**

25 A. I don't recall campaign -- the campaign --

DANIEL HARTMAN 10/3/2019

Page 29

1 a campaign being discussed at any time.

2 MR. HADEN: Well, I want to make sure I
3 understand the question. You're saying -- you're
4 asking -- I hope -- or I think -- I hope I
5 understand it -- to the negative -- somebody
6 affirmatively said, Hey, these people are definitely
7 not doing campaign work, they're doing something
8 else, did that ever happen? Is that the question?

9 MS. ALLISON: That's the question.

10 MR. HADEN: Okay. So did somebody ever
11 come to you and say, Hey, these guys are definitely
12 not doing campaign work, they're doing some other
13 work?

14 A. That was my understanding of your
15 question.

16 THE WITNESS: And thank you for clearing
17 that up, because I wasn't entirely clear.

18 A. But, no, no one made such an affirmative
19 statement to me.

20 **Q. (By Ms. Allison) Can you describe the type**
21 **of work that was included in those consulting**
22 **services?**

23 A. No.

24 **Q. So how did -- when you interacted with**
25 **Mr. Teepell, kind of what -- what role did he serve**

DANIEL HARTMAN 10/3/2019

Page 30

1 **with you?**

2 A. He suggested that I would fill a good, I
3 think -- fill a role as intergovernmental relations,
4 sort of as a point of contact for our office and
5 outside governmental entities.

6 **Q. Were AGO staff expected to report to the**
7 **consultant or follow their direction?**

8 A. No. And, in fact -- I can only speak for
9 myself here, of course, but in the case of
10 Mr. Teepell's guidance to me, I felt that it was
11 purely advisory in nature and that I was free to
12 disregard it, and, in fact, in large part, I did.

13 **Q. Okay. Did you interact with Mr. Teepell**
14 **and Gail Gitcho outside of that one particular**
15 **meeting while -- during that first seven months of**
16 **2017?**

17 A. Not that I recall.

18 **Q. On December 7th of 2018, a news article**
19 **was released stating Evan Rosell told one or two**
20 **people in the AG's office he had downloaded the**
21 **Confide app. Were you aware that Rosell had**
22 **downloaded the Confide app on his phone?**

23 A. I had no personal knowledge of Mr.
24 Rosell's use of Confide.

25 **Q. Okay. Are you aware of anyone else in the**

DANIEL HARTMAN 10/3/2019

Page 31

1 **office downloading a self-destructing messaging app?**

2 A. I would ask at what point.

3 **Q. Were you aware during the time frame --**

4 A. Because -- I'm sorry to interject --
5 because today I am. I know what the papers have
6 reported, let me say that.

7 **Q. So from January of 2017 to July of 2017,**
8 **were you aware of anyone else in the office**
9 **downloading a self-destructing messaging app?**

10 A. No.

11 **Q. During that same time frame, were you**
12 **aware of anyone else in the office downloading a**
13 **self-destructing messaging app, such as Wickr,**
14 **Telegraph, Bleep, or Signal?**

15 A. Is this the same question as the previous
16 one? I'm sorry.

17 **Q. No.**

18 A. What is the distinction?

19 **Q. So the distinction is a different type of**
20 **self-destructing messaging app or a self-encrypting**
21 **app, such as Wickr, Telegraph, Bleep, or Signal.**

22 A. I don't recall knowing of anyone's use of
23 those apps.

24 **Q. Okay. Were you ever forwarded the Signal**
25 **app?**

DANIEL HARTMAN 10/3/2019

Page 32

1 A. Can you explain what you mean "forwarded"?

2 Q. Did anyone send you the Signal app for you
3 to download or use?

4 A. No.

5 Q. Was Facebook messenger or LinkedIn used by
6 the attorney general's office or yourself to
7 communicate state business between staff or to
8 communicate with legislature?

9 A. I heard Facebook Messenger and -- what?

10 Q. LinkedIn.

11 A. No. Not to my knowledge.

12 Q. Okay. So did you ever use the Signal app?

13 A. During the period that you're referring
14 to, no.

15 Q. Okay. Did you communicate through private
16 and personal email with the consultants during the
17 time period of January through July of 2017?

18 A. Yes.

19 Q. Were you instructed to communicate through
20 private email instead of your attorney general
21 email?

22 A. No.

23 Q. Was there any discussion about those
24 emails being public record or whether the emails
25 needed to be retained?

DANIEL HARTMAN 10/3/2019

Page 33

1 MR. HADEN: I'm going to object to the
2 extent it involves legal advice and legal
3 conclusions, I think in all directions, so ...

4 MR. ANDERSON: That's agreed. So that
5 would be -- I don't know if there's a way to answer
6 the question without getting into the content of
7 advice. I suppose that's okay, but -- hang on one
8 second.

9 Well, maybe if we -- and you-all may want
10 to discuss how this is answered, but leaving aside
11 any attorney-client privileged communications or
12 communications with attorneys about what the law is
13 or how it should be followed -- I don't know if
14 there's anything left to discuss there, so, you
15 know, that probably covers it all.

16 MR. SMITH: They seem intertwined to me.

17 MR. HADEN: The distinction makes all of
18 the difference here.

19 Can I hear the question one more time? I
20 just want to make sure that I understand it.
21 Because we -- we want to get through this with you
22 guys; I just want to make sure I understand what
23 you're asking.

24 MS. ALLISON: Was there any discussion
25 about the emails with the consultants being public

DANIEL HARTMAN 10/3/2019

Page 34

1 record and whether the emails needed to be retained?

2 MR. HADEN: Yeah.

3 MR. ANDERSON: To the extent that's a
4 yes-or-no, that doesn't get into context.

5 MR. HADEN: I object. I mean, I think
6 that -- I think the question, in general, Did you
7 ever have a discussion with your attorney about X is
8 even privileged. I mean, whether you have a
9 discussion is privileged. The problem I have here
10 is that this actually flows in multiple directions.
11 Dan Hartman as attorney to the AG; Dan Hartman as an
12 AG employee receiving legal advice from within the
13 AG, if they have somebody in a GC or quasi-GC role
14 back the other direction, I ...

15 And, look, Joel, I understand, it's a
16 complicated situation. Obviously, if you're working
17 on the -- inside the AG as an attorney, but, as --
18 like we've talked about -- if for any other reason,
19 the ethical obligations are strong on all of us, and
20 we can all get in trouble as attorneys, which we all
21 know, if we accidentally violate.

22 So I'm going object and direct my client
23 not to answer.

24 MR. ANDERSON: That's fine. You're on the
25 record with that. I would note that whether certain

DANIEL HARTMAN 10/3/2019

Page 35

1 agency records are or are not public is oftentimes a
2 matter of written agency policy, so that's why -- I
3 think there may be a response to here that goes --
4 that does not implicate attorney-client privilege or
5 maybe not. I don't know the answer to the question,
6 so I can't say.

7 MR. HADEN: Fair enough.

8 MR. SMITH: The application to the policy,
9 though, likely involves some sort of legal judgment
10 or legal advice, and this was not a question asking
11 about policy.

12 MR. ANDERSON: Well, was there any
13 discussion about these emails being public record,
14 yes or no; whether they need to be retained, yes or
15 no. No, it's not explicitly about policy. Policy
16 could be an answer to it. It could also get into
17 attorney-client privilege, which we don't want to
18 do, so I would guess Mr. Hartman would know the
19 difference, but ...

20 MS. ALLISON: We may get there later.

21 MR. HADEN: One of my jobs here is to make
22 sure that Mr. Hartman does not even -- and whether
23 Mr. Hartman wants to answer or not does not
24 inadvertently violate his ethical duties to the
25 attorney general's office as a former attorney there

DANIEL HARTMAN 10/3/2019

Page 36

1 and does not incidentally waive his rights to
2 privilege as someone who received guidance there.

3 I, frankly, as I sit here, am not even
4 sure I'm clear -- I'm not even sure what the answer
5 would be. I'm objecting on principle, that I just
6 think the question calls for the disclosure of
7 attorney-client information, so that's where I'm at.

8 MR. ANDERSON: Did you say you're getting
9 to the policy questions later?

10 MS. ALLISON: Yeah, we are.

11 MR. ANDERSON: Okay. Then let's just ask
12 that.

13 **Q. (By Ms. Allison) Were you ever issued a**
14 **state phone -- I think you said you were.**

15 A. Yes, ma'am.

16 **Q. Were text messages retained?**

17 A. I -- on the state-issued phones? Is that
18 what we're referring --

19 **Q. (Examiner nods.)**

20 A. I retained mine. I mentioned that
21 earlier.

22 **Q. Do you know how long you retained those --**
23 **did you send them to your AGO email, or did you just**
24 **leave them on the phone?**

25 A. I sent them to my AGO email.

DANIEL HARTMAN 10/3/2019

Page 37

1 **Q. Okay. Do you have documentation of those**
2 **communications?**

3 A. I do not.

4 **Q. We talked about this a little bit earlier.**
5 **Did you and other AGO staff frequently use personal**
6 **cell phones to text and communicate?**

7 MR. SMITH: I thought that had been asked
8 and answered.

9 MS. ALLISON: Right. Right.

10 **Q. (By Ms. Allison) So I'm going to show you**
11 **an exhibit.**

12 [REDACTED]

13 [REDACTED]

14 MR. ANDERSON: Oh, sure.

15 (A recess was taken.)

16 **Q. (By Ms. Allison) Okay. So Exhibit A is an**
17 **email string -- or an email thread -- I think it**
18 **originated with Mr. Teepell, but -- so this email**
19 **was sent to your Gmail account; correct?**

20 MR. HADEN: So before we go any further on
21 this -- because I can see where we're headed here.
22 I think we may have an ongoing litigation objection,
23 to the extent this is going to be anything about
24 Sunshine requests or anything related to the DSCC
25 litigation.

DANIEL HARTMAN 10/3/2019

Page 38

1 MR. ANDERSON: Can I see it real quick?

2 I'm not sure it is, so I'll --

3 MR. HADEN: I'll go question by question,
4 that's fine.

5 Q. (By Ms. Allison) So my first question is
6 just to confirm that it was sent to your Gmail
7 account danielstevenhartman@gmail.com, and it looks
8 like it's an email thread from Mr. Teepell, so I
9 just want confirmation it was sent to your Gmail
10 account?

11 MR. HADEN: I'm going to -- I'm going to
12 object. I think the document can speak for itself.

13 MS. ALLISON: Okay.

14 MR. HADEN: And -- I mean, I just think it
15 goes to ongoing litigation.

16 MS. ALLISON: Okay.

17 MR. HADEN: The DSCC has a lawsuit on this
18 question.

19 MR. ANDERSON: You can ask him if it's a
20 fair copy of what was sent to his Gmail account.

21 Q. (By Ms. Allison) Is that a fair copy of
22 what was sent to your Gmail account? And,
23 specifically, this -- I'm going to ask you about
24 this conversation here on Monday, May 1st, 2017.

25 MR. HADEN: That is an evidentiary

DANIEL HARTMAN 10/3/2019

Page 39

1 question that may be at issue in ongoing litigation.
2 Even that is an evidentiary question and an
3 evidentiary issue.

4 MR. ANDERSON: Any opinion on --

5 MR. HADEN: Well, I don't know. I don't
6 know. I'm not in that lawsuit. I'm just thinking
7 about this from 50,000 foot objectively as an
8 attorney. I have no idea whether -- I have no idea
9 what -- well, I may or may not know what the answer
10 is.

11 I have no idea whether the attorneys in
12 that suit -- how they would characterize it. Do
13 they have a -- will they stipulate? I don't know.
14 But it is evidentiary -- potential evidentiary issue
15 in ongoing litigation, and my understanding is
16 you-all don't dig in where there's ongoing
17 litigation.

18 MR. ANDERSON: Who is the litigation
19 between?

20 MR. HADEN: DSCC.

21 MR. SMITH: And our office.

22 MR. ANDERSON: All right. So you have a
23 concern with ongoing litigation?

24 MR. SMITH: Yeah. I mean -- so I think
25 Brent is stating on behalf of Mr. Hartman in his

DANIEL HARTMAN 10/3/2019

Page 40

1 individual capacity, if he's a witness. And then
2 from our office's perspective as the defendant in
3 that case and as Mr. Hartman's former employer, I
4 think we also would share that concern about any
5 testimony that may be subject to a separate opinion
6 litigation.

7 MR. ANDERSON: Okay. That's fair.

8 Pam, ask whatever questions you plan on
9 asking, and then we'll say that there's something --
10 reassert their objections to those, and we'll move
11 on.

12 MR. HADEN: Okay.

13 Q. (By Ms. Allison) So in this email it says:
14 "Daniel, intergovernmental coalition
15 building" -- and it has a couple of bulleted points.
16 "Develop a target list of local and key officials in
17 intergovernmental affairs and develop a target list
18 of coalition groups."

19 Can you tell us a little bit about what
20 that represents?

21 MR. HADEN: I'm going to object to that
22 because it involves a question that's essential to,
23 apparently, an ongoing litigation. I'm going to
24 direct my client not to answer, and then going
25 forward, if it works for you -- because I think

DANIEL HARTMAN 10/3/2019

Page 41

1 we're going it have a lot this -- I'm going to say
2 same objection to what I just stated to all of these
3 questions, unless you want me to restate the exact
4 objection every time. Alternatively, if you don't
5 want to me to give you a talking objection, I can
6 just say "objection," but, I mean, we're dealing
7 with some pretty heavy stuff here.

8 MR. ANDERSON: What was your questions?
9 You read him something, but what was your question
10 again?

11 MS. ALLISON: I asked him if he could tell
12 me what these bulleted points represented -- or what
13 he was being asked to do.

14 MR. ANDERSON: Okay. Would it serve your
15 needs to simply ask him about those bulleted points,
16 rather than asking about the email itself?

17 MS. ALLISON: Okay.

18 MR. ANDERSON: I'm asking you if that
19 would serv- --

20 MS. ALLISON: Yeah, that serves -- same
21 thing.

22 **Q. (By Ms. Allison) Can you tell me what was**
23 **represented by developing a target list of local and**
24 **key officials for intergovernmental affairs?**

25 MR. HADEN: And, again -- so one objection

DANIEL HARTMAN 10/3/2019

Page 42

1 here is that I think the question was conclusionary,
2 although I think that can be fixed easily. In other
3 words, there's no foundation to the question. It
4 was asked in a conclusionary manner. Secondly, I
5 want the AG to weigh in on whether they think that's
6 a question based on litigation, to the extent that's
7 their issue. Those are my two.

8 MR. ANDERSON: Okay.

9 MR. HADEN: Those are my two.

10 MR. SMITH: For our part -- I understood
11 your question not that you're referring to the email
12 or any contents therein; just asking about subject
13 matter. Is that fair?

14 MS. ALLISON: That's fair.

15 MR. ANDERSON: Okay.

16 MR. SMITH: So if it's not related to the
17 email, then I think our office would probably not
18 have concerns about litigation.

19 MR. HADEN: Right.

20 MR. ANDERSON: Could we go off the record?

21 (A recess was taken.)

22 **Q. (By Ms. Allison) Were you ever asked by**
23 **Mr. Teepell to develop a target list of local key**
24 **official -- local and key officials for**
25 **intergovernmental affairs?**

DANIEL HARTMAN 10/3/2019

Page 43

1 A. Yes.

2 Q. Could you tell us kind of what that list
3 is?

4 A. Is the question what I -- how I -- how
5 that manifested itself, so to speak?

6 Q. Right. Right.

7 A. Okay. I don't recall it ever manifesting
8 itself in any way. As I referred to earlier, I
9 didn't -- I chose not to do -- to act on his advice
10 there.

11 Now, I did interact with people from the
12 legislature, of course, given the title that we
13 discussed earlier, and intergovernmental relations,
14 to me, most commonly manifested itself in
15 interactions with legislators and their staff. If
16 someone from -- I don't recall interacting with
17 anybody at the municipal or county level, although
18 at the time, I felt like that might be an avenue
19 that I could pursue, to interact with people at the
20 municipal or county level or other -- any
21 governmental agency to ask how the attorney
22 general's office could serve them in some way. I
23 don't recall that ever coming to fruition.

24 Q. Okay. Do you recall whether Mr. Teepell
25 asked you to develop a target list of coalition

DANIEL HARTMAN 10/3/2019

Page 44

1 **groups?**

2 A. Yes.

3 **Q. So what is a -- what's the makeup of a**
4 **target list of coalition groups, and did you make**
5 **the list?**

6 A. Not that I recall, so I don't know how
7 that would best be defined.

8 And if I can add to that, I was very busy
9 with my normal duties, and I prioritized my duties
10 how I felt I should.

11 **Q. So I'm going to show you a policy, and**
12 **this is Exhibit C. And this is the employee**
13 **handbook for Missouri Attorney General Josh Hawley.**
14 **And then on Policy No. 9 -- it's titled "Electronic**
15 **or Communications on Personal Electronic Devices."**
16 **Would you read over that.**

17 A. Your question was what?

18 **Q. Well, my question is going to be, were**
19 **you -- you were aware of that policy. And this is**
20 **a -- the policy of the attorney general's office at**
21 **the time of your employment --**

22 MR. HADEN: Okay. So it's the same
23 question I had before, I think, when we worked on
24 this in another set of questions you-all had. Do
25 you have a business records affidavit or some

DANIEL HARTMAN 10/3/2019

Page 45

1 authenticating document, because this is just being
2 put in front of us and represented as being the
3 policy.

4 MR. ANDERSON: First ask him if he
5 recognizes it as the policy in the effective time
6 that you're talking about.

7 Q. (By Ms. Allison) Do you recognize this to
8 be the policy of the attorney general's office when
9 you were employed?

10 A. I read the policy handbook when we came
11 into office. I understand that at some point it was
12 amended or a section was added -- maybe multiple
13 times, but with regard to Section 9, which you
14 pointed out to me, I recall at some point -- I think
15 that was clarified or modified in some way. And I
16 don't remember when Section 9 was in effect, but I
17 do recall, generally, receiving the book, and I -- I
18 know I had to have read it.

19 Q. Were any AGO staff ever directed to
20 violate that policy?

21 MR. HADEN: I'm going to object on
22 multiple reasons. I'm not going to give you,
23 without some other proof that is this is the actual
24 policy. This says 2017 on the front, then it has an
25 effective date of March 13th, 2014. That is not

DANIEL HARTMAN 10/3/2019

Page 46

1 necessarily exclusive, but there's at least a
2 conflict in terms of dating, even in this. It
3 doesn't show that this is an updated or approved
4 version, once now Senator Hawley became the attorney
5 general or what the edits were. I think the version
6 I saw before wasn't even dated, and so this is a
7 different one, I think, than the one I've even seen.

8 But to the extent it is a -- it's
9 conclusionary that this even is the policy that
10 Mr. Hartman had or would have known, I'm going to
11 direct him not to answer on that, because I think
12 it's a faulty premise. If you can find -- this
13 thing has employee acknowledgment forms in the back
14 and -- if you can find the one that actually
15 authenticates it's the one he read and signed, I
16 think I'd be in a different position, but ...

17 So I guess -- we had this discussion last
18 time. Any conclusionary question -- and this is
19 across the board -- that's going to start with the
20 premise of, Well, you've seen this, why did you
21 violate it, is a -- essentially, it's my paraphrased
22 version --

23 MR. ANDERSON: Well, it's a heck of a
24 paraphrase, but I'll let you finish --

25 MR. HADEN: Well, I think we know where

DANIEL HARTMAN 10/3/2019

Page 47

1 you're headed with it.

2 I'm going to object to it because it's
3 conclusionary as a premise.

4 MR. ANDERSON: Are we done? I'm going to
5 direct her to go if we're done.

6 MR. HADEN: I'm done.

7 MR. ANDERSON: Okay.

8 **Q. (By Ms. Allison) Was there a discussion**
9 **between yourself and other AG employees about**
10 **whether personal email and texts were public record?**

11 MR. ANDERSON: Subject to an
12 attorney-client privilege.

13 MR. SMITH: That was the exception. Thank
14 you, Joel.

15 Without getting into privileged
16 communications.

17 MR. HADEN: Okay. I want to hear the
18 question again, because I want to make sure it's
19 possible. Was there a discussion with --

20 **Q. (By Ms. Allison) Was there discussion**
21 **between yourself and other AG employees about**
22 **whether personal email and texts were public record,**
23 **exception to attorney-client privilege.**

24 MR. HADEN: Is the AG's position that it
25 is possible that that even could happen? Because if

DANIEL HARTMAN 10/3/2019

Page 48

1 it's not your position it's even possible, I think
2 it's an easy answer.

3 MR. SMITH: I'm trying to imagine a
4 scenario where you could be talking to somebody
5 that's an AGO employee -- perhaps a non-staffer,
6 you're not giving legal advice -- are you --

7 MR. HADEN: Yeah, someone who doesn't work
8 for the AG.

9 MR. SMITH: A non-attorney not giving
10 legal advice -- if there -- we object to any
11 privileged communications, but if there was a
12 communication, Mr. Hartman, that you had with an AGO
13 employee that did not give privileged information.

14 A. I am not aware of a conversation that
15 would not get into privileged information.

16 **Q. (By Ms. Allison) Were the consultants ever**
17 **paid out of state funds, to your knowledge?**

18 A. Not to my knowledge.

19 **Q. If the consultants were providing**
20 **administrative consulting services, do you know why**
21 **they were being paid out of campaign funds?**

22 A. I'm without knowledge to that question.

23 **Q. To your knowledge, from January of 2017 to**
24 **July 2017, campaign records indicate that OnMessage**
25 **was paid \$75,137.65 and 1st Tuesday was paid**

DANIEL HARTMAN 10/3/2019

Page 49

1 **\$30,505.92 by Hawley's state campaign. Would that**
2 **represent the amount of work performed providing**
3 **administrative consulting services to the AGO?**

4 MR. HADEN: I'm going to -- I want to make
5 sure -- I understood the question. I want to make
6 sure I get the date that was at the beginning. What
7 was --

8 MS. ALLISON: From January 2017 to
9 July 2017.

10 MR. ANDERSON: I think the "to your
11 knowledge" goes at the end. He may not know what
12 the campaign records say.

13 A. I do not have knowledge of the rationale
14 of campaign expenditures.

15 **Q. (By Ms. Allison) Do you know if the**
16 **services were being provided to the AGO -- was there**
17 **a contract detailing the work performed?**

18 A. Not that I'm aware of.

19 **Q. Were there any invoices sent?**

20 A. Not that I'm aware of.

21 **Q. Can you explain why OnMessage or**
22 **1st Tuesday would have been selected for providing**
23 **that type of service to the attorney general's**
24 **office?**

25 A. No.

DANIEL HARTMAN 10/3/2019

Page 50

1 **Q. Did you question working with those types**
2 **of firms or the perception of working with those**
3 **types of firms with the attorney general's office?**

4 A. No.

5 **Q. Do you know if those firms would have**
6 **provided those types of services in the past to**
7 **others?**

8 A. No.

9 MR. SMITH: And just so I'm clear, no,
10 they didn't, or, no, you don't know?

11 THE WITNESS: Thank you.

12 A. I don't know.

13 **Q. (By Ms. Allison) Were the professional**
14 **services of the consultants procured through a**
15 **selection process?**

16 A. Not that I'm aware of.

17 **Q. When you started with the attorney**
18 **general's office, were you allowed to claim**
19 **relocation expenses?**

20 A. I never made such a request. And if you'd
21 like me to clarify, I've lived in my same house for
22 years.

23 **Q. Are you aware of any other employees**
24 **receiving relocation expenses?**

25 A. I don't have personal knowledge of that.

DANIEL HARTMAN 10/3/2019

Page 51

1 **Q. Are you aware of any use of state**
2 **resources for political or personal purposes? For**
3 **example, the use of a state vehicle?**

4 A. I'm sorry. Say that one again.

5 **Q. Are you aware of any state resources being**
6 **used for political or personal purposes?**

7 MR. ANDERSON: Sorry, Pam. Could we go
8 ahead and get the time on that, as well?

9 MS. ALLISON: Sure.

10 **Q. (By Ms. Allison) From July of 2017 -- or**
11 **from January of 2017 to July of 2017, were you aware**
12 **of any use of state resources for political or**
13 **personal purposes? An example would be the state**
14 **vehicle.**

15 A. No to the state vehicle, and no to your
16 broader question.

17 **Q. On June 29th, 2017, you were invited to a**
18 **press conference -- and that's going to be this**
19 **Exhibit B -- where the political consultants were**
20 **also invited --** [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

24 MR. HADEN: What is the prominence of this
25 document? I mean, this is literally --

DANIEL HARTMAN 10/3/2019

Page 52

1 MR. ANDERSON: The question is asking what
2 it is.

3 MR. HADEN: Okay. That's fine. I'll wait
4 to hear that.

5 MR. ANDERSON: Just ask him what it is.

6 **Q. (By Ms. Allison) Can you tell me what is?**

7 A. Exhibit B?

8 **Q. Exhibit B.**

9 A. You want to me describe Exhibit B? It
10 says at the top "Hawley Press Conference Call."

11 **Q. Okay. Is that a -- like, a calendar**
12 **invite to a meeting or a press conference?**

13 A. It would appear to be.

14 MR. ANDERSON: Let me shortcut it a little
15 bit. Do you recognize that document at all? Have
16 you ever seen it before?

17 THE WITNESS: I don't recall seeing this.
18 I understand that, for some reason, everyone's --
19 you have Timmy Teepell's name, Evan Rosell's name --
20 several other names written out. My email address
21 is on there. I don't recall being a part of that
22 conference call or seeing this.

23 MR. ANDERSON: Okay.

24 So, Pam, you may want to -- if there's
25 some content in there you may want to ask him about,

DANIEL HARTMAN 10/3/2019

Page 53

1 you want to ask him those questions, rather than
2 what the document says or doesn't say.

3 MS. ALLISON: Okay.

4 Q. (By Ms. Allison) So your recollection, you
5 don't remember being a part of that press conference
6 call?

7 A. I don't recall.

8 Q. And you don't recall being invited or sent
9 the phone line to call in?

10 A. Not that I recall.

11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

19 Q. (By Ms. Allison) Okay. Were you aware of
20 anything unlawful or inappropriate taking place
21 while you were employed at the attorney general's
22 office?

23 A. No.

24 Q. Have you had any contact or conversations
25 with anyone about our audit?

DANIEL HARTMAN 10/3/2019

Page 54

1 MR. ANDERSON: Other than communications
2 with your attorneys or -- subject to attorney-client
3 privilege.

4 A. I've spoken regarding this meeting today
5 with the attorney general's office, with my
6 attorney, and, for what it's worth, my wife.

7 Q. (By Ms. Allison) Are there any other
8 individuals you think we should talk to?

9 A. No.

10 MS. ALLISON: All right.

11 MR. ANDERSON: Do you-all want to pow-wow,
12 or are you done?

13 MS. ALLISON: We can pow-wow.

14 (A recess was taken.)

15 MR. ANDERSON: We're done. Thank you,
16 Mr. Hartman, for your time. This will be
17 transcribed. We'll get a copy to your lawyer and to
18 the AG, if you want to take a look at it and sign
19 it.

20 Can we agree that after you get it, you'll
21 sign it and get it back to us within, say, ten days;
22 otherwise, we can use it as if you've read and
23 signed?

24 MR. HADEN: Yeah, that'll be fine.

25 MR. ANDERSON: And with the AGO?

DANIEL HARTMAN 10/3/2019

Page 55

1 MR. SMITH: Yeah. That's fine with us.
2 Are there any more interviews that we need to
3 schedule?

4 MR. ANDERSON: I honestly don't know. I
5 don't -- I don't know.

6 MR. SMITH: So maybe.

7 MR. ANDERSON: Maybe, but I don't know.
8 We're going to have to digest this is see.

9 MR. SMITH: One other question, is there
10 anything from our office that you-all need
11 pre-audit?

12 MR. ANDERSON: There may be, but we'll
13 need to review the thing.

14 MR. SMITH: Nothing comes to mind right
15 now --

16 MR. ANDERSON: We'll, there may have been
17 some '17 -- I'm not as tuned in on what they may
18 need copies of, so ...

19 MS. ALLISON: Basically what happens is,
20 once we have a deposition, there might -- that might
21 trigger us to ask for more information or ...

22 MR. SMITH: Of course.

23 MS. ALLISON: I don't think there's
24 anything we're waiting on. We're in pretty good
25 shape.

DANIEL HARTMAN 10/3/2019

Page 56

1 MR. ANDERSON: I appreciate you asking.

2 MR. SMITH: Yeah. Thank you very much.

3 That's all from me.

4 (The deposition concluded at 11:17 a.m.)

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DANIEL HARTMAN 10/3/2019

Page 57

CERTIFICATE OF REPORTER

I, Lisa Ballalatak, a Certified Court Reporter for the State of Missouri, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.



Lisa Ballalatak
Missouri Supreme Court
Certified Court Reporter

;;;

----- Forwarded message -----

From: Loree Anne Paradise <loreeparadise@gmail.com>

Date: Mon, May 1, 2017 at 5:54 PM

Subject: Re: Follow Up From Timmy's Visit

To: Evan Rosell <evanrosell@gmail.com>

Cc: Michael Martinich-Sauter <mcimartinich@gmail.com>, Daniel Hartman <daniel.c.hartman@gmail.com>, Rachel Hassani <rachelhassani@gmail.com>

Call will be Thursday at 9am. Dial-in info is: 641-715-3580; Access Code: 723-423

Thx all!

LA

On Mon, May 1, 2017 at 5:52 PM, Evan Rosell <evanrosell@gmail.com> wrote:

Hey guys --

Thanks for making time to meet together last week. We've been talking through action points for each of us -- I've communicated with several of you about these already. Let me put your respective action points below. I think we'll likely have a conference call toward the end of the week to discuss. LA, can you make sure everyone's square on time/date?

DANIEL: Intergovernmental // Coalition-Building

- Develop a target list of local and key officials for intergovernmental affairs.
- Develop a target list of coalition groups

LOREE ANNE: Communications and Constituent Services

- Find and hire press secretary
- Review constituent services and determine needs and format
- Inventory owned/shared media assets
- Develop list of administration accomplishments
- Job Description for Brad Johnson (Special Assistant to the AG)

RACHEL: Legislative Affairs

- Develop list of key legislators for relational engagement over the summer
- Develop system for tracking legislative requests

MIKE: Policy

- Next steps on Opioid front
- Review Daniel's Veteran's Pro Bono project

EVAN: Admin/Budget/Personnel

- Secure funding for Human Trafficking Coordinator
- Secure funding for additional constituent services representative

- **Finalize line attorney rebuild (Lit, GA)**

Let me know if you guys have questions.

F.

--

Loree Anne Paradise
(912) 245.0212 (mobile)

--

Rachel Hassani
417-838-3067



Daniel Hartman <daniel.c.hartman@gmail.com>

Re: Conference Call

1 message

Savannah Kill <savannah@onmessageinc.com>

Thu, Jun 29, 2017 at 10:59 AM

To: Timmy Teepell <canyoufrythat@me.com>, Michael Martinich-Sauter <mcmartinich@gmail.com>

Cc: Loree Ann Paradise <loreeaparadise@gmail.com>, Gail Gitcho <gailgitcho@gmail.com>, Daniel Hartman

<daniel.c.hartman@gmail.com>, Evan Rossel <evanrosell@gmail.com>, Elizabeth Johnson

<johnsonelizabeth816@gmail.com>

Calendar event is sent

From: Timmy Teepell <canyoufrythat@me.com>

Sent: Thursday, June 29, 2017 10:52 AM

To: Michael Martinich-Sauter

Cc: Loree Ann Paradise; Gail Gitcho; Daniel Hartman; Evan Rossel; Savannah Kill; Elizabeth Johnson

Subject: Re: Conference Call

Good deal. Let's do 2pm then.

Savannah - can you send around a calendar invite with my conference call line?

Timmy

On Jun 29, 2017, at 10:52 AM, Michael Martinich-Sauter <mcmartinich@gmail.com> wrote:

2-2:30 works for me.

Sent from my iPhone

On Jun 29, 2017, at 10:29 AM, Loree Anne Paradise <loreeaparadise@gmail.com> wrote:

I can make whatever time work.

On Thu, Jun 29, 2017 at 10:24 AM, Gail Gitcho <gailgitcho@gmail.com> wrote:

Im completely jammed today. Please go on without me, and I will catch up with Timmy.

From: Daniel Hartman <daniel.c.hartman@gmail.com>

Date: Thursday, June 29, 2017 at 11:21 AM

To: Evan Rosell <evanrosell@gmail.com>
Cc: Timmy Teepell <canyoufrythat@me.com>, Savannah Kill
<savannah@onmessageinc.com>, Loree Ann Paradise
<loreeaparadise@gmail.com>, Michael Martinich-Sauter
<mcmartinich@gmail.com>, Gail <gailgitcho@gmail.com>, Elizabeth Johnson
<johnsonelizabeth816@gmail.com>
Subject: Re: Conference Call

Me too: 2-3:30

Sent from my iPhone

On Jun 29, 2017, at 10:19 AM, Evan Rosell <evanrosell@gmail.com>
wrote:

I'm free between 2 - 3:30

On Thu, Jun 29, 2017 at 10:12 AM, Timmy Teepell
<canyoufrythat@me.com> wrote:

As y'all know, [REDACTED]
Can we do a conference call this afternoon? I want to
discuss process for handling press issues while she's gone.

My two goals...1) [REDACTED]
[REDACTED] and 2) no added burden is shouldered by Josh.

Which means the rest of us will all need to pitch in for the
team over the next 3 weeks.

I'm available this afternoon, anytime after 1:30pm CST.

Loree Anne Paradise
(912) 245.0212 (mobile)



Hawley Press Conference Call

Created by: mcmartinich@gmail.com

Time

2pm - 3pm (Central Time - Chicago)

Date

Thu Jun 29, 2017

Guests

✓ Timmy Teepell

daniel.c.hartman@gmail.com

Evan Rosell

Elizabeth Johnson

Loree Anne Paradise

Michael Martinich-Sauter

Where

1 (877) 553-6064

My Notes



EMPLOYEE HANDBOOK

MISSOURI ATTORNEY GENERAL

JOSH HAWLEY

TABLE OF CONTENTS

1.0.	This Handbook’s Guidelines and Policies	1
2.0.	Your Employment Relationship	1
3.0.	Confidentiality	1
4.0.	Use of the AGO’s Name	2
5.0.	Substance Abuse	2
6.0.	Sexual and Other Harassment.....	2
6.1.	Sexual Harassment.....	3
6.2.	Other Forms of Prohibited Harassment	3
6.3.	Procedure for Reporting Sexual or Other Prohibited Harassment.....	3
6.4.	Retaliation is Prohibited.....	4
6.5.	Confidentiality	4
6.6.	False Complaints of Harassment or Discrimination	5
7.0.	Discrimination and Equal Employment Opportunity	5
8.0.	Computer Use and Electronic Communications Systems	5
9.0.	Electronic Written Communication on Personal Electronic Devices	6
10.0.	Blogging and Social Media.....	6
10.1.	Guidelines for Interaction About the AGO on the Internet	7
10.2.	Confidential Information Component of the Blogging and Social Media Policy	7
10.3.	Respect and Privacy Rights Components of the Blogging and Social Media Policy	8
10.4.	Legal Liability Component of the Blogging and Social Media Policy.....	8
10.5.	Media Contact Component of the Blogging and Social Media Policy	8
11.0.	Media Communications	8
12.0.	Attendance	9
12.1.	Hazardous Travel Policy.....	9
13.0.	Family and Medical Leave Act Policy.....	10
13.1.	Basic Leave Entitlement	10

13.2.	Military Family Leave Entitlements	10
13.3.	Benefits and Protections	11
13.4.	Eligibility Requirements	11
13.5.	Definition of Serious Health Condition	11
13.6.	Use of Leave	11
13.7.	Substitution of Paid Leave for Unpaid Leave.....	12
13.8.	Employee Responsibilities.....	12
13.9.	Employer Responsibilities	12
13.10.	Unlawful Acts by Employers.....	13
13.11.	Enforcement.....	13
14.0.	Dress Code and Professional Appearance	13
15.0.	Personal Telephone Usage.....	14
16.0.	Smoking Policy	14
17.0.	Political Activities.....	14

1.0. This Handbook's Guidelines and Policies

The guidelines and policies contained in this handbook are for your information only. Because it is impossible to cover all of the possible issues that may arise, this handbook is not all-inclusive and the Office of the Attorney General ("AGO") may add to, revise, or change these guidelines at any time.

This handbook is not an express or implied contract of employment. No employee of the AGO has the authority to create a verbal or written contract of employment with any employee.

2.0. Your Employment Relationship

Your employment with the AGO is "at-will." This means that either you or the AGO may conclude the employment relationship, at any time, for any reason or no reason at all, with or without notice.

3.0. Confidentiality

Lawyers and staff who work with lawyers are expected to keep communications concerning the legal matters they are working on in strictest confidence. The law classifies these communications as "privileged." That means that normally even a court cannot compel a lawyer to disclose confidential information unless the client agrees. This privilege exists so that all clients will feel free to consult counsel without fear that what they may have said to their lawyer in confidence will ever be used to their disadvantage. The counterpart of this privilege is that the lawyer must not, without permission, disclose to others what has been communicated in confidence.

A violation of this rule is a grave breach of professional ethics that may lead to disciplinary proceedings against the lawyer, and even to disbarment.

The practice of law involves lawyers, but also legal assistants, paralegals, and other staff employees. Lawyers frequently must communicate confidential information to staff. All staff employees are charged with the same duty to keep this information absolutely confidential. Every lawyer's and staff member's responsibility to safeguard the confidentiality of clients' information exists both during and *after* the termination of employment with the AGO (regardless of the reason for termination).

All of the AGO's personnel should avoid any discussion of any substantive work of the AGO with friends or family. Discussion of the AGO's matters should not take place in public areas such as elevators, restaurants, or other places where the discussion can be overheard. Any unauthorized disclosure can adversely affect our clients' interests and be a source of grave embarrassment to the AGO.

Violation of this confidentiality policy may result in disciplinary action up to and including termination.

4.0. Use of the AGO's Name

The AGO, including its letterhead and the name of the Attorney General, should be used only by the AGO's personnel in the performance of services or the conduct of business by or on behalf of the AGO. In personal or other matters not involving the AGO's business, the personal letterhead (not governmental letterhead) of the attorney, staff member, or other individual should be used.

No person other than a licensed attorney should sign a letter on the AGO's stationery unless the title of such person (for example, "Legal Assistant," "Paralegal", "Administrative Assistant," or "Administrative Assistant to _____") is indicated below the employee's signature. This disclosure is important so that the recipient of the letter does not mistakenly believe that the author of the letter is an attorney employed by the AGO.

5.0. Substance Abuse

Use of alcohol or the illegal use of drugs by an employee while performing work on behalf of the AGO may result in disciplinary action, up to and including termination of employment.

6.0. Sexual and Other Harassment

It is the AGO's policy to maintain a working environment free from harassment based upon sex, sexual orientation, race, color, religion, national origin, disability, age or any other characteristic protected by law. Unlawful harassment by any person, regardless of whether he or she is a member of the AGO, an AGO employee, a client, or a vendor representative, is prohibited by this policy.

This policy describes prohibited harassment, its forms, and the procedure for reporting and investigating complaints of harassment.

6.1. Sexual Harassment

Unwelcome sexual advances, unwelcome requests for sexual favors, and other unwelcome verbal or physical conduct of a sexual nature constitute sexual harassment prohibited by this policy when: (a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (b) submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment on the basis of the employee's sex.

Sexual harassment may include subtle pressure for sexual activity; accusations of sexual preference; demands for sexual favors accompanied by promises or threats related to an individual's employment status. In addition, unwelcome sexual suggestive objects, pictures or written words, sexual jokes, slurs or innuendoes, graphic commentaries or descriptions of sexual conduct, suggestive or insulting sounds, touching, leering, whistling, and obscene gestures, if unwelcome, may constitute forms of sexual harassment prohibited by this policy.

6.2. Other Forms of Prohibited Harassment

Prohibited harassment based on other attributes, such as sexual orientation, gender, race, color, religion, national origin, disability, age or other protected characteristics may include, without limitation, unwelcome jokes, slurs, graphic commentaries, insulting sounds, obscene gestures, demeaning remarks and other conduct that has the purpose or effect of interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment on the basis of an employee's protected characteristics.

6.3. Procedure for Reporting Sexual or Other Prohibited Harassment

All AGO personnel are responsible for maintaining acceptable standards of personal behavior in the work environment and for helping to ensure that assigned duties can be carried out in an atmosphere free of prohibited harassment.

The following step-by-step reporting, investigation, and corrective procedure for handling incidences of harassment will be used:

Step 1: Any employee with a complaint of any form of harassment prohibited by this policy has a responsibility to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

Because the AGO is concerned about this important topic, reporting violations of this policy to members of the AGO's management other than those specifically designated in this policy are not enough – the AGO has designated the two individuals specifically identified within this policy as the appropriate persons to whom violations of this policy should be reported so that the AGO can ensure that complaints are handled consistently with this policy.

Step 2: An investigation will then be conducted.

Step 3: Upon completion of the investigation, and where it is necessary, the AGO will take corrective measures that the AGO determines are appropriate under the circumstances. Corrective measures will be considered on a case by case basis, will depend on the severity of the behavior, and can include anything, including but not limited to counseling, verbal or written warning, suspension without pay, or termination of employment.

6.4. Retaliation is Prohibited

Retaliation against an individual for making a good faith complaint or report of harassment, or providing information regarding harassment, will not be tolerated. Retaliation will result in discipline, up to and including termination. Any employee with any complaint of retaliation has a responsibility under this policy to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

6.5. Confidentiality

The AGO will attempt to provide as much confidentiality as possible under the circumstances for all parties involved in any complaint of harassment or discrimination.

6.6. False Complaints of Harassment or Discrimination

False accusations or complaints made in bad faith may result in disciplinary action, up to and including the termination of employment of the person making such false or bad faith allegations.

7.0. Discrimination and Equal Employment Opportunity

It is the AGO's policy to maintain a working environment free from discrimination. Discrimination based on gender, race, color, religion, national origin, disability, age, veteran status, sexual orientation, or other characteristic protected by law is prohibited. This applies to all areas of employment including hiring, training, salary administration, promotion, benefits, discipline, and termination.

The AGO will provide a "disabled" employee with a reasonable accommodation to enable the employee to perform the essential functions of his or her job. An employee seeking a reasonable accommodation for a disability should direct his or her request for an accommodation to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

As with harassment, AGO employees must report incidents of discrimination using the process described above for reporting harassment. The AGO will follow the guidelines set forth in Section 6.3 for investigating and remedying harassment when addressing allegations of discrimination. The guidelines described in Section 6.4, 6.5, and 6.6 also apply to complaints of discrimination made under this policy.

8.0. Computer Use and Electronic Communications Systems

The use of computers, facsimile machines, telephones, electronic mail, and voice mail are part of your everyday tasks. This policy applies to employee use of the AGO's Electronic Communications Systems (referred to here as "Communications Systems") which include, but are not limited to, office-issued telephone, computer, facsimile machine, electronic mail, internet and intranet systems, and voice mail hardware and software.

All Communications Systems and any documents or messages created or contained within the Communications Systems are the property of the AGO and regarded as documents belonging to the AGO. The Communication Systems are to be used primarily for business purposes. Excessive use of the

Communication Systems for personal reasons, or use of the Communication Systems for inappropriate purposes (e.g., illegal conduct, sexual harassment, etc.) is prohibited and may lead to disciplinary action, up to and including termination of employment.

Employees should not expect that any communication created, sent or received on the Communications Systems is private. The AGO reserves the right to monitor, review, access, reproduce or disclose anything created, sent, or received on the Communications Systems, at any time, without notice.

The AGO's Communications Systems' resources may not be used for the transmission or storage of commercial or personal advertisements, solicitations, promotions, destructive programs (viruses and/or self-replicating code), or any other unauthorized or improper use.

9.0 Electronic Written Communication on Personal Electronic Devices

It is the policy of the AGO that all electronic written communication made or received in connection with the transaction of official business be made or received using the AGO's Communications Systems.

You should not use your personal cell phone, Blackberry, laptop, tablet or other portable electronic device, or home computer for AGO business unless you are remotely logged into your official account as part of the AGO's Communications Systems, whether through the AGO's webmail portal (<https://webmail.ago.mo.gov>), its Mobile Iron (or successor) platform, its virtual desktop program, or otherwise.

10.0. Blogging and Social Media

The guidelines in this policy are intended to assist the AGO's employees to make appropriate decisions about work-related blogging and the contents of blogs, personal websites, postings on social media websites (e.g., Facebook, Twitter, etc.), wikis, and other interactive sites, postings on video or picture sharing sites (e.g., YouTube), or in the comments that employees make online on blogs, elsewhere on the public internet, and in responding to comments from posters either publicly or via email. Any of the AGO's

other electronic communications policies (e.g., Computer Use and Electronic Communications Systems) remain in effect and are not modified by this policy.

These guidelines will protect the privacy, confidentiality, and interests of the AGO, our employees, and the constituencies we serve.

10.1. Guidelines for Interactions About the AGO on the Internet

If employees are developing a website, writing a blog, or make comments on social media websites (e.g., Facebook, Twitter, etc.) that will mention the AGO, our employees, or matters likely of interest to the AGO, identify that you are an employee of the AGO and that the views expressed on the blog or website are yours alone and do not represent the views of the AGO.

Unless given written permission by the Attorney General or the Chief of Staff, employees are not authorized to speak on behalf of the AGO, nor to represent that employees are authorized to do so.

Employees should let the Chief of Staff or Deputy Chief of Staff know if they are developing a website or writing a blog that will mention the AGO, our employees, or matters likely of interest to the AGO. The AGO's management may choose to visit those websites from time to time to determine whether employees' comments comply with this policy.

10.2. Confidential Information Component of the Blogging and Social Media Policy

Employees may not share information that is confidential or proprietary about the AGO. This includes information about personnel matters, legal matters that are subject to attorney-client, work product, or other applicable privileges, and any other information that is not subject to public disclosure by the AGO.

These are given as examples only and do not cover the range of what the AGO considers confidential or proprietary. Any questions about whether information has been released publicly or doubts of any kind about whether information may be shared on the internet should be directed to the Chief of Staff or Deputy Chief of Staff before releasing such information.

The AGO's logos, the Attorney General's name, etc. may not be used without explicit permission in writing from the AGO. This is to prevent the appearance that employees' speak for or represent the AGO officially.

10.3. Respect and Privacy Rights Components of the Blogging and Social Media Policy

Speak respectfully about the AGO, our employees, and the constituencies we serve. Employees should not engage in name calling or behavior that will reflect negatively on the reputation of the AGO or its employees. Use of copyrighted materials, unfounded or derogatory statements, harassing or intimidating comments, or misrepresentation about the AGO or our employees is not viewed favorably by the AGO and can result in disciplinary action up to and including the termination of employment with the AGO.

Honor the privacy rights of our current employees by seeking their permission before writing about or displaying internal AGO happenings that might be considered to be a breach of their privacy and confidentiality.

10.4. Legal Liability Component of the Blogging and Social Media Policy

The AGO's employees should recognize that they may be legally liable for anything they write or present online. Employees can be disciplined by the AGO for commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can contribute towards the creation of an unlawful hostile work environment. Employees can also be sued by the AGO, our employees, or other individuals who view employees' online commentary, content, or images as defamatory, pornographic, proprietary, harassing, libelous, or that contributes towards the creation of an unlawful hostile work environment.

10.5. Media Contact Component of the Blogging and Social Media Policy

Employees with questions about the guidelines provided in this policy should contact the Chief of Staff or the Deputy Chief of Staff. An employee's failure to comply with this policy may lead to disciplinary action, up to and including the termination of employment, as well as potential legal action against the employee by the AGO and/or our employees or members of the public.

11.0. Media Communications

If you are contacted by the media, you should immediately refer them to the AGO's Communication Director, Ryan Cross. Reporters may be insistent and encourage you to talk "off-the-record." No AGO employee is authorized to communicate with the media without prior authorization from the Press Secretary about an AGO matter in either an on-the-record or off-the-record situation.

12.0. Attendance

Regular and predictable attendance is an essential function of every job with the AGO. Poor attendance is disruptive. When employees are unable to work as scheduled they should notify their immediate supervisor as soon as possible in advance of the anticipated absence. Poor attendance may result in disciplinary action, up to and including termination.

There is no leave without pay unless approved in advance or as provided under the AGO's Family and Medical Leave Act Policy found in Section 13.0. Where appropriate, the AGO may grant unpaid personal leaves of absence. Any employee who does not come to work and is not on approved leave is taking an unapproved and unexcused absence from work.

Any absence without notification and approval will be considered unexcused. The AGO may take disciplinary action, up to and including terminating employment, for any employee who, in the AGO's judgment, has unacceptable attendance.

12.1. Hazardous Travel Policy

Employees who are delayed or prevented from reporting to work due to inclement weather or who wish to leave work early due to worsening weather or road conditions may account for the absence by one of the following methods with the approval of their supervisors:

- a. charged to an employee's accumulated compensatory time.
- b. charged to an employee's accumulated annual leave.
- c. made up by adjusting work schedule. Make-up work shall be completed within a reasonable period after the absence, and the make-up work shall not count toward compensatory time. Employees should consult their Division Chief about an acceptable schedule to make-up the work. Note: Due to the nature of an individual employee's duties, make-up work may not be an available alternative.

d. charged to leave without pay only if the employee has insufficient accumulated compensatory and/or annual leave and the work schedule cannot be adjusted for the absence to be made up.

13.0. Family and Medical Leave Act Policy

Employees may, depending upon whether they meet defined eligibility and qualifications criteria, be entitled to take up to 12 weeks of unpaid, job-protected leave each year in accordance with the AGO's obligations under the Family and Medical Leave Act ("FMLA"). The AGO applies a "rolling calendar" method for determining an employee's eligibility for leave. The AGO may also require an employee to concurrently use paid time off (such as accrued vacation or sick leave) during any period of leave under designated as leave under the FMLA.

13.1. Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- To care for the employee's child after birth, or placement for adoption or foster care ("bonding time");
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

13.2. Military Family Leave Entitlements

Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a

member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

13.3. Benefits and Protections

During FMLA leave, the AGO maintains the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

13.4. Eligibility Requirements

Employees are eligible if they have worked for the AGO for at least one year, for 1,250 hours over the previous 12 months, and if at least 50 employees are employed by the AGO within 75 miles.

13.5. Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

13.6. Use of Leave

An employee requiring leave for the employee's own serious health condition or the serious health condition of an immediate family member does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Leave for "bonding time" cannot be taken intermittently but must be taken in one block, and must be used within 12 months of the child's birth or adoption/ foster care placement.

13.7. Substitution of Paid Leave for Unpaid Leave

Employees may choose and the AGO may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the AGO's normal paid leave policies.

13.8. Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

13.9. Employer Responsibilities

The AGO will inform employees requesting leave whether they are eligible under FMLA. If they are, the notice will specify any additional information required as well as

the employees' rights and responsibilities. If they are not eligible, the AGO will provide a reason for the ineligibility.

The AGO will inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the AGO determines that the leave is not FMLA-protected, the AGO will notify the employee.

13.10. Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

13.11. Enforcement

The AGO requests that any employee who believes that the AGO has not complied with the FMLA first bring the employee's concerns to the attention of the Deputy Chief of Staff or the Chief of Staff so that the AGO may first attempt to resolve the matter internally.

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against the AGO if the employee believes that the AGO has not complied with its obligations under the FMLA. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

14.0. Dress Code and Professional Appearance

The dress code for Monday through Friday is **Business Dress** attire.

Repeated violation of the dress code policy will result in disciplinary action. Questions regarding the appropriateness of particular clothing should be resolved with the Deputy Chief of Staff or Human Resources Manager prior to wearing the clothing to the office. Employees are expected to use good judgment and common sense when deciding on appropriate attire for the workplace. The AGO expects our personnel to dress

professionally. The AGO has the discretion to advise any employee of the AGO that his or her attire is inappropriate and send that person home to change into appropriate attire, without pay, or to impose more severe discipline, up to and including termination.

The following clothing is never appropriate Business Dress attire:

- jeans of any color
- denim skirts or dresses
- t-shirts
- shorts
- tank tops
- bare midriffs
- halter tops
- hats
- low-cut blouses
- sweat suits or wind suits
- skirts or dresses shorter than 3" above the knee
- lycra or spandex tops or bottoms
- tennis shoes
- hiking boots
- casual mules or crocs
- flip flops
- sandals without a heel or ankle strap

15.0. Personal Telephone Usage

The AGO recognizes that employees must from time to time receive personal telephone calls. However, personal telephone calls should not interfere with normal business routine. To the extent possible it is expected that personal calls, other than emergency calls, will be made during the lunch hour. Business hours should not be used to make personal arrangements concerning outside activities.

16.0. Smoking Policy

Smoking is prohibited inside all buildings exclusively occupied by the State of Missouri regardless of whether the building is owned or leased by the State.

17.0. Political Activities

Political activity must not interfere with the normal work for the AGO and never occur on state time. AGO employees cannot post political signs on AGO property. The AGO's name and its supplies, equipment, or services may not be utilized in political causes and activities. Such action could be viewed as an activity of the AGO and result in possible embarrassment to the AGO or in having the value thereof deemed a financial contribution by the AGO.

EMPLOYEE ACKNOWLEDGEMENT FORM

The Employee Handbook of the Office of the Attorney General for the State of Missouri (“AGO”) describes important information and guidelines about my employment with the AGO. I understand that my employment with the AGO is terminable “at will,” which means that either the AGO or I may terminate the relationship at any time, for any reason or no reason, at any time with or without notice.

Because the information, policies and benefits described in the handbook are necessarily subject to change, I understand that revisions to the handbook may occur. I understand that no such change will affect my at-will employment relationship with the AGO. I understand that revised policies will supersede, modify, or eliminate existing policies.

I acknowledge and understand that nothing contained in this handbook is a contract of employment, either express or implied. I also understand that no AGO employee has the right or authority to create any type of employment contract, either express or implied.

I also acknowledge I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

Employee’s Signature

Date

Employee’s Name (Printed or Typed)

ACKNOWLEDGMENT OF HARASSMENT AND DISCRIMINATION POLICIES

I acknowledge that I have received and read the policies of the Office of the Attorney General for the State of Missouri ("AGO") regarding sexual and other harassment, and discrimination contained in the AGO's Employee Handbook. I understand that the AGO prohibits harassment and discrimination on the basis of sex, race, color, religion, age, disability, national origin, and any other characteristic protected by law.

I understand that I have a responsibility to refrain from engaging in conduct prohibited by the AGO's harassment and discrimination policies.

I understand that if I am subject to conduct that I believe is harassing or discriminatory, I have the responsibility to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

Because the AGO is concerned about this important topic, I understand that reporting violations, incidents of unlawful harassment or discrimination to members of the AGO's management other than those specifically designated in this Acknowledgement is not enough. That is, I understand that I have the responsibility to immediately report unlawful harassing or discriminatory conduct to either of the two individuals specifically identified by the AGO as the appropriate persons to whom incidents of unlawful harassment or discrimination should be reported so that the AGO can ensure that complaints are handled consist with this policy.

I also understand that the AGO's harassment and discrimination policies prohibit retaliation towards an employee who makes a good faith complaint of harassment or discrimination under the AGO's policies.

Signature

Date

Name (Printed or Typed)

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

The State Auditor's Office requested Loree Anne Paradise, former Deputy Chief of Staff to provide written answers to specific questions asked on October 3, 2019, and Ms. Paradise provided those written answers on October 18, 2019. The specific questions, Ms. Paradise's answers, and the related exhibits are noted below.

Please respond to the following questions as fully and as accurately as you can. If you cannot answer a question in full after exercising due diligence to secure the information to do so, please so state and answer to the extent possible, specifying your inability to answer the remainder and stating whatever information or knowledge you have concerning the unanswered portions.

If you have records of any kind that are or may be responsive to a question asked, please describe each such record in detail so that we may properly identify it. You may provide copies of such records in addition to your written response or, if the records are fully responsive to the question, you may provide such records in lieu of a written response (please indicate that you are doing so).

If you believe that you cannot answer any question in whole or in part on the basis of a claim of privilege, please state the ground of the privilege claimed, the general nature of the matter withheld, the date of the origination of the withheld information, the name of the originator, and the names of all persons to whom the withheld information was distributed, shown or explained.

When you are asked about "meetings" in any questions, please include telephone or video conferences, in-person meetings, etc.

1. Please explain how you came to know former Attorney General (AG) Hawley?

Answer: I was introduced to former AG Hawley in December 2015 when I began working part-time on his campaign, handling scheduling issues.

2. Please describe your professional background prior to joining the Attorney General's Office (AGO).

Answer: Prior to serving in the AGO, I worked in multiple legal and political entities, including work for three members of Congress and a law firm. I also obtained a Juris Doctorate from the University of Kansas School of Law December of 2016 prior to joining the AGO.

3. Please describe your duties and responsibilities while employed at the AGO.

Answer: I was hired as the Deputy Chief of Staff prior to being named Chief of Staff. I originally handled scheduling as Deputy Chief of Staff, but then took over the office's communications and constituent services before being promoted to Chief of Staff.

4. For the time period commencing approximately January 9, 2017 to July 2, 2018, please describe the method(s) of written communication used to communicate with former AG Hawley (e.g. state email, state text messages, personal email, personal text, etc.).

Answer: I communicated with former AG Hawley via email, text, and phone conversations.

- 5. For the time period commencing approximately January 9, 2017 to July 2, 2018, please state the names and job titles of all persons who scheduled meetings and/or who was responsible for scheduling meetings for former AG Hawley.**
- a. If you scheduled or were responsible for scheduling, please indicate how you scheduled meetings (state email calendar, personal email calendar, personal email, state email, etc.).**
 - b. If personal email calendars or personal emails were used, please provide true and accurate copies of all such records.**

Answer: I primarily scheduled meetings during this period. We hired Elizabeth Johnson in the spring of 2017 to assist with scheduling. I do not recall Elizabeth's specific title.

- a. I utilized a Google calendar and a state email calendar to schedule meetings.
- b. I do not have any records responsive to this request.

- 6. For the time period commencing approximately January 9, 2017 to July 31, 2017, please state whether you participated in meetings (including phone conferences) with Timmy Teepell. If so, please set forth the following:**
- a. Please state the specific or approximate date of each meeting.**
 - b. Please describe in detail how you participated in each meeting (e.g., by phone, video conference, in person).**
 - (1) If you participated in any meeting in-person, please provide the location of the meeting(s).**
 - c. Please indicate if you coordinated the in-person and phone conference meetings with Timmy Teepell. If not, please indicate who coordinated/scheduled the meetings.**
 - d. Please indicate if you notified and invited attendees to each of these meetings. If so, please describe how you notified or invited individuals to each meeting (e.g., by office calendar invite, personal calendar invite, state email, personal email, state text, personal text, phone call).**
 - (1) If personal calendars, emails, or texts were used, please provide true and accurate copies of all such records.**
 - e. If you did not notify and invite individuals to these meetings, please describe in detail how you were notified of and invited to each meeting (e.g., by office calendar invite, personal calendar invite, state email, personal email, state text, personal text, phone call).**
 - f. For each meeting described in responses to question No. 6(a-e), please state the following:**
 - (1) Who invited you to or notified you of each meeting.**
 - (2) Who attended each meeting.**
 - (3) Please summarize in detail the discussion that took place at each meeting.**
 - g. Please indicate if agendas were prepared for meetings described in response to questions No. 6(a-f) above. If so, please provide true and accurate copies of all such records.**
 - h. Please indicate if you took notes at meetings described in response to questions No. 6(a-f) above. If so, please provide true and accurate copies of all such records.**

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

Answer: Yes

- a. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. Mr. Teepell provided guidance and advice to AG Hawley's official office based on his experience as a Chief of Staff. We had several meetings in April, May, and June 2017 that all involved official business with the type of guidance and advice I have previously referenced. I never discussed or participated in any campaign-related meetings with Mr. Teepell.
 - b. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. I do not recall additional details about how I participated in each meeting.
 - (1) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. I do not recall additional details about the location of each meeting.
 - c. As the scheduler, I would generally assist with coordinating meetings with Mr. Teepell. I do not recall who scheduled specific meetings with him.
 - d. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
 - (1) I do not have any records responsive to this request.
 - e. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
 - f. See below.
 - (1) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
 - (2) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
 - (3) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. Every meeting in which I participated involved official business. I never discussed or participated in any campaign-related meetings with Mr. Teepell.
 - g. I do not recall if agendas were prepared. I do not have any records responsive to this request.
 - h. I do not recall, but I do not have any records responsive to this request.
- 7. For the time period commencing approximately January 9, 2017 to June 30, 2017, please indicate if you participated in meetings (including phone conferences) with Gail Gitcho. If so, please set forth the following:**
- a. **Please state the specific or approximate date of each meeting.**
 - b. **Please describe in detail how you participated in each meeting (e.g., by phone, video conference, in person).**
 - (1) **If you participated in any meeting in-person, please provide the location of the meeting(s).**
 - c. **Please indicate if you coordinated the in-person and phone conference meetings with Gail Gitcho. If not, please indicate who coordinated/scheduled the meetings.**
 - d. **Please indicate if you notified and invited attendees to each of these meetings. If so, please describe how you notified or invited individuals to each meeting (e.g., by office calendar invite, personal calendar invite, state email, personal email, state text, personal text, phone call).**

- e. If you did not notify and invite individuals to these meetings, please describe in detail how you were notified of and invited to each meeting (e.g., by office calendar invite, personal calendar invite, state email, personal email, state text, personal text, phone call).**
- f. For each meeting described in responses to question No. 7(a-e), please state the following:**
 - (1) Who invited you to or notified you of each meeting.**
 - (2) Who attended each meeting.**
 - (3) Please summarize in detail the discussion that took place at each meeting.**
- g. Please indicate if agendas were prepared for meetings described in response to questions No. 7(a-f) above. If so, please provide true and accurate copies of all such records.**
- h. Please indicate if you took notes at meetings described in response to questions No. 7(a-f) above. If so, please provide true and accurate copies of all such records.**

Answer: Yes

- a. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. Ms. Gitcho provided guidance and advice to AG Hawley's official office based on her experience with the media. We had several meetings in February, May, June, and July 2017 that all involved official business with the type of guidance and advice I have previously referenced. I never discussed or participated in any campaign-related meetings with Ms. Gitcho.
- b. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. I do not recall additional details about how I participated in each meeting.
 - (1) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. I do not recall additional details about the location of each meeting.
- c. As the scheduler, I would generally assist with coordinating meetings with Ms. Gitcho. I do not recall who scheduled specific meetings with her.
- d. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
- e. I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
- f. See below.
 - (1) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
 - (2) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.
 - (3) I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. Every meeting in which I participated involved official business I never discussed or participated in any campaign-related meetings with Ms. Gitcho.
- g. I do not recall if agendas were prepared. I do not have any records responsive to this request.
- h. I do not recall. I do not have any records responsive to this request.

8. Please describe in detail the services provided to the AGO by Timmy Teepell's and Gail Gitcho during the period January 9, 2017 and July 31, 2017.

Answer: I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.

9. Please state who determined Timmy Teepell and Gail Gitcho's responsibilities or the services they provided to the AGO

Answer: I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.

10. Please state how and when Timmy Teepell and Gail Gitcho's responsibilities or the services to be provided to the AGO were explained to you and by whom.

Answer: I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.

11. Please state the time frame in which Timmy Teepell and Gail Gitcho performed the services at the AGO referenced in responses to questions No. 8 and 9 above.

Answer: I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.

12. Please state whether you received or sent emails or met with Timmy Teepell and Gail Gitcho in December 2016, just prior to the inauguration. If so, please set forth the following and provide any emails:

- a. Approximate date of any emails sent or received and meetings.
- b. Please summarize in detail the discussion in the emails or at the meetings.

Answer: No, I do not believe I communicated with Mr. Teepell or Ms. Gitcho prior to meeting them in January 2017.

- a. N/A
- b. N/A

13. In your statement to the Missouri Secretary of State (SOS), you indicated you did not know what Gail Gitcho meant in her January 19, 2017, 10:24 a.m. email when she wrote, "...I am having lunch with Chris Wallace on Thursday and was going to pitch Josh as power player of the week - but we should all get on the same page with that before I pitch him." (See Exhibit A page 2 for email) Please indicate if "pitching" former AG Hawley to Chris Wallace, Fox News, was ever discussed in any other form of communication. If so, please provide the details of that communication.

Answer: I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add. I do not have any responsive documents or additional details about this interaction.

- 14. On January 19, 2017, at 4:47 p.m., you sent an email (in a group conversation with various AGO employees and Timmy Teepell and Gail Gitcho) to Aaron Trost requesting him to "send around the conference call line from the campaign?" (See Exhibit A, page 1)**
- a. Please explain why you were using a conference call line from the campaign to schedule a call with AGO employees instead of using a conference call line with the AGO.**
 - b. Please indicate if the campaign call line was used during the other phone conferences (by dates notated in your answers to questions No. 6(a-h) and No. 7(a-h) above) with Timmy Teepell and Gail Gitcho.**
 - c. Please indicate who Aaron Trost was employed by in January 2017 and explain why you were communicating with him.**

Answer: See below.

- a. As I previously explained to the Secretary of State's office, I was not aware there was another conference call line available for use within the AGO office. I was only aware of a free conference call line that had been previously used for conference calls.
 - b. It is possible that the free conference call line referenced in the January 19, 2017 email was used for other meetings, but I do not recall specifically.
 - c. I do not know who employed Mr. Trost in January 2017. I have had a personal and professional relationship with Mr. Trost for many years.
- 15. On January 19, 2017, email strings indicate routine phone conferences/meetings were planned between former AG Hawley, AGO employees, Gail Gitcho, and Timmy Teepell for 8:30 a.m. on Tuesdays. Please set forth the following:**
- a. Please state the timeframe that the routine weekly meetings referenced in No. 15 above were held.**
 - b. Please indicate who usually attended/participated in the routine weekly meetings referenced in No.15.**
 - c. Please indicate the purpose and general topics discussed at the meetings referenced in No.15.**
 - d. Please indicate if agendas were prepared for each meeting referenced in No.15. If so, please provide true and accurate copies of all such records.**
 - e. Please indicate if you took notes at the meetings referenced in No.15. If so, please provide true and accurate copies of all such records.**

Answer: See below.

- a. I did not participate in the scheduled calls and do not have any additional information.
- b. I did not participate in the scheduled calls and do not have any additional information about who may or may not have "usually attended/participated."
- c. I did not participate in the scheduled calls and do not have any additional information.
- d. I did not participate in the scheduled calls and do not have any additional information regarding whether agendas were prepared. I do not have any records responsive to this request.
- e. I did not participate in the scheduled calls and do not have any additional information or any responsive records.

- 16. For the time period commencing approximately January 9, 2017 to July 31, 2017, please describe the method(s) you or other AGO employees used to communicate with Timmy Teepell and Gail Gitcho (e.g. personal email, state email, personal text, state text, social media apps, self-erasing, self-destructing, or encrypting apps).**

Answer: I communicated via text message, email, or phone conversations. I did not use any other method of communication. I cannot address what methods "other AGO employees used" to communicate with Mr. Teepell or Ms. Gitcho.

- 17. Please provide any personal emails and texts used to communicate with Timmy Teepell and Gail Gitcho during the time of your employment with the AGO.**

Answer: I do not have any records responsive to this request.

- 18. Please indicate if you were instructed to communicate with Timmy Teepell or Gail Gitcho using personal email or personal text.**

Answer: I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.

- 19. Please indicate whether you were aware of AGO policies 8.0 *Computer Use and Electronic Communications Systems* and 9.0 *Electronic Written Communication on Personal Electronic Devices*. (See Exhibit B, pages 8-9). If so, please explain how and when you became aware of this policy.**

Answer: I received the AGO policies when I first was employed by the office and was aware of them from that time forward.

- 20. Please indicate why you communicated with Timmy Teepell, Gail Gitcho, and AGO employees using personal email. (See Exhibit B, page 9)**

Answer: I previously provided detailed information to the Secretary of State's office on January 24, 2019 on this topic and do not have additional information to add.

- 21. On April 26, 2017, at 3:37 p.m. Timmy Teepell sent an email outlining action items for AGO employees to prepare prior to the next set of meetings. (See Exhibit C, page 4)**

- a. Please indicate if Timmy Teepell developed these action items.**
- b. Please indicate if you performed any of the action items listed in the April 26, 2017 email and/or prepared the items for the next meeting. If so, please provide true and accurate copies of all such documents prepared.**
- c. Please explain in detail what each action item listed in the email under "Loree Anne" represented and its purpose to the AGO. (e.g., Inventory Owned and Shared Media Assets, Develop List of Accomplishments).**

Answer: See below.

- a. I do not know who developed the action items.

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

- b. I am aware that, following the referenced meeting, I hired a press secretary and assisted the constituent services office. Other than the information I provided to the Secretary of State's office on January 24, 2019, I do not have any additional information to add and do not have any responsive documents.
- c. I did not prepare the list. I have previously explained the actions I took following the meeting in my January 24, 2019 response to the Secretary of State's office. I do not know what "Inventory Owned and Shared Media Assets" refers to.

22. Please indicate if Timmy Teepell (OnMessage, Inc.) and Gail Gitcho (First Tuesday) were paid from state funds for providing the services referenced in questions No. 8 and 9 above.

Answer: I do not have any knowledge whether Mr. Teepell or Ms. Gitcho were paid from state funds. Rhonda Meyer served as the Deputy Chief of Staff for fiscal items in the office and handled payment details.

23. From January 2017 to July 2017, campaign records indicate OnMessage was paid \$75,137.65.

- a. Please indicate if this compensation includes the services provided while meeting with AGO staff and referenced in questions No. 6, 7, 8, and 9 above.
- b. If the services referenced in questions No. 8 and No. 9 were provided to AGO staff, please indicate if there was a contract or invoices detailing the work performed. If so, please provide any contracts and/or invoices detailing the services provided.

Answer: See below.

- a. I was not the Chief of Staff for the office during this time period. I have no knowledge of the campaign's efforts or what OnMessage was paid to do for the campaign.
- b. I was not the Chief of Staff for the office during this time period. I have no knowledge of the campaign's efforts or what OnMessage was paid to do for the campaign. I do not have any contracts or invoices detailing the services provided.

24. The OnMessage, Inc. website indicates their purpose is to elect candidates to political office. Gail Gitcho, First Tuesday, has experience as a Communications Director for various political campaigns.

- a. Please explain in detail why Timmy Teepell, OnMessage, Inc. and Gail Gitcho, First Tuesday would be selected by former AG Hawley to provide the services referenced in questions No. 6, 7, 8, and 9 above.

Answer: See below.

- a. I was not involved in the campaign or the decision to hire Mr. Teepell or Ms. Gitcho, so I do not have any knowledge why they were selected by former AG Hawley.

25. For the time period commencing approximately January 9, 2017 to July 2, 2018, please indicate if you used a self-erasing/self-destructing/self-encrypting messaging app to communicate with former AG Hawley or AGO employees (e.g. confide, signal).

- a. If so, please indicate who you contacted.**
- b. If so, please indicate what was discussed in these messages.**

Answer: No. I did not use any self-erasing/self-destructing/self-encrypting messaging app to communicate with anyone during the period from January 2017 through July 2018.

- a. N/A
- b. N/A

26. From January 10 through March 22, 2017, you claimed relocation expenses totaling \$3,142.01. (See Exhibit D). Please set forth the following:

- a. Please indicate if the relocation expenses referenced in Exhibit D were approved prior to incurrence. If so please provide documentation of the prior approval, and state the name of the person who provided the prior approval.**
- b. Please explain how you became aware of obtaining reimbursement for the types of relocation expenses referenced in Exhibit D.**
- c. Please explain why you stayed in a hotel for 3 months and claimed reimbursement of expenses for the time period referenced in Exhibit D.**
- d. Please explain why you claimed 3 months of expenses on March 27, 2017 as referenced in Exhibit D rather than claiming the expenses each month on the "monthly" expense report form.**
- e. Please indicate if you relocated to Missouri. If so, please indicate when you relocated to Missouri and where you lived.**
- f. Please indicate who stayed at the hotel for each of the nights claimed on your expense reimbursement (e.g., yourself, your husband, Scott Paradise, etc.) referenced in Exhibit D.**
- g. Please indicate if you were aware of the Office of Administration's relocation expense policy. (See Exhibit E).**
- h. Please indicate if you were aware that claiming 3 months of hotel stays was not allowed by OA policy (e.g. temporary lodging expense for up to 30 calendar days, 1 month).**
- i. Please explain why the bill for the hotel referenced in Exhibit D was sometimes in your name and sometimes in your husband's name.**
- j. Please indicate if your husband, or his company (Mine Creek Strategies), was working for former AG Hawley's state campaign during the months January, February, and March 2017.**
- k. In reference to Exhibit D, please explain why you sometimes stayed in Columbia when you worked in Jefferson City.**
 - (1) Please indicate if this was approved prior to occurrence and who approved.**
 - (2) Please indicate the location of former Attorney General Hawley's state and federal campaign offices.**
- l. Please indicate if anyone at the AGO questioned your expense reimbursement. If so, please indicate who questioned your expense reimbursement, what concerns were addressed, and how were they resolved.**

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

Answer: See below.

- a. Yes, My relocation expenses were verbally approved by Rhonda Meyer. It is likely that I discussed the relocation expenses with Evan Rosell and others in the fiscal office, but I do not recall specifically. I do not have any written documentation of prior approval.
- b. Ms. Meyer at the fiscal office explained that the AGO would pay for up to 30 days of relocation expenses. It is possible that others in the fiscal office provided similar information but I do not recall specifically.
- c. I stayed in a hotel for a total of 30 nights as my family explored permanent housing options. I carefully tracked my expenses to ensure that I would not go beyond the 30 nights Ms. Meyer indicated I was allowed.
- d. Ms. Meyer advised that I could wait until my 30 days were complete rather than submitting the forms piecemeal. It is possible that others in the fiscal office provided similar information but I do not recall specifically. I carried the cost of the hotel expenses until the 30 nights were complete and then sought reimbursement.
- e. Yes. I ultimately relocated in September 2017 to [REDACTED]
I continued to stay in a hotel at my own expense after the 30 nights of relocation expenses were exhausted.
- f. I always stayed by myself for each of the nights claimed on my expense reimbursement.
- g. I was not aware of a state policy on relocation expenses prior to receiving this document.
- h. I was not aware of a state policy on relocation expenses prior to receiving this document. I relied on Ms. Meyer's instructions and approval.
- i. As I explained in my January 24, 2019 response to the Secretary of State, my husband and I share a joint credit card and reward programs for various hotels and travel reward programs. I always stayed by myself in the hotel each night for which I sought reimbursement.
- j. I was aware my husband and/or Mine Creek Strategies was working for former AG Hawley's campaign during that period.
- k. Like many state employees, I chose to stay in the area surrounding Jefferson City [REDACTED]
[REDACTED] I did not seek reimbursement for mileage or gas expenses on my commute.
 - (1) Yes. Ms. Meyer approved me for 30 nights of reimbursement and instructed me to utilize the government rate, which I did.
 - (2) I do not know the address of either former AG Hawley's campaign offices.
- l. To the best my recollection, no one in the AGO questioned my expense reimbursements.

27. Please indicate if any AGO employees shared concerns with you that state resources were used for political or personal purposes (e.g. the use of a state vehicle, meeting with Timmy Teepell and Gail Gitcho or other consultants,). If so, please set forth the following:

- a. Please indicate who shared the concern.
- b. Please indicate the details of the concern
- c. Please indicate the approximate date the concern was shared.
- d. Please indicate how the concern was addressed.

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

Answer: I do not recall any AGO employee sharing concerns with me that state resources were being used for political purposes.

- a. N/A
- b. N/A
- c. N/A
- d. N/A

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

Exhibit A

Cc: Taylor, Shantell[Shantell.Taylor@ago.mo.gov]
To: Loree Anne Paradise[loreeparadise@gmail.com]
From: Evan Rosell
Sent: Sun 1/22/2017 12:42:02 PM
Subject: Re: Follow-up

Fine with me

ST - calendar

On Jan 22, 2017, at 12:26 PM, Loree Anne Paradise <loreeparadise@gmail.com> wrote:

All -

So sorry to again change the logistics, but could we move the call to 9am on Tuesdays?

On Thu, Jan 19, 2017 at 4:50 PM, Aaron Trost <aarontrost@gmail.com> wrote:

sure thing. It is:
[641-715-3580](tel:641-715-3580); Access Code: 723-423

On Thu, Jan 19, 2017 at 4:47 PM, Loree Anne Paradise <loreeparadise@gmail.com> wrote:

Trost - can you send around the conference call line from the campaign? I no longer have access to my campaign email/calendar. Thanks!

On Thu, Jan 19, 2017 at 4:30 PM, Loree Anne Paradise <loreeparadise@gmail.com> wrote:

8:30am on Tuesdays it is. Thank you all!

LA

On Thu, Jan 19, 2017 at 4:26 PM, Timmy Teepell <canyoufrythat@icloud.com> wrote:

Me too.

On Jan 19, 2017, at 3:53 PM, Aaron Trost <aarontrost@gmail.com> wrote:

830 works for me

AT

On Thu, Jan 19, 2017 at 3:53 PM, Gail Gitcho <gailgitcho@gmail.com> wrote:

Ok that works here

From: Loree Anne Paradise <loreeparadise@gmail.com>

Date: Thursday, January 19, 2017 at 1:51 PM

To: Gail Gitcho <gailgitcho@gmail.com>

Cc: Aaron Trost <aarontrost@gmail.com>, Timmy Teepell <canyoufrythat@icloud.com>, Evan Rosell <evanrosell@gmail.com>, Ryan Cross <crossryan@me.com>

Subject: Re: Follow-up

Sorry to completely change things. I thought this was a one-time deal for next Tuesday. Routinely, the earlier in the morning the better for Josh. Can we plan for 8:30am CST on Tuesdays? This

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

would begin next week, January 24th.

On Thu, Jan 19, 2017 at 3:49 PM, Gail Gitcho <gailgitcho@gmail.com> wrote:

I have a call at that time but I could do 10:30am CST on Tuesdays

From: Aaron Trost <aarontrost@gmail.com>

Date: Thursday, January 19, 2017 at 1:47 PM

To: Timmy Teepell <canyoufrythat@icloud.com>

Cc: Evan Rosell <evanrosell@gmail.com>, Gail Gitcho <gailgitcho@gmail.com>, Ryan Cross <crossryan@me.com>,

Loree Anne Paradise <loreeparadise@gmail.com>

Subject: Re: Follow-up

works here

AT

On Thu, Jan 19, 2017 at 3:46 PM, Timmy Teepell <canyoufrythat@icloud.com> wrote:

Tuesday's at 10 est works for me.

On Jan 19, 2017, at 3:28 PM, Evan Rosell <evanrosell@gmail.com> wrote:

Josh can do Tuesday or Wednesday after 10 am

> On Jan 19, 2017, at 10:24 AM, Gail Gitcho <gailgitcho@gmail.com> wrote:

>

> Sounds great. If we can do a call next Tuesday or Wednesday, that would work great because I am having lunch with Chris Wallace on Thursday and was going to pitch Josh as power player of the week – but we should all get on the same page with that before I pitch him.

>

> On 1/19/17, 8:08 AM, "Timmy Teepell" <canyoufrythat@icloud.com> wrote:

>

> I enjoyed the brainstorming session on Tuesday!

>

> Josh has put together a strong team, and I'm excited about the opportunities we have to make difference this year.

>

> It seems to me that going forward we should start compiling a punch list of what we need to do to rollout each of our agenda items this year, and we should put together a weekly conference call for all of us to set aside time each week to focus attention on these projects.

>

> I'd like to find a time that works for Josh, so he can participate on the calls as well. And we should invite brad and hanks and wes to participate.

>

> Evan - Any idea what day/time would work best for Josh each week?

>

>

--

Loree Anne Paradise

(912) 245.0212 (mobile)

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

Exhibit B



EMPLOYEE HANDBOOK

MISSOURI ATTORNEY GENERAL
JOSH HAWLEY

2017

TABLE OF CONTENTS

1.0.	This Handbook's Guidelines and Policies	1
2.0.	Your Employment Relationship	1
3.0.	Confidentiality	1
4.0.	Use of the AGO's Name	2
5.0.	Substance Abuse	2
6.0.	Sexual and Other Harassment.....	2
6.1.	Sexual Harassment.....	3
6.2.	Other Forms of Prohibited Harassment	3
6.3.	Procedure for Reporting Sexual or Other Prohibited Harassment.....	3
6.4.	Retaliation is Prohibited.....	4
6.5.	Confidentiality	4
6.6.	False Complaints of Harassment or Discrimination	5
7.0.	Discrimination and Equal Employment Opportunity	5
8.0.	Computer Use and Electronic Communications Systems	5
9.0.	Electronic Written Communication on Personal Electronic Devices	6
10.0.	Blogging and Social Media.....	6
10.1.	Guidelines for Interaction About the AGO on the Internet	7
10.2.	Confidential Information Component of the Blogging and Social Media Policy	7
10.3.	Respect and Privacy Rights Components of the Blogging and Social Media Policy	8
10.4.	Legal Liability Component of the Blogging and Social Media Policy.....	8
10.5.	Media Contact Component of the Blogging and Social Media Policy.....	8
11.0.	Media Communications	8
12.0.	Attendance	9
12.1.	Hazardous Travel Policy.....	9
13.0.	Family and Medical Leave Act Policy.....	10
13.1.	Basic Leave Entitlement	10

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes

Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

13.2. Military Family Leave Entitlements	10
13.3. Benefits and Protections	11
13.4. Eligibility Requirements	11
13.5. Definition of Serious Health Condition	11
13.6. Use of Leave	11
13.7. Substitution of Paid Leave for Unpaid Leave.....	12
13.8. Employee Responsibilities.....	12
13.9. Employer Responsibilities	12
13.10. Unlawful Acts by Employers.....	13
13.11. Enforcement.....	13
14.0. Dress Code and Professional Appearance	13
15.0. Personal Telephone Usage.....	14
16.0. Smoking Policy	14
17.0. Political Activities.....	14

1.0. This Handbook's Guidelines and Policies

The guidelines and policies contained in this handbook are for your information only. Because it is impossible to cover all of the possible issues that may arise, this handbook is not all-inclusive and the Office of the Attorney General ("AGO") may add to, revise, or change these guidelines at any time.

This handbook is not an express or implied contract of employment. No employee of the AGO has the authority to create a verbal or written contract of employment with any employee.

2.0. Your Employment Relationship

Your employment with the AGO is "at-will." This means that either you or the AGO may conclude the employment relationship, at any time, for any reason or no reason at all, with or without notice.

3.0. Confidentiality

Lawyers and staff who work with lawyers are expected to keep communications concerning the legal matters they are working on in strictest confidence. The law classifies these communications as "privileged." That means that normally even a court cannot compel a lawyer to disclose confidential information unless the client agrees. This privilege exists so that all clients will feel free to consult counsel without fear that what they may have said to their lawyer in confidence will ever be used to their disadvantage. The counterpart of this privilege is that the lawyer must not, without permission, disclose to others what has been communicated in confidence.

A violation of this rule is a grave breach of professional ethics that may lead to disciplinary proceedings against the lawyer, and even to disbarment.

The practice of law involves lawyers, but also legal assistants, paralegals, and other staff employees. Lawyers frequently must communicate confidential information to staff. All staff employees are charged with the same duty to keep this information absolutely confidential. Every lawyer's and staff member's responsibility to safeguard the confidentiality of clients' information exists both during and *after* the termination of employment with the AGO (regardless of the reason for termination).

All of the AGO's personnel should avoid any discussion of any substantive work of the AGO with friends or family. Discussion of the AGO's matters should not take place in public areas such as elevators, restaurants, or other places where the discussion can be overheard. Any unauthorized disclosure can adversely affect our clients' interests and be a source of grave embarrassment to the AGO.

Violation of this confidentiality policy may result in disciplinary action up to and including termination.

4.0. Use of the AGO's Name

The AGO, including its letterhead and the name of the Attorney General, should be used only by the AGO's personnel in the performance of services or the conduct of business by or on behalf of the AGO. In personal or other matters not involving the AGO's business, the personal letterhead (not governmental letterhead) of the attorney, staff member, or other individual should be used.

No person other than a licensed attorney should sign a letter on the AGO's stationery unless the title of such person (for example, "Legal Assistant," "Paralegal", "Administrative Assistant," or "Administrative Assistant to _____") is indicated below the employee's signature. This disclosure is important so that the recipient of the letter does not mistakenly believe that the author of the letter is an attorney employed by the AGO.

5.0. Substance Abuse

Use of alcohol or the illegal use of drugs by an employee while performing work on behalf of the AGO may result in disciplinary action, up to and including termination of employment.

6.0. Sexual and Other Harassment

It is the AGO's policy to maintain a working environment free from harassment based upon sex, sexual orientation, race, color, religion, national origin, disability, age or any other characteristic protected by law. Unlawful harassment by any person, regardless of whether he or she is a member of the AGO, an AGO employee, a client, or a vendor representative, is prohibited by this policy.

This policy describes prohibited harassment, its forms, and the procedure for reporting and investigating complaints of harassment.

6.1. Sexual Harassment

Unwelcome sexual advances, unwelcome requests for sexual favors, and other unwelcome verbal or physical conduct of a sexual nature constitute sexual harassment prohibited by this policy when: (a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, (b) submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (c) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment on the basis of the employee's sex.

Sexual harassment may include subtle pressure for sexual activity; accusations of sexual preference; demands for sexual favors accompanied by promises or threats related to an individual's employment status. In addition, unwelcome sexual suggestive objects, pictures or written words, sexual jokes, slurs or innuendoes, graphic commentaries or descriptions of sexual conduct, suggestive or insulting sounds, touching, leering, whistling, and obscene gestures, if unwelcome, may constitute forms of sexual harassment prohibited by this policy.

6.2. Other Forms of Prohibited Harassment

Prohibited harassment based on other attributes, such as sexual orientation, gender, race, color, religion, national origin, disability, age or other protected characteristics may include, without limitation, unwelcome jokes, slurs, graphic commentaries, insulting sounds, obscene gestures, demeaning remarks and other conduct that has the purpose or effect of interfering with an individual's work performance or creates an intimidating, hostile, or offensive working environment on the basis of an employee's protected characteristics.

6.3. Procedure for Reporting Sexual or Other Prohibited Harassment

All AGO personnel are responsible for maintaining acceptable standards of personal behavior in the work environment and for helping to ensure that assigned duties can be carried out in an atmosphere free of prohibited harassment.

The following step-by-step reporting, investigation, and corrective procedure for handling incidences of harassment will be used:

Step 1: Any employee with a complaint of any form of harassment prohibited by this policy has a responsibility to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

Because the AGO is concerned about this important topic, reporting violations of this policy to members of the AGO's management other than those specifically designated in this policy are not enough – the AGO has designated the two individuals specifically identified within this policy as the appropriate persons to whom violations of this policy should be reported so that the AGO can ensure that complaints are handled consistently with this policy.

Step 2: An investigation will then be conducted.

Step 3: Upon completion of the investigation, and where it is necessary, the AGO will take corrective measures that the AGO determines are appropriate under the circumstances. Corrective measures will be considered on a case by case basis, will depend on the severity of the behavior, and can include anything, including but not limited to counseling, verbal or written warning, suspension without pay, or termination of employment.

6.4. Retaliation is Prohibited

Retaliation against an individual for making a good faith complaint or report of harassment, or providing information regarding harassment, will not be tolerated. Retaliation will result in discipline, up to and including termination. Any employee with any complaint of retaliation has a responsibility under this policy to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

6.5. Confidentiality

The AGO will attempt to provide as much confidentiality as possible under the circumstances for all parties involved in any complaint of harassment or discrimination.

6.6. False Complaints of Harassment or Discrimination

False accusations or complaints made in bad faith may result in disciplinary action, up to and including the termination of employment of the person making such false or bad faith allegations.

7.0. Discrimination and Equal Employment Opportunity

It is the AGO's policy to maintain a working environment free from discrimination. Discrimination based on gender, race, color, religion, national origin, disability, age, veteran status, sexual orientation, or other characteristic protected by law is prohibited. This applies to all areas of employment including hiring, training, salary administration, promotion, benefits, discipline, and termination.

The AGO will provide a "disabled" employee with a reasonable accommodation to enable the employee to perform the essential functions of his or her job. An employee seeking a reasonable accommodation for a disability should direct his or her request for an accommodation to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

As with harassment, AGO employees must report incidents of discrimination using the process described above for reporting harassment. The AGO will follow the guidelines set forth in Section 6.3 for investigating and remedying harassment when addressing allegations of discrimination. The guidelines described in Section 6.4, 6.5, and 6.6 also apply to complaints of discrimination made under this policy.

8.0. Computer Use and Electronic Communications Systems

The use of computers, facsimile machines, telephones, electronic mail, and voice mail are part of your everyday tasks. This policy applies to employee use of the AGO's Electronic Communications Systems (referred to here as "Communications Systems") which include, but are not limited to, office-issued telephone, computer, facsimile machine, electronic mail, internet and intranet systems, and voice mail hardware and software.

All Communications Systems and any documents or messages created or contained within the Communications Systems are the property of the AGO and regarded as documents belonging to the AGO. The Communication Systems are to be used primarily for business purposes. Excessive use of the

Communication Systems for personal reasons, or use of the Communication Systems for inappropriate purposes (e.g., illegal conduct, sexual harassment, etc.) is prohibited and may lead to disciplinary action, up to and including termination of employment.

Employees should not expect that any communication created, sent or received on the Communications Systems is private. The AGO reserves the right to monitor, review, access, reproduce or disclose anything created, sent, or received on the Communications Systems, at any time, without notice.

The AGO's Communications Systems' resources may not be used for the transmission or storage of commercial or personal advertisements, solicitations, promotions, destructive programs (viruses and/or self-replicating code), or any other unauthorized or improper use.

9.0 Electronic Written Communication on Personal Electronic Devices

It is the policy of the AGO that all electronic written communication made or received in connection with the transaction of official business be made or received using the AGO's Communications Systems.

You should not use your personal cell phone, Blackberry, laptop, tablet or other portable electronic device, or home computer for AGO business unless you are remotely logged into your official account as part of the AGO's Communications Systems, whether through the AGO's webmail portal (<https://webmail.ago.mo.gov>), its Mobile Iron (or successor) platform, its virtual desktop program, or otherwise.

10.0. Blogging and Social Media

The guidelines in this policy are intended to assist the AGO's employees to make appropriate decisions about work-related blogging and the contents of blogs, personal websites, postings on social media websites (e.g., Facebook, Twitter, etc.), wikis, and other interactive sites, postings on video or picture sharing sites (e.g., YouTube), or in the comments that employees make online on blogs, elsewhere on the public internet, and in responding to comments from posters either publicly or via email. Any of the AGO's

other electronic communications policies (e.g., Computer Use and Electronic Communications Systems) remain in effect and are not modified by this policy.

These guidelines will protect the privacy, confidentiality, and interests of the AGO, our employees, and the constituencies we serve.

10.1. Guidelines for Interactions About the AGO on the Internet

If employees are developing a website, writing a blog, or make comments on social media websites (e.g., Facebook, Twitter, etc.) that will mention the AGO, our employees, or matters likely of interest to the AGO, identify that you are an employee of the AGO and that the views expressed on the blog or website are yours alone and do not represent the views of the AGO.

Unless given written permission by the Attorney General or the Chief of Staff, employees are not authorized to speak on behalf of the AGO, nor to represent that employees are authorized to do so.

Employees should let the Chief of Staff or Deputy Chief of Staff know if they are developing a website or writing a blog that will mention the AGO, our employees, or matters likely of interest to the AGO. The AGO's management may choose to visit those websites from time to time to determine whether employees' comments comply with this policy.

10.2. Confidential Information Component of the Blogging and Social Media Policy

Employees may not share information that is confidential or proprietary about the AGO. This includes information about personnel matters, legal matters that are subject to attorney-client, work product, or other applicable privileges, and any other information that is not subject to public disclosure by the AGO.

These are given as examples only and do not cover the range of what the AGO considers confidential or proprietary. Any questions about whether information has been released publicly or doubts of any kind about whether information may be shared on the internet should be directed to the Chief of Staff or Deputy Chief of Staff before releasing such information.

The AGO's logos, the Attorney General's name, etc. may not be used without explicit permission in writing from the AGO. This is to prevent the appearance that employees' speak for or represent the AGO officially.

10.3. Respect and Privacy Rights Components of the Blogging and Social Media Policy

Speak respectfully about the AGO, our employees, and the constituencies we serve. Employees should not engage in name calling or behavior that will reflect negatively on the reputation of the AGO or its employees. Use of copyrighted materials, unfounded or derogatory statements, harassing or intimidating comments, or misrepresentation about the AGO or our employees is not viewed favorably by the AGO and can result in disciplinary action up to and including the termination of employment with the AGO.

Honor the privacy rights of our current employees by seeking their permission before writing about or displaying internal AGO happenings that might be considered to be a breach of their privacy and confidentiality.

10.4. Legal Liability Component of the Blogging and Social Media Policy

The AGO's employees should recognize that they may be legally liable for anything they write or present online. Employees can be disciplined by the AGO for commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can contribute towards the creation of an unlawful hostile work environment. Employees can also be sued by the AGO, our employees, or other individuals who view employees' online commentary, content, or images as defamatory, pornographic, proprietary, harassing, libelous, or that contributes towards the creation of an unlawful hostile work environment.

10.5. Media Contact Component of the Blogging and Social Media Policy

Employees with questions about the guidelines provided in this policy should contact the Chief of Staff or the Deputy Chief of Staff. An employee's failure to comply with this policy may lead to disciplinary action, up to and including the termination of employment, as well as potential legal action against the employee by the AGO and/or our employees or members of the public.

11.0. Media Communications

If you are contacted by the media, you should immediately refer them to the AGO's Communication Director, Ryan Cross. Reporters may be insistent and encourage you to talk "off-the-record." No AGO employee is authorized to communicate with the media without prior authorization from the Press Secretary about an AGO matter in either an on-the-record or off-the-record situation.

12.0. Attendance

Regular and predictable attendance is an essential function of every job with the AGO. Poor attendance is disruptive. When employees are unable to work as scheduled they should notify their immediate supervisor as soon as possible in advance of the anticipated absence. Poor attendance may result in disciplinary action, up to and including termination.

There is no leave without pay unless approved in advance or as provided under the AGO's Family and Medical Leave Act Policy found in Section 13.0. Where appropriate, the AGO may grant unpaid personal leaves of absence. Any employee who does not come to work and is not on approved leave is taking an unapproved and unexcused absence from work.

Any absence without notification and approval will be considered unexcused. The AGO may take disciplinary action, up to and including terminating employment, for any employee who, in the AGO's judgment, has unacceptable attendance.

12.1. Hazardous Travel Policy

Employees who are delayed or prevented from reporting to work due to inclement weather or who wish to leave work early due to worsening weather or road conditions may account for the absence by one of the following methods with the approval of their supervisors:

- a. charged to an employee's accumulated compensatory time.
- b. charged to an employee's accumulated annual leave.
- c. made up by adjusting work schedule. Make-up work shall be completed within a reasonable period after the absence, and the make-up work shall not count toward compensatory time. Employees should consult their Division Chief about an acceptable schedule to make-up the work. Note: Due to the nature of an individual employee's duties, make-up work may not be an available alternative.

d. charged to leave without pay only if the employee has insufficient accumulated compensatory and/or annual leave and the work schedule cannot be adjusted for the absence to be made up.

13.0. Family and Medical Leave Act Policy

Employees may, depending upon whether they meet defined eligibility and qualifications criteria, be entitled to take up to 12 weeks of unpaid, job-protected leave each year in accordance with the AGO's obligations under the Family and Medical Leave Act ("FMLA"). The AGO applies a "rolling calendar" method for determining an employee's eligibility for leave. The AGO may also require an employee to concurrently use paid time off (such as accrued vacation or sick leave) during any period of leave under designated as leave under the FMLA.

13.1. Basic Leave Entitlement

FMLA requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

- To care for the employee's child after birth, or placement for adoption or foster care ("bonding time");
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

13.2. Military Family Leave Entitlements

Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period. A covered servicemember is a current member of the Armed Forces, including a

member of the National Guard or Reserves, who has a serious injury or illness incurred in the line of duty on active duty that may render the servicemember medically unfit to perform his or her duties for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

13.3. Benefits and Protections

During FMLA leave, the AGO maintains the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

13.4. Eligibility Requirements

Employees are eligible if they have worked for the AGO for at least one year, for 1,250 hours over the previous 12 months, and if at least 50 employees are employed by the AGO within 75 miles.

13.5. Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

13.6. Use of Leave

An employee requiring leave for the employee's own serious health condition or the serious health condition of an immediate family member does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Leave for "bonding time" cannot be taken intermittently but must be taken in one block, and must be used within 12 months of the child's birth or adoption/ foster care placement.

13.7. Substitution of Paid Leave for Unpaid Leave

Employees may choose and the AGO may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the AGO's normal paid leave policies.

13.8. Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

13.9. Employer Responsibilities

The AGO will inform employees requesting leave whether they are eligible under FMLA. If they are, the notice will specify any additional information required as well as

the employees' rights and responsibilities. If they are not eligible, the AGO will provide a reason for the ineligibility.

The AGO will inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the AGO determines that the leave is not FMLA-protected, the AGO will notify the employee.

13.10. Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- Interfere with, restrain, or deny the exercise of any right provided under FMLA;
- Discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

13.11. Enforcement

The AGO requests that any employee who believes that the AGO has not complied with the FMLA first bring the employee's concerns to the attention of the Deputy Chief of Staff or the Chief of Staff so that the AGO may first attempt to resolve the matter internally.

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against the AGO if the employee believes that the AGO has not complied with its obligations under the FMLA. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law or collective bargaining agreement which provides greater family or medical leave rights.

14.0. Dress Code and Professional Appearance

The dress code for Monday through Friday is **Business Dress** attire.

Repeated violation of the dress code policy will result in disciplinary action. Questions regarding the appropriateness of particular clothing should be resolved with the Deputy Chief of Staff or Human Resources Manager prior to wearing the clothing to the office. Employees are expected to use good judgment and common sense when deciding on appropriate attire for the workplace. The AGO expects our personnel to dress

professionally. The AGO has the discretion to advise any employee of the AGO that his or her attire is inappropriate and send that person home to change into appropriate attire, without pay, or to impose more severe discipline, up to and including termination.

The following clothing is never appropriate Business Dress attire:

- jeans of any color
- denim skirts or dresses
- t-shirts
- shorts
- tank tops
- bare midriffs
- halter tops
- hats
- low-cut blouses
- sweat suits or wind suits
- skirts or dresses shorter than 3" above the knee
- lycra or spandex tops or bottoms
- tennis shoes
- hiking boots
- casual mules or crocs
- flip flops
- sandals without a heel or ankle strap

15.0. Personal Telephone Usage

The AGO recognizes that employees must from time to time receive personal telephone calls. However, personal telephone calls should not interfere with normal business routine. To the extent possible it is expected that personal calls, other than emergency calls, will be made during the lunch hour. Business hours should not be used to make personal arrangements concerning outside activities.

16.0. Smoking Policy

Smoking is prohibited inside all buildings exclusively occupied by the State of Missouri regardless of whether the building is owned or leased by the State.

17.0. Political Activities

Political activity must not interfere with the normal work for the AGO and never occur on state time. AGO employees cannot post political signs on AGO property. The AGO's name and its supplies, equipment, or services may not be utilized in political causes and activities. Such action could be viewed as an activity of the AGO and result in possible embarrassment to the AGO or in having the value thereof deemed a financial contribution by the AGO.

EMPLOYEE ACKNOWLEDGEMENT FORM

The Employee Handbook of the Office of the Attorney General for the State of Missouri ("AGO") describes important information and guidelines about my employment with the AGO. I understand that my employment with the AGO is terminable "at will," which means that either the AGO or I may terminate the relationship at any time, for any reason or no reason, at any time with or without notice.

Because the information, policies and benefits described in the handbook are necessarily subject to change, I understand that revisions to the handbook may occur. I understand that no such change will affect my at-will employment relationship with the AGO. I understand that revised policies will supersede, modify, or eliminate existing policies.

I acknowledge and understand that nothing contained in this handbook is a contract of employment, either express or implied. I also understand that no AGO employee has the right or authority to create any type of employment contract, either express or implied.

I also acknowledge I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

Employee's Signature

Date

Employee's Name (Printed or Typed)

**ACKNOWLEDGMENT OF HARASSMENT AND
DISCRIMINATION POLICIES**

I acknowledge that I have received and read the policies of the Office of the Attorney General for the State of Missouri ("AGO") regarding sexual and other harassment, and discrimination contained in the AGO's Employee Handbook. I understand that the AGO prohibits harassment and discrimination on the basis of sex, race, color, religion, age, disability, national origin, and any other characteristic protected by law.

I understand that I have a responsibility to refrain from engaging in conduct prohibited by the AGO's harassment and discrimination policies.

I understand that if I am subject to conduct that I believe is harassing or discriminatory, I have the responsibility to immediately report such conduct directly to either: (1) Deputy Chief of Staff, Rhonda Meyer (or her successor); or (2) Chief of Staff.

Because the AGO is concerned about this important topic, I understand that reporting violations, incidents of unlawful harassment or discrimination to members of the AGO's management other than those specifically designated in this Acknowledgement is not enough. That is, I understand that I have the responsibility to immediately report unlawful harassing or discriminatory conduct to either of the two individuals specifically identified by the AGO as the appropriate persons to whom incidents of unlawful harassment or discrimination should be reported so that the AGO can ensure that complaints are handled consist with this policy.

I also understand that the AGO's harassment and discrimination policies prohibit retaliation towards an employee who makes a good faith complaint of harassment or discrimination under the AGO's policies.

Signature

Date

Name (Printed or Typed)

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

Exhibit C



Daniel Hartman <daniel.c.hartman@gmail.com>

Re: follow - up

1 message

Evan Rosell <evanrosell@gmail.com>

Mon, May 1, 2017 at 9:28 AM

To: Timmy Teepell <canyoufrythat@icloud.com>

Cc: Gail Gitcho <gailgitcho@gmail.com>, Loree Anne Paradise <loreeparadise@gmail.com>, Daniel Hartman <daniel.c.hartman@gmail.com>

I'm out those days

On May 1, 2017, at 9:20 AM, Timmy Teepell <canyoufrythat@icloud.com> wrote:

if Josh is eager for us to meet sooner, the other option i have is may 8 and 9.

On Apr 30, 2017, at 2:54 PM, Gail Gitcho <gailgitcho@gmail.com> wrote:

Yes

From: Timmy Teepell <canyoufrythat@icloud.com>

Date: Sunday, April 30, 2017 at 1:53 PM

To: Loree Anne Paradise <loreeparadise@gmail.com>

Cc: Gail Gitcho <gailgitcho@gmail.com>, Evan Rosell <evanrosell@gmail.com>,

Timmy Teepell <timmy@onmessageinc.com>, Daniel Hartman <daniel.c.hartman@gmail.com>

Subject: Re: follow - up

That works for me.

On Apr 30, 2017, at 2:29 PM, Loree Anne Paradise <loreeparadise@gmail.com> wrote:

No worries! Is everyone still free June 5/6?

On Sat, Apr 29, 2017 at 4:12 PM, Gail Gitcho <gailgitcho@gmail.com> wrote:

Timmy - [REDACTED]

Just kidding. Good to know. Lets work on something after Mem Day.

Gail

From: Timmy Teepell <canyoufrythat@icloud.com>

Date: Saturday, April 29, 2017 at 5:09 PM

To: Loree Anne Paradise <loreeparadise@gmail.com>

Cc: Evan Rosell <evanrosell@gmail.com>, Timmy Teepell <timmy@onmessageinc.com>, Gail Gitcho <gailgitcho@gmail.com>, Daniel

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

Hartman <daniel.c.hartman@gmail.com>

Subject: Re: follow - up

Okay. I've got bad news for y'all. We need to go back to the drawing board for dates for our next trip. I can't do may 18 and 19. [REDACTED]

[REDACTED] I had it wrong on my schedule. Sorry guys.

On Apr 27, 2017, at 5:53 AM, Loree Anne Paradise
<loreeparadise@gmail.com> wrote:

If that works for Gail, we will be prepared on our end.

On Wed, Apr 26, 2017 at 10:13 PM, Evan Rosell <evanrosell@gmail.com>
wrote:

I think I can make that work

On Apr 26, 2017, at 9:58 PM, Timmy Teepell
<timmy@onmessageinc.com> wrote:

Josh suggested we meet may 18-19 even though he's out of town
he probably doesn't need to be in the meeting. We can fill him in
afterwards.

I can do those dates.

Gail?

On Apr 26, 2017, at 5:25 PM, Evan Rosell
<evanrosell@gmail.com> wrote:

Works for me. Let's plan on it

On Wed, Apr 26, 2017 at 5:07 PM, Gail Gitcho
<gailgitcho@gmail.com> wrote:

Great!

Sent from my iPhone

On Apr 26, 2017, at 5:49 PM, Loree Anne Paradise
<loreeparadise@gmail.com> wrote:

Perfect! It's on Josh's calendar. We will see y'all
June 5-6. Thanks!

On Wed, Apr 26, 2017 at 4:48 PM, Timmy Teepell
<timmy@onmessageinc.com> wrote:

June 5 and 6 works for me.

How about you gail?

On Apr 26, 2017, at 4:43 PM, Loree Anne
Paradise <loreeparadise@gmail.com> wrote:

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

Hi Gail!

May 18 Josh is traveling within MO. May 20-21 he's traveling to Chicago.

First week of June would be easier (if that's not too late)? He's traveling June 7th to St. Louis but completely free June 5-6. Thoughts?

On Wed, Apr 26, 2017 at 4:39 PM, Timmy Teepell <timmy@onmessageinc.com> wrote:
[REDACTED] and forgot to add gail.

On Apr 26, 2017, at 4:39 PM, Timmy Teepell <timmy@onmessageinc.com> wrote:

I have to be in Florida for RGA stuff 15-17. What about 18-19? I'm adding gail to see her availability. Otherwise we could do that first week of June.

On Apr 26, 2017, at 3:45 PM, Loree Anne Paradise <loreeparadise@gmail.com> wrote:

Thanks Timmy! We will get this completed and taken care of.

Session ends Friday, May 12. FYI, Josh may be out of town until May 17th. I should have confirmation on that by tomorrow or Friday. The body guy starts May 22nd, but I know Evan is out that week. Josh is out again May 25 through Memorial Day (May 29).

Most likely, the best date would be sometime May 15-17, so I will ping you when I know Josh's travel schedule that week.

On Wed, Apr 26, 2017 at 3:37 PM, Timmy Teepell <timmy@onmessageinc.com> wrote:

I enjoyed spending time with everyone over the last few days. Here are the action items to

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

prepare for the next set of meetings in a couple weeks. Y'all let me know if I'm missing anything.

Evan

1. Find money for Human Trafficking Executive Director
2. Find money for another Constituent Services Rep (in case we need one)

Mike

1. Flesh out options on Opioids.

Rachel

1. Develop Target list of Key Legislators
2. Develop system for tracking Legislative Requests

Loree Anne

1. Find a press secretary.
2. Assess our constituent services and determine what our needs are.
3. Inventory Owned and Shared Media Assets
4. Develop List of Accomplishments
5. Develop Job Description for Press Secretary and body guy.

Daniel

1. Develop target list of Local Officials for intergovernmental affairs
2. Develop target list of coalition groups and stake holders for Opioid and Veteran rollouts.

Our next meeting we will go over these items, but I want to spend the majority of the time brainstorming and fleshing out our Human Trafficking 2.0 plans, Opioid Plan, and Veteran Pro Bono Plan. So be thinking about those items in the coming weeks.

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

When does session end? I'd like to get a date set so we can get Gail to come too to help brainstorm the Human Trafficking 2.0 plans, Opioid Plan, and Veteran Pro Bono plans.

Timmy

P.S. I don't have Mike and Rachel's emails so can y'all get their stuff to them? Thanks.

--
Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff

SAM II

Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes

Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



2

61

01-18-17

Scott Paradise	Folio No. : 43679	Room No. : 236 (1-10-17)
	A/R Number :	Arrival : 01-08-17
	Group Code : JHI	Departure : 01-12-17
	Company : Inauguration	Conf. No. : 67082274
	Membership No. :	Rate Code : IGCOR
	Invoice No. :	Page No. : 1 of 1

Date	Description	Charges	Credits
01-08-17	Deposit Transfer at Check-In		224.68
01-08-17	*Accommodation	99.00	
01-08-17	State Tax (8.475%)	8.39	
01-08-17	Lodging Tax (5%)	4.95	
01-09-17	*Accommodation	99.00	
01-09-17	State Tax (8.475%)	8.39	
01-09-17	Lodging Tax (5%)	4.95	
01-10-17	*Accommodation	99.00	
01-10-17	State Tax (8.475%)	8.39	
01-10-17	Lodging Tax (5%)	4.95	
01-11-17	*Accommodation	99.00	
01-11-17	State Tax (8.475%)	8.39	
01-11-17	Lodging Tax (5%)	4.95	
01-12-17	American Express		224.68
Total		449.36	449.36
Balance		0.00	

Guest Signature:

I have received the goods and / or services in the amount shown hereon. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

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1402 Cinnamon Hill Lane
Columbia, MO 65201
Telephone: (573)442.8034 Fax: (573)442.8035

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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes

Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



3

34

01-18-17

Scott Paradise	Folio No. :	43846	Room No. :	130
	A/R Number :		Arrival :	01-17-17
	Group Code :		Departure :	01-20-17
	Company :	Work in Jeff City	Conf. No. :	64363244
	Membership No. :		Rate Code :	IDARP
	Invoice No. :		Page No. :	1 of 1

Date	Description	Charges	Credits
01-17-17	*Accommodation	94.00	
01-17-17	State Tax (8.475%)	7.97	
01-17-17	Lodging Tax (5%)	4.70	
01-18-17	Market Post It No.43454	1.84	
01-18-17	Market Tax Post It No.43454	0.16	
01-18-17	*Accommodation	94.00	
01-18-17	State Tax (8.475%)	7.97	
01-18-17	Lodging Tax (5%)	4.70	
01-18-17	*Accommodation 19-JAN-2017	94.00	
01-18-17	State Tax (8.475%) 19-JAN-2017	7.97	
01-18-17	Lodging Tax (5%) 19-JAN-2017	4.70	
01-18-17	American Express		322.01
Total		322.01	322.01
Balance		0.00	

Guest Signature:

I have received the goods and / or services in the amount shown hereon. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



4

46

01-26-17

Scott Paradise	Folio No. : 44240	Room No. : 322
	A/R Number :	Arrival : 01-23-17
	Group Code :	Departure : 01-27-17
	Company : Work in Jeff City	Conf. No. : 60703917
	Membership No. :	Rate Code : IDARP
	Invoice No. :	Page No. : 1 of 1

Date	Description	Charges	Credits
01-23-17	*Accommodation	94.00	
01-23-17	State Tax (8.475%)	7.97	
01-23-17	Lodging Tax (5%)	4.70	
01-24-17	*Accommodation	94.00	
01-24-17	State Tax (8.475%)	7.97	
01-24-17	Lodging Tax (5%)	4.70	
01-25-17	*Accommodation	94.00	
01-25-17	State Tax (8.475%)	7.97	
01-25-17	Lodging Tax (5%)	4.70	
01-26-17	*Accommodation	94.00	
01-26-17	State Tax (8.475%)	7.97	
01-26-17	Lodging Tax (5%)	4.70	
01-26-17	American Express		426.68
Total		426.68	426.68
Balance		0.00	


Guest Signature:

I have received the goods and / or services in the amount shown hereon. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

Holiday Inn Express & Suites Columbia
1402 Cinnamon Hill Lane
Columbia, MO 65201
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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



Residence Inn by Marriott
Columbia

1100 Woodland Springs Ct
Columbia Mo 65202
T 573.442.5601

S. Paradise

Room: 116
Room Type: ONBT
Number of Guests: 1
Rate: \$91.00 Clerk:
Arrive: 31Jan17 Time: 07:31PM Depart: 03Feb17 Time: Folio Number: 68672

Date	Description	Charges	Credits
31Jan17	Rm Chg STDO T1 Transient	91.00	
31Jan17	Occupancy Sales Tax	4.55	
31Jan17	State Occupancy Tax	7.26	
01Feb17	Rm Chg STDO T1 Transient	91.00	
01Feb17	Occupancy Sales Tax	4.55	
01Feb17	State Occupancy Tax	7.26	
02Feb17	Rm Chg STDO T1 Transient	91.00	
02Feb17	Occupancy Sales Tax	4.55	
02Feb17	State Occupancy Tax	7.26	
03Feb17	Master Card		308.43
Card #: [REDACTED]			
Amount: 308.43 Auth: 71180P. Signature on File			
This card was electronically swiped on 31Jan17			
Balance:		0.00	

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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff


4

Residence Inn by Marriott
Columbia

1100 Woodland Springs Ct
Columbia Mo 65202
T 573.442.5901

L. Paradise

Room: 111
Room Type: TOBT
Number of Guests: 1
Rate: \$91.00
Clerk:

Arrive: 06Feb17 Time: 07:10PM Depart: 10Feb17 Time: Folio Number: 68928

Date	Description	Charges	Credits
06Feb17	Rm Chg STDO T1 Transient	91.00	
06Feb17	Occupancy Sales Tax	4.55	
06Feb17	State Occupancy Tax	7.26	
07Feb17	Rm Chg STDO T1 Transient	91.00	
07Feb17	Occupancy Sales Tax	4.55	
07Feb17	State Occupancy Tax	7.26	
08Feb17	Rm Chg STDO T1 Transient	91.00	
08Feb17	Occupancy Sales Tax	4.55	
08Feb17	State Occupancy Tax	7.26	
09Feb17	Rm Chg STDO T1 Transient	91.00	
09Feb17	Occupancy Sales Tax	4.55	
09Feb17	State Occupancy Tax	7.26	
10Feb17	American Express		411.24
Card #: [REDACTED]			
Amount: 411.24 Auth: 179651 Signature on File			
Balance:		0.00	

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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



Loree Anne Paradise

[Redacted]

INVOICE

Membership No. :

A/R Number :

Group Code :

Company Name :

3

Room No. : 816

Arrival : 02-14-17

Departure : 02-17-17

Page No. : 1 of 1

Folio No. : 445757

Conf. No. : 1432347

Cashier No. : 45

User ID : MKOELLING

Thank You For Staying With Us

02-17-17

Date	Text	Charges USD	Credits USD
02-14-17	Guest Room	91.00	
02-14-17	Lodging Tax	6.37	
02-14-17	State Tax	7.03	
02-15-17	Guest Room	91.00	
02-15-17	Lodging Tax	6.37	
02-15-17	State Tax	7.03	
02-16-17	Guest Room	91.00	
02-16-17	Lodging Tax	6.37	
02-16-17	State Tax	7.03	
02-17-17	American Express		313.20
	[Redacted] 12/21		
Total		313.20	313.20
Balance		0.00 USD	

Merchant ID

Transaction ID 838654

Approval Code 169124

Approval Amount : 313.20

Credit Card # [Redacted]

Credit Card Expiry : 12/21

Capture Method : Manual

Transaction Amount 313.20

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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



2

Scott Paradise	Folio No. :		Arrival : 02-21-17
	A/R Number :		Departure : 02-23-17
	Group Code :		Conf. No. : 62593052
	Company : Business		Rate Code : IMG0V
	Membership No. : PC 718864909		Page No. : 1 of 1
	Invoice No. :		

Date	Description	Charges	Credits
02-21-17	*Accommodation	91.00	
02-21-17	State Tax (8.475%)	7.71	
02-21-17	Lodging Tax (5%)	4.55	
02-22-17	*Accommodation	91.00	
02-22-17	State Tax (8.475%)	7.71	
02-22-17	Lodging Tax (5%)	4.55	
02-23-17	American Express		206.52
Thank you for staying with us! Qualifying points for this stay will automatically be credited to your account. Please tell us about your stay by writing a review here - www.ihg.com/reviews . We look forward to welcoming you back soon.		Total	206.52 206.52
		Balance	0.00

Guest Signature: _____

I have received the goods and / or services in the amount shown hereon. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



1

03-01-17

LoreeAnne Paradise	Folio No. :	Room No. : 203
	A/R Number :	Arrival : 02-28-17
	Group Code :	Departure : 03-01-17
	Company : Mizzou	Conf. No. : 64927076
	Membership No. :	Rate Code : IMGOV
	Invoice No. :	Page No. : 1 of 1

Date	Description	Charges	Credits
02-28-17	*Accommodation	91.00	
02-28-17	State Tax (8.475%)	7.71	
02-28-17	Lodging Tax (5%)	4.55	
03-01-17	American Express		103.26
Total		103.26	103.26
Balance		0.00	

Guest Signature: _____

I have received the goods and / or services in the amount shown heron. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

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Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



4

53

04-04-17

Attorney Generals Office	Folio No. : 46548	Room No. : 137
po box 899	A/R Number : 5692	Arrival : 03-06-17
Jefferson City MO 65102	Group Code :	Departure : 03-10-17
United States	Company : Attorney Generals Office	Conf. No. : 68847104
	Membership No. :	Rate Code : IMG0V
Paradise, LoreeAnne	Invoice No. : 4445	Page No. : 1 of 1

Date	Description	Charges	Credits
03-06-17	*Accommodation	91.00	
03-06-17	State Tax (8.475%)	7.71	
03-06-17	Lodging Tax (5%)	4.55	
03-07-17	*Accommodation	91.00	
03-07-17	State Tax (8.475%)	7.71	
03-07-17	Lodging Tax (5%)	4.55	
03-08-17	*Accommodation	91.00	
03-08-17	State Tax (8.475%)	7.71	
03-08-17	Lodging Tax (5%)	4.55	
03-09-17	*Accommodation	91.00	
03-09-17	State Tax (8.475%)	7.71	
03-09-17	Lodging Tax (5%)	4.55	
03-13-17	State Tax (8.475%) tax exempt	-30.84	
3/10/17	American Express [REDACTED]		
Total		-382.20	0.00
Balance		382.20	

Guest Signature: _____

I have received the goods and / or services in the amount shown hereon. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

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Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



2

03-15-17

LoreeAnne Paradise [Redacted]	Folio No. :	Room No. : 339
	A/R Number :	Arrival : 03-13-17
	Group Code :	Departure : 03-15-17
	Company : Mizzou	Conf. No. : 60600604
	Membership No. :	Rate Code : IMGOV
	Invoice No. :	Page No. : 1 of 1

Date	Description	Charges	Credits
03-13-17	*Accommodation	91.00	
03-13-17	State Tax (8.475%)	7.71	
03-13-17	Lodging Tax (5%)	4.55	
03-14-17	*Accommodation	91.00	
03-14-17	State Tax (8.475%)	7.71	
03-14-17	Lodging Tax (5%)	4.55	
03-15-17	American Express		206.52
Total		206.52	206.52
Balance		0.00	

Guest Signature: _____

I have received the goods and / or services in the amount shown hereon. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

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Appendix G

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Loree Anne Paradise, Former Deputy Chief of Staff



46

03-24-17

Scott Paradise	Folio No. : 47347	Room No. : 139
	A/R Number :	Arrival : 03-20-17
	Group Code :	Departure : 03-24-17
	Company : meeting	Conf. No. : 67435242
	Membership No. : PC 718864909	Rate Code : IMG0V
	Invoice No. :	Page No. : 1 of 1

Date	Description	Charges	Credits
03-20-17	*Accommodation	91.00	
03-20-17	State Tax (8.475%)	7.71	
03-20-17	Lodging Tax (5%)	4.55	
03-21-17	*Accommodation	91.00	
03-21-17	State Tax (8.475%)	7.71	
03-21-17	Lodging Tax (5%)	4.55	
03-22-17	*Accommodation	91.00	
03-22-17	State Tax (8.475%)	7.71	
03-22-17	Lodging Tax (5%)	4.55	
03-23-17	*Accommodation	91.00	
03-23-17	State Tax (8.475%)	7.71	
03-23-17	Lodging Tax (5%)	4.55	
03-24-17	American Express		413.04
Thank you for staying with us! Qualifying points for this stay will automatically be credited to your account. Please tell us about your stay by writing a review here - www.ihg.com/reviews . We look forward to welcoming you back soon.		Total	413.04 413.04
		Balance	0.00

Guest Signature: _____

I have received the goods and / or services in the amount shown herein. I agree that my liability for this bill is not waived and agree to be held personally liable in the event that the indicated person, company, or associate fails to pay for any part or the full amount of these charges. If a credit card charge, I further agree to perform the obligations set forth in the cardholder's agreement with the issuer.

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Exhibit E

OFFICE OF ADMINISTRATION ADMINISTRATIVE POLICY

POLICY TITLE: Payment of Relocation and Recruitment Expense	AUTHORIZED BY:
POLICY: B-4	PAGE: 1 of 2
ISSUED: August 1, 1984	REVISED: August 1, 1994

I. General Statement

In the course of recruitment and relocation of employees the question of payment of certain expenses may be raised. This is particularly true in higher level and competitive employment areas where such expenses may be a factor in employment negotiations. This policy is established to define the expenses which the Office of Administration may pay and the circumstances under which payment may be offered to a prospective employee or to an existing employee.

II. Guidelines

A. General Guidelines

- 1) A person who is recruited in a professional, supervisory, or management capacity or any existing employee required to relocate by the Office of Administration is eligible for reimbursement under this policy.
- 2) All offers to reimburse recruitment and relocation expenses must be approved in writing by the Division Director and the Commissioner of Administration prior to the offer being made to an employee or perspective employee. Requests will be evaluated on an individual case basis for appropriateness, consistency with past decisions, and the availability of funds.
- 3) Divisions are responsible for the approval of recruitment and relocation expenses that serves the requirement of the state most economical and advantageously in accordance with the State of Missouri Travel Regulations. This includes the method of Travel (airfare, mileage, etc.), meal costs, lodging costs, etc.
- 4) All payments for recruitment and relocation expenses will be on a reimbursement basis unless a written request to direct bill charges is approved by the Commissioner of Administration. The employee or prospective employee must submit appropriate verification when requesting reimbursement which includes original invoices, proof of payment, prior approval letter, and any other documentation required by the Missouri Travel Regulations. All costs must be itemized on the payment request. Existing employees must request reimbursement on a Monthly Expense Report. Prospective employees may request reimbursement using a Monthly Expense Report or by letter.

III. Reimbursement Guidelines

A. Recruitment Expenses Eligible for Reimbursement



OFFICE OF ADMINISTRATION ADMINISTRATIVE POLICY

POLICY TITLE: Payment of Relocation and Recruitment Expense	AUTHORIZED BY:
POLICY: B-4	PAGE: 2 of 2
ISSUED: August 1, 1984	REVISED: August 1, 1994

- 1) A Person who is asked to interview and meets the general guidelines under this policy may be reimbursed the following allowable recruitment expenses:

Allowable relocation expenses shall consist of the following items:

- a) The cost of moving household goods and personal belongings.
- b) Lodging expenses at no more than the single room rate. Lodging invoices should clearly indicate that the single room rate was charged.
- c) Meal charges incurred during recruitment travel. Receipts are not required for meal charges. However, individuals are expected to exercise the same care in incurring expenses as if traveling on personal business.

B. Relocation Expenses Eligible for Reimbursement

- 1) A person meeting the above general guidelines may be reimbursed the cost, up to 10 percent of the employee's annual salary, of relocating at the time of employment, plus temporary lodging for up to thirty calendar days. Temporary lodging is defined as hotel expenses (meals are not included) or temporary apartment rental with utilities.

Allowable relocation expenses shall consist of the following items:

- a) The cost of moving household goods and personal belongings.
- b) The cost of storing household goods and personal belongings for up to one month when it is necessary that they be stored until the move is completed.
- c) The transportation cost (meals are not included) of one round trip by the employee and family to locate a new residence and one one-way trip by the employee and family to make the actual move.

C. Relocation and/or Recruitment Expenses Not Eligible for Reimbursement

- 1) Recruitment and relocation expenses not listed above (real estate fees, payment of fees to employment agencies, first class airfare, etc.) may not be offered to prospective or existing employees.

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Timmy Teepell, Partner of OnMessage, Inc.

The State Auditor's Office requested Timmy Teepell, a Partner of OnMessage, Inc., to provide written answers to specific questions asked on September 5, 2019, and Mr. Teepell provided those written answers on September 30, 2019. Emails, calendars, and testimony indicate that Timmy Teepell attended various meetings with Attorney General's Office (AGO) employees at the Jefferson City office and participated in phone conferences with various AGO employees from January to July 2017. The specific questions, Mr. Teepell's answers, and the related exhibits are noted below.

Please respond to the following questions as fully and as accurately as you can. If you cannot answer a question in full after exercising due diligence to secure the information to do so, please so state and answer to the extent possible, specifying your inability to answer the remainder and stating whatever information or knowledge you have concerning the unanswered portions.

If you have records of any kind that are or may be responsive to a question asked, please describe each such record in detail so that we may properly identify it. You may provide copies of such records in addition to your written response or, if the records are fully responsive to the question, you may provide such records in lieu of a written response (please indicate that you are doing so).

If you believe that you cannot answer any question in whole or in part on the basis of a claim of privilege, please state the ground of the privilege claimed, the general nature of the matter withheld, the date of the origination of the withheld information, the name of the originator, and the names of all persons to whom the withheld information was distributed, shown or explained.

When you are asked about "meetings" in any questions, please include telephone or video conferences, in-person meetings, etc.

Mr. Teepell provided the following response to our request for answers to the questions:

Thank you for giving me the opportunity to address the issues you've outlined. My answers are below. Please note that I am providing these answers in the spirit of cooperation, and not as an acknowledgment of the office's authority to investigate these matters or to require me to provide information for the audit.

1. Please explain how you came to know former Attorney General Hawley?

Answer: We were introduced by a mutual acquaintance.

2. Please state your relationship to the organization known as OnMessage, Inc.

Answer: I am a partner with OnMessage Inc.

3. Please state your relationship to the organization known as First Tuesday.

Answer: The partners of OnMessage Inc. owned a minority stake in First Tuesday.

4. Did you provide any services to any political campaign of former Attorney General Hawley, whether personally or through any organization to which you were associated? If so,

- a. Please identify each campaign of former Attorney General Hawley to which you have provided services and the dates of such services, and the entity through which you rendered such services.**
- b. Please describe the services rendered that you identified in response to 4(a) above.**

Answer: I along with OnMessage Inc., provided consulting, polling and advertising services to Josh Hawley's 2016 primary campaign for Attorney General from July 2015 until Election Day, August 2016, his general election campaign for Attorney General from August 2016 until Election Day, November 2016, his 2018 primary for US Senate upon launch of the Hawley Exploratory Committee in August 2017 until Election Day, August 2018, and his 2018 general campaign for US Senate from August 2018 until Election Day, November of 2018.

5. Please describe any relationship you had with the Missouri Attorney General's Office.

Answer: I provided advice in helping the office function as effectively as possible in serving the people of Missouri and accomplishing the priorities of the Attorney General.

- 6. Did you provide any services to the Missouri Attorney General's Office, whether personally or through any organization to which you were associated? If so,**
 - a. Please identify the dates on which services were rendered to the Missouri Attorney General's Office and the entity through which you rendered such services.**
 - b. Please describe the services rendered that you identified in response to 6(a) above.**

Answer: Neither I, nor OnMessage, Inc. received any compensation from the Attorney General's Office. However, I did provide advice in helping the office function as effectively as possible in serving the people of Missouri and accomplishing the priorities of the Attorney General. My first conversations with Evan Rosell occurred during the transition period prior to the Attorney General's inauguration, and I continued to provide advice until the Summer of 2017 when Josh Hawley began exploring a run for the US Senate.

7. With respect to the services to be provided to the Missouri Attorney General's Office, please state:

- a. Whether there was a written contract, memorandum of understanding, or any other written memorialization of the terms of services to be rendered by you or any organization through which you provided such services. If so, please identify this record and summarize its contents. Alternatively, if such record can be provided, please attach a copy to your responses.**

Answer: To the best of my recollection, there are no such records.

8. To whom did you report at the AGO?

Answer: My primary contact was Evan Rosell.

9. **Did you sign any non-disclosure agreement (NDA) with the AGO? If so, please provide copies of all such non-disclosure agreements. If copies are not available please set forth the following:**
- a. **The specific or approximate date each such NDA was signed.**
 - b. **Please describe the type of information protected from disclosure by each NDA to the extent possible.**

Answer: No

10. **Did you participate in any regularly scheduled meetings (including phone conferences) with AGO staff? If so, please set forth the following:**
- a. **Please state the specific or approximate date of each meeting.**
 - b. **Please describe in detail how you participated in each meeting (e.g., by phone, video conference, in person).**
 - (1) **If you participated in any meeting in-person, please provide the location of the meeting.**
 - c. **Please describe in detail how you were notified of and invited to each meeting (e.g., by calendar invite, email, phone call).**
 - d. **For each meeting, described in your response to this question, please state the following:**
 - (1) **Who invited you to or notified you of each meeting?**
 - (2) **Who attended each meeting?**
 - (3) **Please summarize in detail the discussions that took place at each meeting.**

Answer: I traveled to Missouri 6 times over the course of six months. I participated in meetings in the Attorney General's Office on three separate occasions in January 2017, April 2017, and June 2017. I also traveled to Missouri on three other occasions to attend events involving the press. These included St. Louis in April and June 2017, and Springfield in July 2017. To the best of my recollection, the meetings I participated in also included Evan Rosell, Ryan Cross, Loree Anne Paradise, Rachel Hasani, Daniel Hartman, and Michael Martinich. I do not recall who attended which meetings. To the best of my recollection, I had phone conversations and/or conducted conference calls with Evan Rosell, Ryan Cross, Loree Anne Paradise, Daniel Hartman, and occasionally Michael Martinich. I do not recall who attended which conference calls. The Attorney General participated in the January 2017 meeting I attended, where he laid out the goals he had for his first year in office. He did not participate in the meetings I attended in April and June of 2017. To my recollection, the Attorney General also did not participate in conference calls that I led with AGO staff.

11. **Exhibit A attached hereto is a list of meeting dates and other information about the meetings appearing in the AGO records. For each:**
- a. **Confirm whether each listed meeting occurred and the accuracy of the date. If not accurate, set forth the correct information.**
 - b. **Confirm whether the "Type of Meeting" shown is accurate. If not accurate, set forth the correct information.**
 - c. **Confirm whether the "AGO Employee Notification Method" is accurate. If not accurate, set forth the correct information.**

- d. Confirm whether each listed attendee was in attendance at the meeting. If other attendees were at the meeting who are not listed, please set forth the name of each such attendee.**
- e. Confirm whether the "Purpose of Meeting, If Documented" is accurate. If not accurate, set forth the correct information.**
- f. For each instance in which the word "unknown" appears in the chart, or where no information appears, please supply the correct information.**

Answer: I do not have any specific recollection to contradict the details presented in Exhibit A. I also do not recall enough details to affirm its accuracy.

- 12. Were you working for OnMessage, Inc. at the time of the meetings with AGO staff referenced in question Nos. 10 and 11 above?**

Answer: Yes

- 13. From January 2017 to July 2017, campaign records indicate OnMessage was paid \$75,137.65. Does this compensation include the services provided while meeting with AGO staff and referenced in question No. 10 and 11 above?**

Answer: Yes

- 14. Did the Attorney General's Office pay OnMessage for any of the services provided while meeting with AGO staff and referenced in question No. 10 and 11 above?**

Answer: No

- 15. Have you or OnMessage, Inc. provided services to any other governmental entity similar to the services provided to the Missouri Attorney General's Office. If so, please state:**

- a. The name of the state and department/public office.**
- b. The dates such services were provided.**
- c. A detailed explanation of the services provided to the entities referenced.**

Answer: I served as Chief of Staff to Louisiana Congressman Bobby Jindal in 2005 and 2006, I ran his transition team for Governor in 2007, and served as his Chief of Staff in the Governor's office from 2008 to 2011. In his 2nd term, I provided advice and help to his senior staff as an outside advisor paid by his campaign committee from 2012 until 2015. I have also provided training for Governors and their senior staff on responding to crisis and natural disasters, setting up an official office and navigating transition in sessions with the National Governors Association and the Republican Governor's Association.

- 16. Please describe each method used by you to communicate with AGO employees (for example, AGO employee personal email, state email, personal or state phone, personal or state text message, messaging apps).**

- a. If you communicated with AGO employees by their personal emails, personal texts, or social media apps, please set forth the following:**

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
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- (1) The method of communication.**
- (2) Describe in detail the frequency of the communications.**
- (3) A detailed explanation of the content of the messages exchanged.**
- (4) Please provide copies of those communications.**

Answer: To the best of my recollection all substantive communications occurred via email, phone calls, and in person meetings.

17. Have you ever used a self-erasing/self-destructing/self-encrypting messaging application to communicate with former Attorney General Hawley or AGO employees about AGO or State of Missouri business (e.g., Confide, Signal, etc.) from January, 2017 through July, 2017?

- a. If so, please provide a list of the individuals contacted.**
- b. If so, please provide a detailed explanation of the content of the messages exchanged.**

Answer: No

18. On April 26, 2017, at 3:37 p.m. you sent an email outlining action items for AGO employees to prepare prior to the next set of meetings. (See Exhibit B, pages 4 and 5). Please set forth the following:

- a. Who developed the action items?**
- b. Did AGO employees prepare documents outlined in the action items? If so, please provide the documents prepared.**
- c. Please explain in detail what each action item listed in the email represented and its purpose to the AGO. (e.g., Loree Anne-4. Develop List of Accomplishments).**

Answer: These actions items were developed in consultation with Evan and each of the staff members listed. Developing a List of Accomplishments is an important exercise for any organization. In this case, the Attorney General's office serves the people of Missouri, and developing a list of accomplishments is important to maintain the trust and confidence of the people in your effectiveness on their behalf. The other items are self-explanatory, but if you have questions about them I am happy to answer those questions, as well.

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
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Exhibit A

Approximate Date of Meeting	Type of Meeting	AGO Employee Notification Method	Attendees Listed in Emails and Meeting Invites	Purpose of Meeting
01/17/2017	In-Person (1)	Unknown (2)	Timmy Teepell, Gail Gitcho, Aaron Trost, Joshua Hawley, Evan Rosell, Loree Anne Paradise, Ryan Cross (2)	Brainstorming session
01/24/2017	Conference Call	Personal email	Timmy Teepell, Gail Gitcho, Aaron Trost, Evan Rosell, Loree Anne Paradise, Ryan Cross	Not documented
02/17/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, brad@onmessageinc.com , Loree Anne Paradise, Michael Martinich-Sauter	Punch list, human trafficking logistics moving forward
03/14/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter	Follow up call
04/24/2017	In-Person (1)	Unknown (2)	Timmy Teepell, Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter, Daniel Hartman, Rachel Hassani.	Not documented
5/04/2017	Conference Call	Personal email & calendar meeting invite	Timmy Teepell, Gail Gitcho, faith@onmessageinc.com , Joshua Hawley, Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter, Daniel Hartman	Review Timmy's punch list from his AGO visit last week & discuss 5/31 business coalition roll out date confirmation
06/05/2017	In-Person	Personal email	Timmy Teepell, Gail Gitcho, Evan Rosell, Loree Anne Paradise, Daniel Hartman	Not documented
6/15/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, Loree Anne Paradise, Michael Martinich-Sauter	Human trafficking, business council, PSA, virtual training
06/29/2017	Conference Call	Personal email	Timmy Teepell, Evan Rosell, Loree Anne Paradise, Michael Martinich-Sauter, Daniel Hartman, Elizabeth Johnson	Hawley press conference
07/13/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, savannah@onmessageinc.com , Loree Anne Paradise, Michael Martinich-Sauter, Elizabeth Johnson	Springfield human trafficking
07/14/2017	Conference Call	Personal calendar meeting invite	Timmy Teepell, Gail Gitcho, savannah@onmessageinc.com , Loree Anne Paradise, Michael Martinich-Sauter, Elizabeth Johnson	Human trafficking

(1) These in-person meetings were located at the AGO in Jefferson City.

(2) Email discussion and witness statements indicate that an in-person meeting took place on or around this date.

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Timmy Teepell, Partner of OnMessage, Inc.

Exhibit B



Daniel Hartman <daniel.c.hartman@gmail.com>

Re: follow - up

1 message

Evan Rosell <evanrosell@gmail.com>

Mon, May 1, 2017 at 9:28 AM

To: Timmy Teepell <canyoufrythat@icloud.com>

Cc: Gail Gitcho <gailgitcho@gmail.com>, Loree Anne Paradise <loreeparadise@gmail.com>, Daniel Hartman <daniel.c.hartman@gmail.com>

I'm out those days

On May 1, 2017, at 9:20 AM, Timmy Teepell <canyoufrythat@icloud.com> wrote:

if Josh is eager for us to meet sooner, the other option i have is may 8 and 9.

On Apr 30, 2017, at 2:54 PM, Gail Gitcho <gailgitcho@gmail.com> wrote:

Yes

From: Timmy Teepell <canyoufrythat@icloud.com>

Date: Sunday, April 30, 2017 at 1:53 PM

To: Loree Anne Paradise <loreeparadise@gmail.com>

Cc: Gail Gitcho <gailgitcho@gmail.com>, Evan Rosell <evanrosell@gmail.com>,

Timmy Teepell <timmy@onmessageinc.com>, Daniel Hartman

<daniel.c.hartman@gmail.com>

Subject: Re: follow - up

That works for me.

On Apr 30, 2017, at 2:29 PM, Loree Anne Paradise

<loreeparadise@gmail.com> wrote:

No worries! Is everyone still free June 5/6?

On Sat, Apr 29, 2017 at 4:12 PM, Gail Gitcho <gailgitcho@gmail.com> wrote:

Timmy - [REDACTED]

Just kidding. Good to know. Lets work on something after Mem Day.

Gail

From: Timmy Teepell <canyoufrythat@icloud.com>

Date: Saturday, April 29, 2017 at 5:09 PM

To: Loree Anne Paradise <loreeparadise@gmail.com>

Cc: Evan Rosell <evanrosell@gmail.com>, Timmy Teepell

<timmy@onmessageinc.com>, Gail Gitcho <gailgitcho@gmail.com>, Daniel

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Timmy Teepell, Partner of OnMessage, Inc.

Hartman <daniel.c.hartman@gmail.com>

Subject: Re: follow - up

Okay. I've got bad news for y'all. We need to go back to the drawing board for dates for our next trip. I can't do may 18 and 19. [REDACTED]

[REDACTED] I had it wrong on my schedule. Sorry guys.

On Apr 27, 2017, at 5:53 AM, Loree Anne Paradise
<loreeparadise@gmail.com> wrote:

If that works for Gail, we will be prepared on our end.

On Wed, Apr 26, 2017 at 10:13 PM, Evan Rosell <evanrosell@gmail.com>
wrote:

I think I can make that work

On Apr 26, 2017, at 9:58 PM, Timmy Teepell
<timmy@onmessageinc.com> wrote:

Josh suggested we meet may 18-19 even though he's out of town
he probably doesn't need to be in the meeting. We can fill him in
afterwards.

I can do those dates.

Gail?

On Apr 26, 2017, at 5:25 PM, Evan Rosell
<evanrosell@gmail.com> wrote:

Works for me. Let's plan on it

On Wed, Apr 26, 2017 at 5:07 PM, Gail Gitcho
<gailgitcho@gmail.com> wrote:

Great!

Sent from my iPhone

On Apr 26, 2017, at 5:49 PM, Loree Anne Paradise
<loreeparadise@gmail.com> wrote:

Perfect! It's on Josh's calendar. We will see y'all
June 5-6. Thanks!

On Wed, Apr 26, 2017 at 4:48 PM, Timmy Teepell
<timmy@onmessageinc.com> wrote:

June 5 and 6 works for me.

How about you gail?

On Apr 26, 2017, at 4:43 PM, Loree Anne
Paradise <loreeparadise@gmail.com> wrote:

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Timmy Teepell, Partner of OnMessage, Inc.

Hi Gail!

May 18 Josh is traveling within MO. May 20-21 he's traveling to Chicago.

First week of June would be easier (if that's not too late)? He's traveling June 7th to St. Louis but completely free June 5-6. Thoughts?

On Wed, Apr 26, 2017 at 4:39 PM, Timmy Teepell <timmy@onmessageinc.com> wrote:
[REDACTED] and forgot to add gail.

On Apr 26, 2017, at 4:39 PM, Timmy Teepell <timmy@onmessageinc.com> wrote:

I have to be in Florida for RGA stuff 15-17. What about 18-19? I'm adding gail to see her availability. Otherwise we could do that first week of June.

On Apr 26, 2017, at 3:45 PM, Loree Anne Paradise <loreeparadise@gmail.com> wrote:

Thanks Timmy! We will get this completed and taken care of.

Session ends Friday, May 12. FYI, Josh may be out of town until May 17th. I should have confirmation on that by tomorrow or Friday. The body guy starts May 22nd, but I know Evan is out that week. Josh is out again May 25 through Memorial Day (May 29).

Most likely, the best date would be sometime May 15-17, so I will ping you when I know Josh's travel schedule that week.

On Wed, Apr 26, 2017 at 3:37 PM, Timmy Teepell <timmy@onmessageinc.com> wrote:

I enjoyed spending time with everyone over the last few days. Here are the action items to

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes Written Answers of Specific Questions Asked of Timmy Teepell, Partner of OnMessage, Inc.

prepare for the next set of meetings in a couple weeks. Y'all let me know if I'm missing anything.

Evan

1. Find money for Human Trafficking Executive Director
2. Find money for another Constituent Services Rep (in case we need one)

Mike

1. Flesh out options on Opioids.

Rachel

1. Develop Target list of Key Legislators
2. Develop system for tracking Legislative Requests

Loree Anne

1. Find a press secretary.
2. Assess our constituent services and determine what our needs are.
3. Inventory Owned and Shared Media Assets
4. Develop List of Accomplishments
5. Develop Job Description for Press Secretary and body guy.

Daniel

1. Develop target list of Local Officials for intergovernmental affairs
2. Develop target list of coalition groups and stake holders for Opioid and Veteran rollouts.

Our next meeting we will go over these items, but I want to spend the majority of the time brainstorming and fleshing out our Human Trafficking 2.0 plans, Opioid Plan, and Veteran Pro Bono Plan. So be thinking about those items in the coming weeks.

Appendix H

Office of Attorney General - Review of Whether State Resources Were Used for Political Purposes
Written Answers of Specific Questions Asked of Timmy Teepell, Partner of OnMessage, Inc.

When does session end? I'd like to get a date set so we can get Gail to come too to help brainstorm the Human Trafficking 2.0 plans, Opioid Plan, and Veteran Pro Bono plans.

Timmy

P.S. I don't have Mike and Rachel's emails so can y'all get their stuff to them? Thanks.

--
Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)

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Loree Anne Paradise
(912) 245.0212 (mobile)



RECEIVED

FEB 15 2019

STATE AUDITORS OFFICE

ATTORNEY GENERAL OF MISSOURI

ERIC SCHMITT
ATTORNEY GENERAL

JEFFERSON CITY
65102

P.O. Box 899
(573) 751-3321

February 15, 2019

Frank Jung
Missouri Secretary of State's Office
600 West Main Street
Jefferson City, MO 65101

Dear Frank,

Pursuant to your authority under § 115.646 RSMo., we are providing documents responsive to the request made by the Auditor's Office dated February 5, 2019. Although we are unaware of any constitutional or statutory authority that allows the Auditor to request the information sought, other than as part of an end-of-term audit, we are providing said documents under your authority previously referenced and in the spirit of full cooperation.

Sincerely,

A handwritten signature in black ink that reads "Christopher R. Wray".

CHRISTOPHER R. WRAY
Chief of Staff



NICOLE GALLOWAY, CPA
Missouri State Auditor

February 21, 2019

Mr. Christopher R. Wray, Chief of Staff
Missouri Attorney General's Office
Supreme Court Building
207 W. High Street
Jefferson City, MO 65102

Dear Mr. Wray:

I am writing this letter to outline the conflict of interest that prevents the Attorney General's Office from representing the State Auditor's Office in any case related to an audit. Because of this conflict, the State Auditor's Office will not tender any case to your office where the authority of the State Auditor to conduct audits under the performance audit standards is being challenged.

As you are aware, the State Auditor's Office is conducting an audit of the Attorney General's Office. Our office has two audit teams—one for the Attorney General's Office closeout and one for the allegations of potential use of state resources for political purposes. During our meeting on February 14, 2019, you stated that the Auditor's Office didn't have the authority to request the information contained in the letter dated February 4, 2019 as a part of a performance audit, and that the State Auditor has no authority to conduct performance audits of the Attorney General outside of closeout audits. Further, you stated that you were making this assertion as the attorney for the Auditor's Office and that it was your legal advice that the audit be conducted as a single closeout audit. You gave legal advice about, and subsequently attempted to direct, a pending audit of the Attorney General's Office.

You seem to be unaware that any closeout audit is also conducted under the performance audit standards. While the audit teams have determined that they should entrance with the Attorney General's Office under a single governance letter, the auditors review evidence to determine the facts and do not presume facts before they have obtained sufficient evidence. Planning is a continuous part of the audit process, and auditors may need to adjust the objectives, scope, and methodology as work is being completed, including separating the inquiries into two audits or multiple reports. Furthermore, this office cannot assure you what will and will not be in a final report or reports.

During our meeting, I questioned whether the Attorney General's Office can represent the State Auditor's Office given your office's opinion that the State Auditor's Office is not authorized to request information contained in the letter dated February 4, 2019 as part of a performance audit. This creates an irreconcilable conflict that renders it impossible for the Attorney General's Office to serve as the attorney for the State Auditor's Office in any cases related to our office's audit functions, and especially in any case where the authority of the State Auditor's Office to conduct performance audits is being challenged.

This conflict was further demonstrated in your response to information requested by our audit team in a letter dated February 15, 2019. In that letter, to another statewide official, you again challenged the authority of the State Auditor to obtain information related to the audit. The Attorney General's Office explicitly stated that it was "unaware of any constitutional or statutory authority that allows the Auditor to request the information sought." The "information sought" included very basic records such as calendar events, conference room meeting bookings with attendees, timesheets, leave records, expense accounts, dates of employment, financial disclosure forms, contracts with consultants, and personnel policies and procedures. I have attached a copy of this letter. This letter is on page 410

These documents are requested regularly in audits by this office. In the letter, you suggested that the only authority this office would have to request this information is "as a part of an end-of-term audit." By law, however, the State Auditor has the authority to audit state offices on her initiative and as often as she deems necessary.

Further, under Rule 4-1.6, an attorney representing a client "shall not reveal information relating to the representation of a client unless the client gives informed consent, the disclosure is impliedly authorized in order to carry out the representation," or unless the disclosure is otherwise authorized by the rule. As stated in the comments to Rule 4-1.6, "A fundamental principle in the client-lawyer relationship is that, in the absence of the client's informed consent, the lawyer must not reveal information relating to the representation."

I am aware of no authority for you to release information related to your alleged representation of this office. The fact that you, in communication with another client, actively took a position contrary to the State Auditor's Office on an issue between our offices that we were attempting to resolve calls into question whether the Attorney General's Office can represent the State Auditor's Office in any matter related to the Auditor's authority.

In the February 14 meeting, we also discussed the *Clay County Commission v. State Auditor* case that is currently pending in Cole County. You acknowledged that this office had not yet tendered the case and asked that this office do so. Given the conflict as to the Auditor's authority, this case will not be tendered to your office.

Given the irreconcilable conflict created by your: (1) taking a position against the authority of the State Auditor's Office; (2) attempting to give legal advice and direct the audit of the Attorney General's Office; and (3) communicating your position against the authority of this office to a third-party, the Attorney General's Office cannot serve as attorney for this office in any case related to its core audit function.

Sincerely,



Michael A. Moorefield
Chief of Staff and Counsel

Enclosure



ATTORNEY GENERAL OF MISSOURI

ERIC SCHMITT
ATTORNEY GENERAL

JEFFERSON CITY
65102

P.O. Box 899
(573) 751-3321

February 21, 2019

Mr. Michael Moorefield, Esq.
Missouri State Auditor's Office
State Capitol, Room 121
Jefferson City, MO 65102

Dear Mr. Moorefield,

In your February 21, 2019, letter to this Office, you expressed your belief that a disqualifying conflict exists that should prevent the Attorney General's Office from representing the State Auditor's Office "in any case related to an audit." On this basis, you declared the Auditor's sweeping refusal to tender any case to this Office "where the authority of the State Auditor to conduct audits under performance audit standards is being challenged." For the reasons discussed below, not even the appearance of a conflict exists with respect to the Attorney General's representation of the Auditor in any legal matter.

When we shared our view that the Auditor's attempt to conduct a separate performance audit of the Attorney General's Office surpassed her authority we did so as your office's auditee, not as its attorney. As is clear at this point, the Auditor's Office does not consider itself a client of the Attorney General's Office and has not tendered any relevant matter for representation. For this reason, the Attorney General's Office does not currently consider the Auditor's Office a client agency.

Myriad incorrect statements within your letter deserve attention, but we will focus on three of the more egregious: (1) At no point did we attempt to direct any pending audit; (2) We did not share legal advice with you within an attorney-client relationship; and, (3) We did not declare the Auditor's Office generally unable to conduct performance audits. We merely pointed out that Section 29.005(6), RSMo., outlines when the Auditor may conduct a separate performance audit, and then asked you to cite the provision upon which you were relying in this instance. Unable or unwilling at the time to answer our question, you repeatedly rested on a blanket

assertion of the Auditor's general audit authority. The Auditor's decision yesterday, acknowledged in your letter today, to abandon the separate performance audit of the Attorney General's Office validates the concern we shared as your auditee.

Neither our pointing out that the Auditor's now-rescinded performance audit upon this Office, in this instance, lacked statutory or constitutional authority, nor our explanation of why your continued representation of the state's interests in court proceedings is similarly unconstitutional (the validity of which you tacitly acknowledge by not challenging our reasoning), make it impossible or untenable for the Attorney General to deliver good faith arguments on the Auditor's behalf in any matter.

Likewise, our accurate statement of law to the Secretary of State relating to our position as your prospective auditee creates no disqualifying conflict. That statement was made as the focus of audit proceedings, and we provided you with a copy of the letter to the Secretary of State. Finally, our informing the Secretary of State of our concerns regarding your office's constitutional or statutory authority for its attempted actions in this instance in no way relates to any potential representation of your office by ours. After expressing this concern, we fully disclosed the requested documents to the Secretary of State pursuant to his authority under Section 115.646, RSMo., "and in the spirit of full cooperation." For these reasons, your suggestion that our communication with the Secretary of State somehow violated Rule 4-1.6 is wholly without merit.


As no general or specific conflict exists, please be reminded that if the Auditor's Office continues to represent itself in the lawsuit brought against it by the Clay County Commission, it will do so beyond the coverage of the Legal Expense Fund, for the reasons cited in our letter of February 8, 2019.

Your signature line now reflects that in addition to serving as the Auditor's Chief of Staff you are also your office's Counsel. As lawyers, we owe it to our profession, our colleagues, and the public generally to be cautious and measured in all of our statements, including those about other lawyers. As your professional colleagues, we encourage you to avoid leveling false and frivolous allegations against others, and to make sure to read and fully understand statutes, court rules, and rules of professional conduct before inaccurately citing them. Finally, such allegations – and similar behavior by you and your office – call into question whether your office maintains independence in appearance and independence in mind pursuant to the AICPA Code of Professional Conduct, *Government Auditing Standards*, and other professional rules governing audits.

This Office strives to work with the Auditor and her staff cooperatively, and even collaboratively. We raised good-faith, well-founded concerns regarding your

office's conduct and authority, which were validated by your office's subsequent actions.

Sincerely,



Terry J. Brady
General Counsel

TJB/krw



NICOLE GALLOWAY, CPA
Missouri State Auditor

June 27, 2019

Terry J. Brady, General Counsel
 Jonathan Hensley, Deputy General Counsel
 Office of the Attorney General
 Supreme Court Building
 207 W. High St.
 P.O. Box 899
 Jefferson City, MO 65102

Re: Audit of the Attorney General's Office

Dear Mr. Brady and Mr. Hensley:

I am writing this letter to request your assistance with interviews the audit team intends to conduct related to the audit of your office.

As a part of your office, the State Auditor's Office intends to interview the following people on the record:

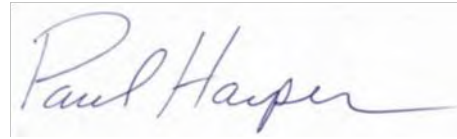
<u>Name</u>	<u>Job Title</u>	<u>Date of Service</u>
Loree Anne Paradise	Deputy Chief of Staff	1/9/17-7/2/18
Daniel Hartman	Special Counsel and Director of Legislation, Chief of Staff	1/9/17-1/2/19
Elizabeth Johnson	Executive Secretary, Press Secretary	2/14/17-1/25/19
Brad Johnson	Special Assistant	6/17-9/17
Ryan Cross	Director of Communications	1/9/17-2/28/17
Timmy Teepell	Consultant	
Gail Gitcho	Consultant	

We have been having difficulty setting up interviews or obtaining contact information for these individuals. We have left four messages with Timmy Teepell, four with Loree Anne Paradise, and one with Ryan Cross. We have discussed the matter with Daniel Hartman and Loree Anne Paradise's attorney, but have not yet set a date for the interviews. We have also left

three messages with Senator Hawley's attorney, David Thompson, regarding obtaining contact information.

Your assistance would be appreciated in setting up these on-the-record interviews.

Sincerely,

A handwritten signature in blue ink that reads "Paul Harper". The signature is written in a cursive style with a long, sweeping underline.

Paul Harper
General Counsel

PH/dd



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

July 1, 2019

Paul Harper
General Counsel
Office of the Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

We have for acknowledgment your letter dated June 27. We are prepared to assist you and/or be cooperative in any reasonable manner. However, none of these individuals are employed by the Attorney General's Office, some never were. Thus, we have no control over them. Most, if not all, of these individuals have personal attorneys.

Your letter does not specify as to what assistance you are requesting, but we are prepared to forward any communication to the attorneys if that would be helpful once we know who they are.

Sincerely,

A handwritten signature in dark ink, appearing to read "Terry J. Brady", is written over the typed name.

Terry J. Brady
General Counsel

Paul Harper

From: Smith, Justin <Justin.Smith@ago.mo.gov>
Sent: Wednesday, July 3, 2019 3:01 PM
To: Paul Harper
Cc: Brady, Terry; Joel Anderson; Pamela Allison
Subject: Audit Interviews

Follow Up Flag: Follow up
Flag Status: Completed

Paul,

This is in follow-up to the correspondence you and Terry Brady exchanged regarding interviews the Auditor's Office intends to conduct, including of former employees of the Attorney General's Office.

Our Office's position is that you cannot interview any former employee of our office without our Office present. As the holder of the attorney-client privilege, our Office has the authority to object to any inquiry that may implicate the privilege. Under Missouri law, the Auditor lacks authority to review attorney-client privileged materials or attorney work product in course of an audit of the Attorney General's Office or a similar state agency. Our Office concluded that the Auditor lacks this authority in Missouri Attorney General Opinion 74-87, p. 15, which states in relevant part: "[I]n situations wherein the attorney-client privilege or the work product privilege is properly assertable ... the State Auditor is not entitled to access the litigation records when the Department properly asserts either privilege." Mo. A.G. Op. 74-87 (Oct. 5, 1987) (underlines in original). Notably, this AG Opinion indicates that the state agency might waive its privilege with respect to attorney-client privilege and/or attorney work product materials if it did not timely assert those privileges with respect to the Auditor, and thus risk their disclosure in response to "adversarial attempts to obtain that information from the Office of the State Auditor" by third parties. *Id.*

This conclusion is consistent with Missouri statutes that specify the powers of the Auditor, which indicate that the Auditor may not force state agencies to divulge attorney-client privilege and attorney work product in the course of an audit. Chapter 29, which sets forth the powers of the Auditor, provides: "Nothing in this chapter shall be construed to infringe upon or deprive the legislative, executive, or judicial branches of state government of any rights, powers, or duties vested in or imposed upon them by statute or the constitution of this state." 29.200.14, RSMo. The right to assert attorney-client privilege and attorney work product is codified by statute in Missouri. *See* § 491.060(3), RSMo. Thus, it constitutes a "right ... imposed ... by statute." § 29.200.14, RSMo. The attorney-client privilege is also deeply rooted in constitutional concerns related to due process, as many courts have observed, so the privilege likely also qualifies as a "right ... imposed ... by the constitution of this state" as well. *Id.*

The Missouri appellate courts have not directly addressed this issue, but the conclusion of our AG Opinion 74-87 is also supported by persuasive authority. In *Louisiana Department of Insurance ex rel. Donelon v. Theriot*, 64 So.3d 854 (La. App. 2011), interpreting a similar statutory scheme, the Louisiana Court of Appeals held that "an auditee's duty to provide information to the Auditor in connection with an audit is restricted by evidentiary privileges, whether legislatively enacted or jurisprudentially created," and that this privilege against the Auditor extends specifically to "documents protected by the attorney-client and deliberative process privileges." *Id.* at 863.

As former employees of our Office, we also represent these employees when they are asked questions relating to their employment by our Office.

I will be our Office's representative in any interviews of our former employees. Please have your office coordinate with me before scheduling any interviews.

Thank you,

Justin

Justin D. Smith
Deputy Attorney General for Special Litigation
Missouri Attorney General's Office
(573) 751-0304
Justin.Smith@ago.mo.gov

This email message, including the attachments, is from the Missouri Attorney General's Office. It is for the sole use of the intended recipient(s) and may contain confidential and privileged information, including that covered by § 32.057, RSMo. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply email and destroy all copies of the original message.
Thank you.



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

July 16, 2019

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JUL 17 2019

STATE AUDITORS OFFICE

Joel Anderson
Chief Litigation Counsel
Office of the Missouri State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Anderson:

Last week, your office conducted interviews of two former Attorney General's Office employees. Thank you for confirming to my colleague in attendance, Justin Smith, that our Office would receive transcripts of those interviews.

We understand that you seek to schedule at least one more former employee interview, and we appreciate you working with Justin to ensure that he is available to attend. We request that you confirm that, other than the two interviews last week and any interview(s) in which our Office may participate in the future, your Office has had and will have no other communications with former employees of the Attorney General's Office regarding the subject matter of your audit that have not been disclosed to us.

Sincerely,

A handwritten signature in cursive script, reading "Terry J. Brady", is written over a horizontal line.

Terry J. Brady
General Counsel



NICOLE GALLOWAY, CPA
Missouri State Auditor

July 25, 2019

Terry J. Brady
Office of the Attorney General
Supreme Court Building
207 W. High St.
P.O. Box 899
Jefferson City, MO 65102

Dear Mr. Brady:

I am in receipt of your correspondence of July 16, 2019, and Justin Smith's correspondence of July 3, 2019, on which you were copied. Together, these letters that express opinions of your office do not seem to help advance our audit to a conclusion.

First, we are very respectful of matters that may involve attorney-client privileged communications and it is not our intention to breach that privilege.

As you know, we have been conducting interviews of former employees of the Attorney General's Office that worked under then Attorney General Hawley. Those interviewees who worked directly under then Attorney General Hawley have been cooperating with the audit and have appeared for their interviews without the need for a subpoena. We would like to finish these interviews in that same vein.

In the spirit of cooperation, this office has, as a courtesy, accommodated your request and permitted an attorney from your office to be present when we conducted interviews in furtherance of our constitutional and statutory duties to audit the Attorney General's Office. Those individuals who have had a personal attorney are permitted to be accompanied by their attorney. As this office stated it would, we have asked the individuals, or their attorney if represented, if they consent to having an attorney from your office present, and to-date such consent has been granted. We intend to continue to do so with those we are contacting for these on the record interviews.

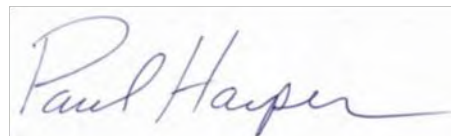
I am concerned about the blanket assertion that your office "represents" all former employees of the Attorney General's Office "when they are asked questions relating to their employment by [the Attorney General's Office]" such that an attorney from your office must be present. We need to understand, clearly, who you represent and how that representation applies to your duties as the auditee.

We will continue to work with the Attorney General's Office to bring this audit to a conclusion and we are fully willing to notify you of those we intend to interview so long as the witnesses themselves do not object. If a potential interviewee informs us that they are represented by any attorney, including the Attorney General's Office, we will act according to the rules of ethics.

As I addressed to you in my letter dated June 27, 2019, we continue to have trouble setting up interviews with Lorree Anne Paradise, and the out-of-state consultants, Timmy Teeple and Gail Gitcho. As the auditee, will you assist us in contacting these individuals to schedule interviews?

We look forward to working with you to bring this matter to a close.

Sincerely,

A handwritten signature in blue ink that reads "Paul Harper". The signature is fluid and cursive, with the first name "Paul" and last name "Harper" clearly distinguishable.

Paul Harper
General Counsel

PH/dd



ATTORNEY GENERAL OF MISSOURI

ERIC SCHMITT

August 5, 2019

Paul Harper
General Counsel
Office of the Missouri State Auditor
P.O. Box 869
Jefferson City, Missouri 65102

Dear Mr. Harper,

This is in response to your July 25, 2019 letter.

The Attorney General's Office has fully cooperated with the State Auditor's Office during this close-out audit. We have responded to every request submitted by the State Auditor's Office openly and in good faith, produced hundreds of thousands of pages of documents requested by the State Auditor's Office, and continue to fulfill each and every one of your inquiries to the best of our ability. While the State Auditor's Office has conducted a seemingly endless review, we have remained steadfast in our commitment to transparently seeing this process to its completion.

Your July 25, 2019 letter concerns us. In this letter, the State Auditor's Office does not commit to allowing our Office to be present at every interview of former employees of the Attorney General's Office. The State Auditor's Office does not even commit to notifying us of who it is interviewing. We are troubled by the State Auditor's Office position on these issues.

Our position has been clear and unrefuted. On July 3, 2019, we provided the State Auditor's Office with extensive legal authority prohibiting it from interviewing any former employee of the Attorney General's Office without our Office present. The State Auditor's Office has not disputed this legal authority. Our presence is a requirement, not a courtesy to be granted by the State Auditor's Office or a witness.

Ethical rules also require our Office to be present for all interviews. Missouri's Rules of Professional Conduct prohibit attempts to obtain privileged information from former employees. In a comment to Rule 4-4.2, the Rules of Professional Conduct

provide, “In communicating with a current or former constituent of an organization, a lawyer must not use methods of obtaining evidence that violate the legal rights of the organization. See Rule 4-4.4.” Rule 4-4.2, Comment 7. Rule 4-4.4(a), in turn, states, “In representing a client, a lawyer shall not use means that have no substantial purpose other than to embarrass, delay, or burden a third person or use methods of obtaining evidence that violate the legal rights of such a person.” Covered rights of third persons “include legal restrictions on methods of obtaining evidence from third persons and unwarranted intrusions into privileged relationships, such as the client-lawyer relationship.” Rule 4-4.2, Comment 1 (emphasis added). In accordance with these ethical duties, the State Auditor’s Office cannot question witnesses about privileged matters without our Office present.

Our Office’s transparency in this audit unfortunately has not been reciprocated. On June 27, 2019, the State Auditor’s Office notified us, “As a part of your office, the State Auditor’s Office intends to interview the following [seven] people on the record:” Loree Anne Paradise; Daniel Hartman; Elizabeth Johnson; Brad Johnson; Ryan Cross; Timmy Teepell; and Gail Gitcho. The State Auditor’s Office reported it was “having difficulty setting up interviews or obtaining contact information for these individuals.”¹

When our Office reached out less than one week later to designate a representative to participate in any former employee interviews and to ask to coordinate on scheduling, the State Auditor’s Office told us that interviews of unnamed individuals already had been scheduled “for some time already,” and that two interviews were scheduled for the following week. The State Auditor’s Office never notified us that former chief of staff Evan Rosell or former general counsel Michael Martinich-Sauter would be interviewed, which they were on July 8 and July 11, 2019, respectively. Indeed, neither name appeared on the June 27, 2019 list of individuals “the State Auditor’s Office intends to interview.”

On July 10, 2019, the State Auditor’s Office contacted us about an interview of Daniel Hartman and another unnamed interviewee. Because of a conflict for our Office’s representative, the State Auditor’s Office verbally agreed on July 11, 2019 to delay both interviews. We have not heard about either interview since, nor has the State Auditor’s Office ever told us the name of the other interviewee.

The July 25, 2019 letter reports that the State Auditor’s Office “continue[s] to have trouble setting up interviews” with just three individuals: Ms. Paradise; Mr. Teeple; and Ms. Gitcho. We have received no information about interviews of Ms.

¹ We responded to your request for assistance in reaching these individuals with a general willingness to aid your efforts, though you made no specific request for action. We remain willing to assist and will consider any specific action request.

Johnson, Mr. Johnson, or Mr. Cross, nor have we received any further information about Mr. Hartman's interview.

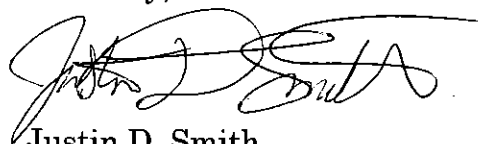
In summary, the State Auditor's Office never notified us about the interviews of Mr. Rosell or Mr. Martinich-Sauter. The State Auditor's Office is no longer asking for assistance with contacting Ms. Johnson, Mr. Johnson, Mr. Cross, or Mr. Hartman, but has not notified us of any interviews. And the State Auditor's Office has expressed it will withhold witness information from us upon request.

Because of your Office's lack of transparency on witness interviews, please provide us with answers to the following questions relating to the close-out audit of the Attorney General's Office.

1. Have you interviewed or obtained information from any individuals other than Evan Rosell and Michael Martinich-Sauter?
2. Have you scheduled interviews with Elizabeth Johnson, Brad Johnson, Ryan Cross, Daniel Hartman, or anyone else?
3. Do you plan to interview or rely on information from any individual not identified in your June 27, 2019 letter?

I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin D. Smith", written in a cursive style.

Justin D. Smith
Deputy Attorney General
for Special Litigation



NICOLE GALLOWAY, CPA
Missouri State Auditor

August 9, 2019

Terry J. Brady
Office of the Attorney General
Supreme Court Building
207 W. High St.
P.O. Box 899
Jefferson City, MO 65102

Dear Mr. Brady:

I am writing in response to the letter sent by Justin Smith on August 5, 2019, which was a response to my letter to you dated July 25, 2019.

While those associated with the former Hawley administration have been forthcoming and cooperative, your office began this audit by challenging the authority of the Auditor's Office to conduct audits and now challenges the authority of the office to obtain relevant, valid, and reliable evidence related to the audit objectives. An audit is not, and should not be, an adversarial process. Our auditors remain focused on the audit objectives and are not requesting privileged information.

As discussed in the letter from Michael Moorefield to Christopher Wray on February 21, 2019, it is not appropriate for an auditee to direct a pending audit. An auditee's attempt to direct an audit violates the independence of the audit. The requirement of independence is precisely what the public relies on in entrusting the State Auditor with the tools to shine a light on the use, or misuse, of public resources by its government.

Among the tools provided to the State Auditor is the right to examine evidence, including questioning people, in connection with an audit. This ensures that the State Auditor can produce an audit report that is based on objective facts supported by appropriate evidence. The desire of an auditee to scrutinize the ongoing work of an auditor is not uncommon, including the desire to be in every meeting related to the audit. But no auditee is *entitled* to be present for interviews, nor are they *entitled* to a report on who the auditors have interviewed.

In spite of this, an auditee's desire to be present for interviews may be accommodated by this office unless there is an audit reason not to do so. One of many such reasons is the law itself. A person who, for example, wants to report government corruption to the State Auditor may do

so anonymously.¹ And that law also protects current and former employees of the Attorney General's Office.

Your attempt to leverage our attorneys' ethical obligations to improperly demand that you be in all witness interviews is troubling. Although, you do not seem to touch on any concern with specific attorneys in this office, I do want to address the ethics of those attorneys. The attorneys that work for the State Auditor are well aware of their ethical obligations to their client and others under the Rules of Professional Conduct. Our attorneys have not violated those ethical obligations.²

Your letter states that the ethical rules our attorneys follow require your office to: (1) be present at all interviews conducted by audit staff; (2) have access to a list of all people audit staff have interviewed; and (3) receive a list of all future individuals to interview for the Attorney General's approval.

Your interpretation of these rules is simply incorrect. Auditors are not attorneys and audits are not exercises in litigation.

Furthermore, were your interpretation to apply, it would have far-reaching consequences. Some individuals may be intimidated by having a current or former employer present in the room when they provide information on conduct of that employer that may violate law or policy—whether or not such fears are well-founded. The threat of retaliation by a government official is significant enough that there are specific legal protections afforded to those who come forward. Accommodation of such persons is reflected in numerous sections of law that prohibit interference with an audit, protect reporters of government malfeasance by allowing them to remain anonymous, prohibit interference with persons wanting to communicate government wrongdoing to certain officials, and require that audits maintain independence.³ Claiming that a government's attorney represents everyone who has ever worked for that government entity, and then using that alleged representation to influence an audit, would defeat all of these laws in one fell swoop.

¹ Section 29.221.1, RSMo, provides, "Individuals who make a report under this section may choose to remain anonymous until the individual affirmatively consents to having the individual's identity disclosed."

² In your letter dated July 1, 2019, you stated that most of those to be interviewed on the record are not employed by the Attorney General's Office, you have no control over them, and that they have their own personal attorneys. Comment 7 to Rule 4.4., specifically provides, "Consent of the organization's lawyer is not required for communication with a former constituent." Comment 7 further states, "If a constituent of the organization is represented in the matter by his or her own counsel, the consent by that counsel to a communication will be sufficient for purposes of this Rule 4-4.2." Therefore, under the rules, for those that are represented by another attorney, our attorneys discussing these matters with the personal attorney are under no ethical obligation to obtain your consent to talk to the former employee represented by private counsel. Nonetheless, at your request, our attorneys have informed you of the communication and the transcribed interviews after their private attorneys consented.

³ See, e.g., Section 29.221, RSMo (providing anonymity for whistleblowers to the State Auditor's Office); Section 29.250, RSMo (providing that interfering with an audit is a class A misdemeanor); Section 105.055, RSMo (providing remedies for employees for employment actions taken against an employee that discusses the operations of a public employer with the Auditor's Office); Section 105.058, RSMo (prohibiting state agencies from prohibiting employees from talking to the State Auditor).

As to the transcribed interviews taken under oath being conducted by this office, you have been informed of every interview and the person being interviewed or their attorney has consented to you being present in the interview. As you noted in your letter, this office has been in contact with your office and voluntarily delayed transcribed interviews, and ultimately the conclusion of the audit, so that Justin Smith could be present.

If there is someone you represent, or someone you believe represents you, identify that person by name. Communicate with your clients to inform us that they are represented and desire an attorney present with them during interviews. As of this date:

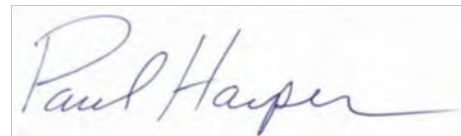
- 1) Not a single person has informed us that they are represented by the Missouri Attorney General's Office;⁴
- 2) You have not informed us that you represent any specific former employee; and
- 3) During the two transcribed interviews conducted by our audit staff, the Attorney General's Office did not once announce its appearance on behalf of the individual.

This office will continue to work with your office to ensure your attendance at interviews as long as the individuals themselves do not object. These are courtesies. If we are informed that a specific person is represented, our attorneys will act according to the Rules of Professional Conduct.

It is now time to try to schedule the last remaining transcribed interviews. Our office will be working on scheduling a transcribed interview with Daniel Hartman soon.

As stated, we have had cooperation from former Attorney General Hawley's staff. I hope that we can have the same cooperation from you. To that end, I again ask that you assist in setting up interviews with Lorree Anne Paradise, Timmy Teeple, and Gail Gitcho so that this audit can come to a close.

Sincerely,

A handwritten signature in blue ink that reads "Paul Harper". The signature is fluid and cursive, with the first name "Paul" and last name "Harper" clearly distinguishable.

Paul Harper
General Counsel

PH/dd

⁴ As noted above, former employees have informed us that they are represented by a private attorney, but none stated that they are represented by your office.



ATTORNEY GENERAL OF MISSOURI

ERIC SCHMITT

August 21, 2019

Paul Harper
General Counsel
Office of the Missouri State Auditor
P.O. Box 869
Jefferson City, Missouri 65102

Dear Mr. Harper,

In its August 9, 2019 letter, the State Auditor's Office severely mischaracterizes the actions and positions of the Attorney General's Office. The Attorney General's Office has fully cooperated with every request in this close-out audit. The Attorney General's Office has never attempted to direct this audit. Any assertion to the contrary is simply incorrect.

We agree that this should not be an adversarial process. The State Auditor's Office is needlessly creating conflict, however, by conducting a fishing expedition that appears driven by political motivations. We also agree that audits are not exercises in litigation. Yet the State Auditor's Office insists on depositions of former employees.

The State Auditor's Office incorrectly claims that it is not requesting privileged information. In both former employee depositions to date, the State Auditor's Office attempted to inquire about privileged advice. We understand that attorneys in the State Auditor's Office have prepared questions asked by auditors during this audit. The State Auditor's Office cannot evade the ethical rules or exclude the Attorney General's Office from a process that repeatedly has sought privileged information.

We are concerned by the State Auditor's Office's refusal to be transparent during this close-out audit. We maintain our simple request for the State Auditor's Office to identify which current or former employees it interviewed without our presence. We reserve our right to claw back any privileged information the State Auditor's Office improperly obtained and to take any other action that may be necessary as a result.

Supreme Court Building
207 W. High Street
P.O. Box 899
Jefferson City, MO 65102
Phone: (573) 751-3321
Fax: (573) 751-0774
www.ago.mo.gov

Finally, the State Auditor's Office has asked yet again for assistance in setting up interviews with three individuals. As we have said on each previous occasion, we remain willing to assist and await a specific action request.

Sincerely,

A handwritten signature in blue ink, appearing to read "Justin D. Smith", with a stylized flourish extending to the right.

Justin D. Smith
Deputy Attorney General
for Special Litigation



NICOLE GALLOWAY, CPA
Missouri State Auditor

August 9, 2019

Letter was sent on August 30, 2019

Terry J. Brady
Office of the Attorney General
Supreme Court Building
207 W. High St.
P.O. Box 899
Jefferson City, MO 65102

Dear Mr. Brady:

Your office's letter dated August 21, 2019, shows a lack of understanding of the audit process. It may be that you and your associate were not involved or sufficiently engaged in the early meetings that preceded the audit where we explained the process and answered questions.

This office performs close-out audits of statewide elected officials when the office changes hands. These audits are normal and routine. Additionally, on November 2, 2018, allegations were made to the Secretary of State that public funds were used for political purposes. On December 10, 2018, the Secretary of State asked our office to investigate whether state funds were used for improper purposes in part because the Secretary lacked the tools necessary to compel full cooperation. This office has a number of tools to ensure that any audit findings are based on sufficient and appropriate evidence. We would like to finish this audit using the tools granted to this office and put this matter to rest without reservation or suggestion that there were matters that could not be addressed because of roadblocks from the Attorney General Schmitt administration.

You seem to be most alarmed that we are taking transcribed testimony of witnesses under oath, repeatedly alleging that there must be some attempt to invade the attorney-client privilege. You also reassert your claim that you are entitled to be present for all interviews.

As specified in Section 29.235, RSMo, this office is authorized to take testimony under oath during the course of an audit. This is one of the tools we have to conduct our audits. We are also required to follow auditing standards as prescribed by the federal government, presented in *Government Accounting Standards* published by the comptroller general of the United States--the "Yellow Book". Section 29.005 RSMo. Paragraph 6.62 of that publication specifically provides that, "[t]estimonial evidence may be useful in interpreting or corroborating documentary or physical evidence."

As you are aware, attorneys from this office assist auditors when they take testimony under oath. One of the purposes of that assistance in this audit is to safeguard attorney-client privileged communications. And without quoting the transcripts at length, each witness was told explicitly that we do not intend to venture into that territory. Further, your office has been involved in each transcribed interview, and has had the opportunity to make objections and discuss when you believe the questions may be moving toward privileged information.

With regard to your insistence on being present in all interviews and to be given a list of anyone interviewed, Missouri law does not permit us to accommodate this request. That public employees and others are permitted to make reports to this office without interference from an auditee is a matter of explicitly established Missouri law. The statutes that I referenced in my prior letter to you ***not only permit but mandate*** that those who want to report to this office can do so anonymously until they affirmatively consent to having their identity disclosed and without fear of retaliation by the entity under audit. To require both the disclosure of the individual and the presence of the government entity's attorney at all interviews conducted by auditors from this office would have a chilling effect on the ability of public employees and others to come forward and report improper government activities. None of the assertions in your letters have provided any legal support for the proposition that the Attorney General's Office is exempt from these important protections for whistleblowers and others.

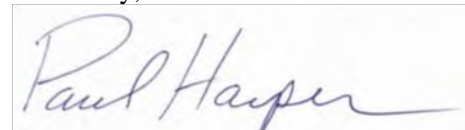
Furthermore, such a requirement could have significant impacts on an audit. The Yellow Book specifically provides that auditors should communicate certain information to management and those charged with governance "unless doing so could significantly impair the auditors' ability to obtain sufficient, appropriate evidence to address the audit objectives."¹ It could interfere with this office's ability to obtain sufficient, appropriate evidence if this office permitted potential threatened intimidation and retaliation against those who desire to report to this office.

As for the help that you can provide, to date you have not specified dates when your office is available for the interview with Daniel Hartman. We provided you and Mr. Hartman's attorney our conflict dates on August 21.

I hope this clarifies what is going on in this audit and investigation. There is no need to assume an adversarial posture when nothing out of the ordinary is occurring. If there is a specific concern, please let us know.

The fieldwork for this audit is nearly complete. With cooperation from your office our auditors can complete the audit process and put this matter to rest.

Sincerely,

A handwritten signature in blue ink that reads "Paul Harper". The signature is fluid and cursive, with the first name "Paul" and last name "Harper" clearly distinguishable.

Paul Harper
General Counsel

PH/dd

¹ Yellow Book, paragraph 147. It should also be noted that a list of witness interviews is not one of the required disclosures under Yellow Book standards.



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

September 4, 2019

Paul Harper, Esq.
State Auditor's Office
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

We have for acknowledgment your letter, received in this office on August 30, 2019, though dated August 9, 2019. It appears that your only remaining request for assistance is that we schedule to attend Mr. Hartman's interview, which we will, promptly.

Like you, we would of course prefer a report issued by your office free of any suggestion of "roadblocks" from this administration, as there is no basis for such a suggestion. No responsive material has been withheld from your auditors. Voluminous amounts of information have been reviewed and provided by this administration, with the only exclusions occurring with the informed consent of your audit staff. Our concerns related to certain practices and lines of questioning in your on-going interviews were sincere, and, in our view, well-founded, though our sharing of them never approached a denial of any production request or a refusal to cooperate in any way. However, we will accept your representations in this regard on Auditor Galloway's behalf, and allow her report and the transcripts to speak for themselves.

Please let us know of any specific, outstanding "roadblock" concerns as soon as possible, and in any event, before your staff completes its fieldwork. While we are confident that we have fully complied with each and every request for documents and other information, and that no "roadblock" suggestion is warranted, we would appreciate the opportunity to address any such concern which may exist while there is still time. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jonathan M. Hensley", is written over a circular blue stamp or seal.

Jonathan M. Hensley
Deputy General Counsel

Supreme Court Building
207 W. High Street
P.O. Box 899
Jefferson City, MO 65102
Phone: (573) 751-3321
Fax: (573) 751-0774
www.agn.mo.gov



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

December 31, 2019

Paul Harper, Esq.
Office of the State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

On December 12, 2019, the Missouri Attorney General's Office ("AGO") received a draft audit report containing, as appendices, complete and unredacted interview transcripts and written responses. The State Auditor's Office ("SAO") legal counsel, Joel Anderson, conceded on the record at the October 3, 2019, interview of Daniel Hartman that these materials "at the very least" constitute "audit work paper and related support materials." Section 29.200.17, RSMo., provides that "audit workpapers and related supportive material shall be kept confidential." Section 29.080, RSMo., makes violation of the provisions of Chapter 29 a felony. Notably, these confidentiality provisions serve important state interests by encouraging state agencies and state employees to cooperate fully and freely in state audits.

On December 13, 2019, AGO staff asked SAO Manager Pamela Allison to provide written explanation and legal justification for the inclusion of these materials as appendices to the report. Though Ms. Allison responded to the email, no explanation or justification was provided.

During a meeting on December 16, 2019, when presented with Mr. Anderson's statement, as well as numerous authorities requiring that such materials be held confidential, neither you, Mr. Showers, Ms. Allison, nor Mr. Magoffin were able to provide any legal authority for Auditor Galloway's decision to publish statutorily confidential materials as appendices to her audit report. Similarly, the audit staff were unable to provide a citation to auditing standards or other professional guidance that allows for release. The only attempted explanation involved a vague notion of "transparency," though your staff also conceded that this action would be unprecedented in the history of the SAO. Further, you and your colleagues were unable to explain how an inclination towards "transparency"

Supreme Court Building
207 W. High Street
P.O. Box 899
Jefferson City, MO 65102
Phone: (573) 751-3321
Fax: (573) 751-0774
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overrode prohibitions in Missouri law against the disclosure of confidential audit materials. Finally, your colleagues acknowledged that all relevant material from the interview transcripts and written responses had been copied into the body of the draft report, and that there is no valid audit purpose to including irrelevant material as appendices.

At that same meeting, AGO staff explained to you that such materials contain significant privileged and confidential information, including material relating to personnel decisions, ongoing litigation, and other sensitive topics. AGO staff reiterated their request that SAO staff provide follow-up communication containing a citation of legal authority to justify your planned violation of Section 29.200.17. No response has been provided. Instead, on December 23, 2019, the AGO and Senator Hawley's attorneys received a revised draft of the report, with the interview transcripts and written responses still attached as exhibits, with very minor redactions.

Not only does Section 29.200.17 bar the release of these documents, but other legal and ethical considerations do as well. Section 29.185 provides that the auditor shall comply with Yellow Book standards in conducting the audit, and Yellow book standards do not allow for the disclosure of confidential audit workpapers. *See* Yellow Book Standard 4.41 (2011 version) ("Certain information may be classified or may otherwise be prohibited from general disclosure by federal, state, or local laws or regulations."). Statutes governing Missouri certified public accountants provide that CPA licensees shall not disclose information communicated to the licensee in connection with professional services rendered. *See* § 326.322, RSMo. The American Institute of Certified Public Accountants ("AICPA") Code of Conduct, which is made applicable to all Missouri CPAs, provides that confidential information obtained in the performance of professional services shall not be released without consent. *See* AICPA Code of Professional Conduct Section 1.700.001; 20 C.S.R. 2010-3.010.

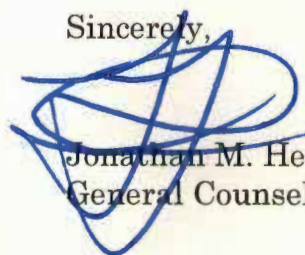
In the face of these authorities, Auditor Galloway's failure or refusal to cite any legal authority permitting this publication is deeply troubling. Her planned course of action violates Missouri law and the professional licensure regulations governing her and her staff. Confidentiality provisions exist to ensure candor and cooperation with auditors, and to protect auditees from partisan or self-interested actions by auditors. Auditor Galloway is not at liberty to discard these protections for mere political convenience.

By Monday, January 6, 2020, please respond to the following:

1. Please cite any legal authority which the State Auditor's Office contends permits its publication of confidential audit work papers and related support materials;

2. Please identify all members of the Auditor's audit staff and legal staff involved in the decision to publish these audit work papers and related supporting materials;
3. During the December 16, 2019, meeting, you stated that these materials had not yet been shared outside of your office, other than to the AGO and interviewees. Please confirm that this remains the contention of the State Auditor's Office, with the exception of sending the revised draft report to Senator Hawley's attorneys; and,
4. Please provide a copy of the draft of the "personal email/personal calendar" section of the audit report as it existed on August 28, 2019.

Sincerely,



Jonathan M. Hensley
General Counsel



NICOLE GALLOWAY, CPA
Missouri State Auditor

January 7, 2020

Jonathan M. Hensley
Office of the Attorney General
Supreme Court Building
207 W. High St.
P.O. Box 899
Jefferson City, MO 65102

Dear Mr. Hensley:

I am responding to the letter dated December 31, 2019, about the draft AGO report.

This office conducts all of its audits under government auditing standards established by the comptroller general of the United States (the Yellow Book). The purpose of an audit is to produce a public report.

During the exit meeting, you demanded that this office remove in their entirety the verbatim transcripts of several under-oath interviews from the appendices to the audit. What records are made part of the audit is a matter of audit discretion, subject to restrictions on records that are confidential by law. A record included in a published audit is a public record. Records not made part of the published audit are confidential audit workpapers and related supportive material.

During the exit meeting, I specifically asked you to identify which statements made in the appendices contained confidential information. You made general comments about attorney-client communication and information that could be embarrassing to the individuals. But you have not identified any specific statements that should be redacted. Nevertheless, this office attempted to redact anything that appeared remotely personal. I again extend an invitation to you to identify any information that should be redacted.

This audit began with your chief of staff asserting that your office is unaware of any constitutional or statutory authority to obtain even very basic records related to this audit. Rather than summarize or reiterate those conversations, I have attached copies of the letters exchanged between our offices on February 21, 2019, for your reference. Your office also has attempted to obstruct the audit from proceeding with regard to these interviews that produced the transcripts now in question. Again, rather than summarize or reiterate those conversations, I have attached copies of the letters exchanged between our offices from June 27 to September 4.

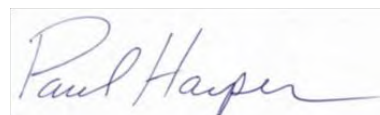
Copies of these letters are included as pages 416 through 437

Your letter appears to be a continuation of the pattern to delay and control this audit, and seems to include a veiled threat against the auditors working on this audit.

As with all other audits conducted by this office, auditors from this office have acted professionally to perform this audit and produce a draft report. As an attorney, I hope that you are aware that the veiled threats in an effort to intimidate, embarrass, burden, or delay the legal rights of another could be construed as a violation of the Supreme Court's Rules of Professional Conduct. *See, e.g.*, Rules 4-3.1, 4-4.4(a), 4-8.4.

As I stated above, I am again asking you to specify what information you believe is expressly prohibited from disclosure under law so that we can consider whether any further redactions are appropriate.

Sincerely,

A handwritten signature in blue ink that reads "Paul Harper". The signature is written in a cursive style with a long, sweeping underline.

Paul Harper
General Counsel



ATTORNEY GENERAL OF MISSOURI

ERIC SCHMITT

January 9, 2020

Paul Harper
General Counsel
Office of the State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

Thank you for your prompt response to our December 31, 2019, letter. Thank you also for confirming that the SAO is bound by Yellow Book standards, and that the Auditor's discretion when deciding which records to make part of an audit is "subject to restrictions on records that are confidential by law." Our December 31 letter addresses the SAO's planned publication of materials which SAO counsel has previously conceded constitute "audit work paper and related support materials," and details the statutory and professional conduct provisions declaring the entirety of such materials to be confidential and prohibiting SAO's release of them. We then asked you to cite any legal authority which the SAO contends permits its publication of confidential audit work papers and related support materials. In the face of our cited provisions prohibiting publication, and certainly now with your concession that Auditor Galloway's discretion is "subject to restrictions on records that are confidential by law," your failure or refusal to cite any provision of law supporting Auditor Galloway's ability to publish confidential audit work papers and related support materials simply confirms the patent illegality of her intended course of action.

After acknowledging the restrictions applied to records that are confidential by law, you nonetheless assert, "A record included in a published audit is a public record. Records not made part of the published audit are confidential audit workpapers and related supportive materials." This disagreement could be swiftly resolved by your citation to a controlling authority supporting your assertion that the Auditor's decision to include a statutorily confidential record in her audit strips that record of its confidential nature. Every single authority we have found unequivocally declares this confidentiality, without subjecting it to the Auditor's whim. You seem quite convinced of your position, however, so a citation should not be difficult to provide. And, to be perfectly clear, because your notes and memory seem foggy, while our December 16 meeting included discussion of a handful of examples of immaterial passages in the

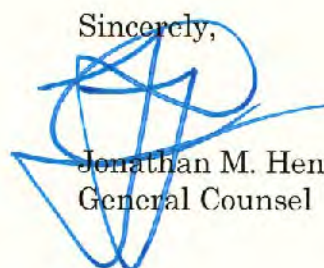
transcripts that would make your publication of them particularly egregious, shameful, or inhumane, the central concern we communicated to you and your colleagues focused on the overall confidentiality of these materials in their entirety – a concern to which you continue to provide no meaningful response.

Your refrain of baseless allegations of delay, relating to nothing more than our voiced concerns about your Office's repeated (and occasionally admitted) overstepping, is tired. The record reveals your frivolity and that any "delay" with respect to the two pending audit reports has been, and continues to be, of the SAO's own calculated creation. We devoted thousands of hours to reviewing and delivering hundreds of thousands of pages of materials in response to the SAO's repeated requests. Your auditors' fieldwork has been finished for several months now. Your staff has repeatedly confirmed to the AGO that it has everything it needs from us. We have discussed drafts of one report with your Office, and on January 2, 2020, were informed by one of your audit managers that the other report has been written and is in the review stage within your office, yet you "anticipate providing the draft report in several months." In short, your staff has what it needs, they haven't been here for months, the reports have been written – though are slowed by "several months" of delay within your own Office – and all you can do is cast shallow, baseless allegations in an attempt to cow this Office into accepting your violative conduct. It will not work. The Auditor's Office is not immune to valid criticism or to facing the consequences of its unlawful behavior.

The plain purpose of our December 31 letter, and of this letter, has been to inform you and your Office of the illegality and professional impropriety of your proposed actions, and to detail the legal and professional conduct bases for these concerns. You, in contrast, have provided no substantive response or legal justification for your planned unlawful conduct, but instead resort to lobbing frivolous, bad faith threats. I encourage you to heed your own warning, as presented in the second to last paragraph of your January 7, 2020, letter.

Your dedication to this unlawful path leaves us no choice but to determine the appropriate next steps necessary to address the patent, even admitted, illegality and professional impropriety of your actions. After all, we, as public servants, are required to do so upon observing illegal and potentially corrupt actions perpetrated by a public office. As our recent correspondence will attest, we have gone to extraordinary lengths to avoid having to pursue any such action. We have simply asked that you follow the law. Your continued silence with respect to each of the four items requested at the end of our December 31 letter speaks volumes and constitutes nothing less than a string of stunning self-indictments.

Sincerely,



Jonathan M. Hensley
General Counsel



NICOLE GALLOWAY, CPA
Missouri State Auditor

January 10, 2020

Jonathan M. Hensley
Office of the Attorney General
Supreme Court Building
207 W. High St.
P.O. Box 899
Jefferson City, MO 65102

Dear Mr. Hensley:

I am writing to respond to your letter dated January 9, 2020.

As addressed in the exit meeting and my letter dated January 7, 2020, this disagreement could be resolved if your office would note any further redactions that you believe are appropriate. As has been requested of your office, I am for the third time asking you to specify what information you believe is expressly prohibited from disclosure under law, and anything that you believe is related to personnel decisions, ongoing litigation, or "sensitive" topics, so that we can consider whether any further redactions are appropriate.

Sincerely,

A handwritten signature in blue ink that reads "Paul Harper".

Paul Harper
General Counsel

Cooper & Kirk

Lawyers

A Professional Limited Liability Company

1523 New Hampshire Avenue, N.W.
Washington, D.C. 20036

Brian W. Barnes
(202) 220-9623
bbarnes@cooperkirk.com

(202) 220-9600
Fax (202) 220-9601

January 14, 2020

VIA Email

Pamela Allison, CPA, CFE
Missouri State Auditor's Office
Supervisory Manager
pamela.allison@auditor.mo.gov

Dear Ms. Allison:

Please find enclosed comments on behalf of Mr. Hawley to the draft audit report you transmitted on December 23, 2019. In accordance with Missouri Code § 29.200(12) and GAO auditing standards, these comments must be included verbatim in the final version of the report.

We are very pleased with the conclusion of the report regarding 2018 campaign allegations made by the Democrat group American Democracy Legal Fund. In the closing days of Mr. Hawley's campaign for U.S. Senate, this Democrat group falsely alleged that Mr. Hawley had used state resources to aid his U.S. Senate campaign. These false allegations were heavily promoted by the Claire McCaskill campaign, including especially by her campaign manager, David Kirby. But there is no evidence that Mr. Hawley ever engaged in misconduct or violated Missouri laws or ethics rules. The Secretary of State reached the same conclusion, nearly a year ago, in February 2019. These partisan campaign attacks, now more than a year old, have been exposed as baseless multiple times.

We are also happy to provide you with information confirming that Mr. Hawley followed the established practice of past Governors, Attorneys General, and other statewide officials in the use of state vehicles for travel. Mr. Hawley never used state resources for political or personal purposes.

While we are pleased with the audit's conclusion, we must note deeply troubling information that has come to light about the Auditor's own conduct during the pendency of this review.

1. The lead auditor assigned by Nicole Galloway to this case, Pam Allison, discussed altering the audit's conclusions in order to make the audit appear more critical of Mr. Hawley or his office. On August 20, 2019, Ms. Allison learned from the Attorney General's Office that there was no factual basis for concluding that anyone working with or for Attorney General Hawley had violated any confidentiality agreements or otherwise engaged in misconduct. In

an email to colleagues in the Auditor's Office that same day (but which she inadvertently sent to the Attorney General's Office), Ms. Allison wrote: "I'm thinking I'll just drop the confidentiality paragraph in the report and beef up the personal email/personal calendar section."

Such alteration of a state audit is deeply inappropriate, unethical, and potentially a violation of state law. That this misconduct was committed while the Auditor was herself conducting a political campaign for Governor only underscores the impropriety. This misconduct calls into question the integrity of the audit and warrants a thorough independent investigation.

2. The Democrat allegations against Mr. Hawley were made during his U.S. Senate campaign and widely promoted by his opponent, Claire McCaskill. During the pendency of this audit, Nicole Galloway announced her candidacy for Governor and hired McCaskill's campaign manager, David Kirby, a political operative, as a senior state employee in her office. The involvement, at a senior level, of a political operative who personally promoted the very attacks against Mr. Hawley that Galloway was supposed to be independently reviewing is deeply inappropriate and potentially unethical. Additionally, it calls into question whether state resources were used for political gain.
3. A member of Ms. Galloway's audit team, Bobby Showers, appears to have a significant conflict of interest. Mr. Showers donated to Claire McCaskill's campaign against Mr. Hawley and wrote recently that any Senator who opposes removing President Trump from office "will go down in history as not fulfilling their oath to their country." The role of this individual in the audit is further evidence of the report's political bias. Further, Mr. Showers' involvement in the audit calls into question the Auditor's conflict of interest standards when conducting audits. Indeed, as stated in the GAO auditing standards, an "Auditors' objectivity in discharging their professional responsibilities is the basis for the credibility of auditing in the government sector. Objectivity includes independence of mind and appearance when conducting engagements, maintaining an attitude of impartiality, having intellectual honesty, and being free of conflicts of interest." Ms. Galloway's audit team may have violated these standards.
4. Mr. Hawley's 2018 campaign opponent and booster of the partisan allegations, Claire McCaskill, has personally funded Ms. Galloway's auditor and gubernatorial campaigns. Ms. McCaskill's \$2,600 donation to Ms. Galloway's gubernatorial campaign came just days after the Secretary of State cleared Mr. Hawley of any wrongdoing. Accepting a donation from the chief promoter of a partisan allegation against Mr. Hawley while in the middle of investigating that allegation is suspicious at best. Any independent investigation of Ms. Galloway's audit practice should include a probe of the Auditor's campaign donation policy and whether the Auditor is completing audits without political bias.
5. While campaigning for Governor, Ms. Galloway has been using taxpayer resources for more than one year to conduct a closeout audit of Mr. Hawley's tenure as Attorney General, apparently focused largely on a partisan campaign allegation already thoroughly investigated and deemed false. Now, after all this time, Ms. Galloway is purportedly issuing *more than one* closeout audit. This is in conflict with previous statements of the Auditor's office. First,

in a letter dated December 14, 2018 from Ms. Galloway to Secretary of State Ashcroft regarding Mr. Ashcroft's request for the Auditor to investigate the American Democracy Legal Fund complaint, Ms. Galloway clearly indicates there will be one closeout audit when agreeing to include the allegations in her investigation.

Second, per an e-mail from Chris Wray, Chief of Staff for Missouri Attorney General Eric Schmitt, Ms. Galloway's General Counsel "stated on the record, there is one 'closeout audit of the Attorney General's Office' being conducted." The complete turnabout by the Auditor and her staff, combined with the length of time to issue the audit, brings to light questions of the Auditor's ability to focus on her taxpayer-funded duties while campaigning for a new job and the office's integrity when conducting audits.

Sincerely,

A handwritten signature in blue ink, appearing to read "B. Barnes", with a stylized flourish extending to the right.

Brian Barnes

1.1 – Mr. Hawley Did Not Use State Resources For Political Purposes

We are pleased with the audit's conclusion on this matter. As the Secretary of State concluded nearly one year ago, Mr. Hawley never engaged in misconduct or violated Missouri law or ethics rules.

Background:

During his tenure as Missouri's Attorney General, Mr. Hawley hired two outside advisors to help ensure the Attorney General's Office would operate effectively. One of these advisors was the former chief of staff to Louisiana Governor Bobby Jindal. He gave advice on organizational matters based on his extensive experience overseeing the work of a state executive official's staff. The other advisor was a communications expert who helped develop strategies for informing the public about the office's work and priorities. Although running an efficient office and communicating with the public about its work are important elements of the Attorney General's job, Missouri taxpayers did not pay a penny for the help of either consultant. Instead, as Missouri law permits, Mr. Hawley used funds from his state political committee to cover these costs.

In the weeks before the 2018 Senate election, with Senator McCaskill running behind in the polls, this routine and unremarkable use of outside advisors was turned into a political smear in an attempt to influence the outcome of the election. Without a shred of evidence to support the accusation, the McCaskill campaign claimed the outside advisors had met with Attorney General's Office staff to discuss campaign matters that are off limits for state employees during working hours. This was just one of almost a dozen false legal complaints filed against Mr. Hawley in the run-up to the election. Missouri voters rejected these partisan smears and elected Mr. Hawley to the United States Senate.

Investigating alleged campaign finance violations is the responsibility of the Missouri Secretary of State, not the Missouri Auditor, and Secretary of State Ashcroft carefully looked into this matter. He concluded that neither Mr. Hawley nor anyone who worked for him did anything wrong. And although Secretary of State Ashcroft suggested early during his investigation that the Auditor's help might be needed because the Secretary of State lacks subpoena power, he ultimately closed the investigation without requiring the Auditor's assistance because everyone involved cooperated voluntarily.

With the 2018 election in the books and a full investigation having exonerated Mr. Hawley, one might have thought that Missouri Democrats would be ready to move on. But State Auditor and gubernatorial candidate Nicole Galloway apparently saw political advantage in retreading this ground. At great expense to the Missouri taxpayer, she directed her office to spend a year reinvestigating this matter by re-interviewing the same witnesses and re-reviewing the same documents that were examined as part of the Secretary of State's investigation. But there is no evidence that provides a basis for second guessing the Secretary of State's conclusion that Mr. Hawley and his staff fully complied with Missouri law.

Galloway's conduct raises troubling questions of its own. Galloway's lead auditor wrote that after discovering no evidence of any violation of AGO policy or state law, she planned to "beef up" other sections of the report to criticize Mr. Hawley. Moreover, during the pendency of the audit, Galloway hired on state payroll one of the principal purveyors of the false campaign accusations, Claire McCaskill campaign manager David Kirby. He remains a state-paid staffer in the Auditor's office as she runs for Governor. Additionally, Bobby Showers, who worked directly on this audit, has commented on Mr. Hawley's "duty" to impeach President Donald Trump, donated to the McCaskill campaign, and Galloway accepted campaign contributions from Claire McCaskill during the pendency of this audit.

In light of these deeply troubling and potentially unethical practices, an independent investigation may be warranted into the Auditor's conduct and that of her office.

1.2 – Mr. Hawley Did Not Use State Resources For Campaign or Personal Purposes

Mr. Hawley did not use state resources for campaign or personal purposes, but instead followed the established practice of past Governors, Attorneys General, and other statewide elected officials—including Democrats Jay Nixon and Chris Koster.

Background:

While serving as Attorney General, Mr. Hawley occasionally took trips that involved both official state business and separate stops related to political activity. Any stops related to political activity were incidental to state business. In conducting these trips and reimbursing the state, Mr. Hawley followed the practice of his Democratic predecessors.

Mr. Hawley is happy to provide further details about specific trips:

- First, and as a general rule, any political meetings or events were always incidental to official state business and work, as is common for statewide elected officials. For example:
 - On March 30, 2017, Mr. Hawley attended multiple meetings in Springfield, MO at Evangel University in his official capacity.
 - On April 6, 2017, Mr. Hawley traveled to Kansas City for multiple interviews on the AGO's efforts on human trafficking.
 - On April 11, 2017, Mr. Hawley traveled to Kansas City to meet with anti-trafficking and pro-family advocates.
 - On April 13, 2017, Mr. Hawley traveled to St. Louis to discuss anti-trafficking efforts with business leaders.
- Mr. Hawley's April 27, 2017 meeting with an area pastor concerned efforts to ensure that a children's educational initiative operated by the church for the public complied with Missouri law. It was official state business.
- The Platte County event Mr. Hawley attended on June 19, 2017—"A Salute to Law Enforcement"—was an event honoring local and state law enforcement at which Mr. Hawley spoke about the work of the Attorney General's Office. He was invited in his official capacity. This event followed a series of other official events in the Kansas City area.
- Mr. Hawley was invited to and attended the December 16, 2017 Kansas City Chiefs game as part of an elected officials' event that included multiple other Missouri elected officials. Mr. Hawley paid for the tickets personally pursuant to his ethics practice of refusing to accept gifts as Attorney General, but he was invited and attended in his official capacity.

Both Mr. Koster and Mr. Nixon spent thousands of dollars reimbursing the state or state employees for non-official travel. Mr. Nixon, in particular, wrote the state a nearly \$50,000 check to reimburse the state for taking his state vehicle and attorney general's office staff on political trips.

Any suggestion that Mr. Hawley acted differently from his Democrat predecessors would further indicate Ms. Galloway's political bias.

2.1 – The Policy of Mr. Hawley’s Office on the Use of Personal Devices and Email Fully Complied with State Law and Records Retention Requirements

The policy of Mr. Hawley’s office while serving as Attorney General was to retain any materials that related to state business if a non-state communication device or tool was used. Any claims otherwise by the Auditor’s office would be questionable as the lead auditor on this audit admitted that the report would “beef up” allegations of the use of personal email or devices.

Background:

Pam Allison was the Audit Manager for this audit, and she also worked for the Auditor’s Office when Claire McCaskill was the Missouri Auditor. On August 20, 2019, Ms. Allison learned from the Attorney General’s Office that there was no factual basis for alleging that the consultants discussed above had violated any confidentiality agreements. In an email that was apparently intended for internal consumption within the Auditor’s Office but that was inadvertently sent to the Attorney General’s Office, Ms. Allison wrote: “I’m thinking I’ll just drop the confidentiality paragraph in the report and beef up the personal email/personal calendar section.” This email confirms that for political reasons the Auditor’s Office was determined to issue a report that is critical of Mr. Hawley’s tenure as Attorney General. Where audit staff could not make one charge stick, they beefed up others.

The policy of the Attorney General’s Office under Mr. Hawley was to retain any communication required to be retained by law, whether that communication was made on a state-issued device or not. In response to a request from the Secretary of State over a year ago, Mr. Hawley’s office not only voluntarily shared such retained emails, but released them to the public.

Galloway, on the other hand, has admitted to deleting work-related text messages from state-issued phones. While Mr. Hawley was Attorney General, his office defended Galloway’s conduct on this issue, as required by state law, but it is worth noting that the records retention practices of Mr. Hawley’s Office were considerably broader and more stringent than those of Galloway.



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

January 13, 2020

Paul Harper
General Counsel
Office of the State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

Please find below responses to the audit you have conducted of former Attorney General Joshua Hawley. The named or numbered paragraphs below correspond to your recommendations in the draft report you provided.

Scope and Methodology:

Aside from the correspondence listed by the Missouri Attorney General's Office ("AGO") in response to Section 2.0, below, the inclusion of confidential auditor-auditee procedural communications within Exhibit H is a direct violation of Section 29.200.17, RSMo, and ethical standards governing the auditing profession. These communications do not relate to findings presented in this report, serve no audit purpose whatsoever, and are included solely as a means of attempting to intimidate current and former state employees.

The accusations of non-cooperation strewn throughout the auditor's correspondence in Exhibit H are baseless and irresponsible. During this audit process, the AGO has devoted thousands of hours to reviewing and delivering several hundred thousand pages of materials and has complied with every request for material. The auditor's executive staff has resorted to baseless threats of obstruction whenever presented with concerns that their conduct was exceeding the limitations of the law. Auditor Galloway's publication of these confidential auditor-auditee communications, and the false accusations within them, is a troubling and unprecedented departure from required audit practice.

- 1.1 On August 29, 2019, the manager of this audit inadvertently sent an email to an employee of the AGO. In that email, after failing to find a valid basis for one potential ground of criticism, the audit manager states her intention to abandon that portion and "beef up" findings in a different section of the report. *See*

Attachment 1, August 29, 2019 Email ("I'm thinking I'll just drop the confidentiality paragraph in the report and beef up the personal email/personal calendar section."). This email shredded any veneer of objectivity or neutrality in this audit process, in violation of Yellow Book standards, which require that an audit be conducted "with an attitude that is objective, fact-based, nonpartisan, and nonideological." Yellow Book Standard 1.17 (2011 version).

Subject to this concern about the audit process, the auditor's recommendation is superfluous. AGO policy has not and does not permit the use of taxpayer-funded resources for campaign purposes. AGO policy currently provides that personal email addresses should not be used by AGO employees to transact official business, and that policy applies with equal weight to other personal means of electronic communication.

- 1.2 The auditor's recommendation is that the Attorney General's Office determine "the amount of state resources used" for certain trips conducted by former Attorney General Joshua Hawley. Auditing standards, however, provide that this calculation is to be conducted by the auditor, who is charged by auditing standards to "give the reader a basis for judging the prevalence and consequences of these findings" by "quantify[ing] the results in terms of dollar value." Yellow Book Standard 7.16 (2011 version). This is consistent with past practice by the State Auditor's Office. Letter from State Auditor Susan Montee to Attorney General Jay Nixon, report no. 2008-08, Feb. 19, 2008, available at <https://app.auditor.mo.gov/Repository/Press/2008-08.pdf>.

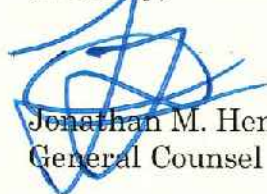
Subject to this concern about the audit process, the auditor's recommendation is acknowledged. Attorney General Eric Schmitt's use of state resources is and has been in accordance with applicable law.

- 2.0 The AGO objects to the inclusion of interview transcripts and written responses by former AGO employees. The interviewed employees were not informed that transcripts would be made public, and the transcripts contain significant privileged and confidential information, including material relating to personnel decisions, investigations, ongoing litigation, and other sensitive topics. The auditor's legal counsel has confirmed that "at the very least" these materials constitute audit workpapers and related supportive materials. As has been repeatedly explained to the auditor, such materials are declared confidential in their entirety by Section 29.200.17, RSMo., without exception permitting the release here. The Missouri State Auditor's Office has never before released materials of this sort as part of an audit report, and no legal authority permits this change in practice. The AGO has asked the auditor several times to cite the legal authority upon which she has based her contention that she is free to release statutorily confidential materials whenever she chooses. The auditor has provided no response to these repeated requests. Auditor Galloway's release of these audit workpapers and related supportive materials violates Missouri statute and

breaches the ethical standards governing the auditing profession. *See* Attachment 2, December 31, 2019 letter; *see also* Attachment 3, January 9, 2020 letter; *see also* Attachment 4, January 10, 2020 letter.

Subject to this concern about the audit process, the auditor's recommendation is superfluous. AGO policy currently provides that personal email addresses should not be used by AGO employees to transact official business, and this policy applies with equal weight to other personal means of electronic communication. AGO policy requires all AGO personnel to retain all materials in the manner and for the duration specified in the applicable record-retention schedules issued by the State Records Commission and as prescribed by Missouri statutes.

Sincerely,



Jonathan M. Hensley
General Counsel

Hensley, Jonathan

From: Pamela Allison <pamela.allison@auditor.mo.gov>
Sent: Thursday, August 29, 2019 4:07 PM
To: Hensley, Jonathan
Subject: FW: NDA Request

Please disregard that last email.

From: Pamela Allison
Sent: Thursday, August 29, 2019 4:06 PM
To: 'Hensley, Jonathan' <jonathan.hensley@ago.mo.gov>
Subject: RE: NDA Request

I'm thinking I'll just drop the confidentiality paragraph in the report and beef up the personal email/personal calendar section.

From: Hensley, Jonathan <jonathan.hensley@ago.mo.gov>
Sent: Thursday, August 29, 2019 3:46 PM
To: Joseph Magoffin <Joseph.Magoffin@auditor.mo.gov>; Wray, Chris <Chris.Wray@ago.mo.gov>
Cc: Pamela Allison <pamela.allison@auditor.mo.gov>; Meyer, Rhonda <rhonda.meyer@ago.mo.gov>; Kroll, Kerry <kerry.kroll@ago.mo.gov>; Brady, Terry <Terry.Brady@ago.mo.gov>
Subject: RE: NDA Request

Joseph –

Please see section 3.0 “Confidentiality” in the AGO’s Employee Handbook, which I believe you have already received. Our attorneys and other staff are also bound by Missouri’s Rules of Professional Conduct, including Rule 4-1.6, and are guided as well by its comments. When retaining expert witnesses or other services in litigation, it is this office’s longstanding practice to require such retained services providers to maintain the confidentiality of information provided regarding the relevant matter and not to use such information for any purpose other than the performance of services related to the litigation. Beyond these authorities and practices, we are unaware of policies under this or the prior administration responsive to your request.

Thank you.

Sincerely,

Jonathan M. Hensley
Deputy General Counsel
Missouri Attorney General's Office
P.O. Box 899
Jefferson City, MO 65102
[573-751-7890](tel:573-751-7890)
Jonathan.hensley@ago.mo.gov



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

December 31, 2019

Paul Harper, Esq.
Office of the State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

On December 12, 2019, the Missouri Attorney General's Office ("AGO") received a draft audit report containing, as appendices, complete and unredacted interview transcripts and written responses. The State Auditor's Office ("SAO") legal counsel, Joel Anderson, conceded on the record at the October 3, 2019, interview of Daniel Hartman that these materials "at the very least" constitute "audit work paper and related support materials." Section 29.200.17, RSMo., provides that "audit workpapers and related supportive material shall be kept confidential." Section 29.080, RSMo., makes violation of the provisions of Chapter 29 a felony. Notably, these confidentiality provisions serve important state interests by encouraging state agencies and state employees to cooperate fully and freely in state audits.

On December 13, 2019, AGO staff asked SAO Manager Pamela Allison to provide written explanation and legal justification for the inclusion of these materials as appendices to the report. Though Ms. Allison responded to the email, no explanation or justification was provided.

During a meeting on December 16, 2019, when presented with Mr. Anderson's statement, as well as numerous authorities requiring that such materials be held confidential, neither you, Mr. Showers, Ms. Allison, nor Mr. Magoffin were able to provide any legal authority for Auditor Galloway's decision to publish statutorily confidential materials as appendices to her audit report. Similarly, the audit staff were unable to provide a citation to auditing standards or other professional guidance that allows for release. The only attempted explanation involved a vague notion of "transparency," though your staff also conceded that this action would be unprecedented in the history of the SAO. Further, you and your colleagues were unable to explain how an inclination towards "transparency"

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P.O. Box 899
Jefferson City, MO 65102
Phone: (573) 751-3321
Fax: (573) 751-0774
www.ago.mo.gov

overrode prohibitions in Missouri law against the disclosure of confidential audit materials. Finally, your colleagues acknowledged that all relevant material from the interview transcripts and written responses had been copied into the body of the draft report, and that there is no valid audit purpose to including irrelevant material as appendices.

At that same meeting, AGO staff explained to you that such materials contain significant privileged and confidential information, including material relating to personnel decisions, ongoing litigation, and other sensitive topics. AGO staff reiterated their request that SAO staff provide follow-up communication containing a citation of legal authority to justify your planned violation of Section 29.200.17. No response has been provided. Instead, on December 23, 2019, the AGO and Senator Hawley's attorneys received a revised draft of the report, with the interview transcripts and written responses still attached as exhibits, with very minor redactions.

Not only does Section 29.200.17 bar the release of these documents, but other legal and ethical considerations do as well. Section 29.185 provides that the auditor shall comply with Yellow Book standards in conducting the audit, and Yellow book standards do not allow for the disclosure of confidential audit workpapers. *See* Yellow Book Standard 4.41 (2011 version) ("Certain information may be classified or may otherwise be prohibited from general disclosure by federal, state, or local laws or regulations."). Statutes governing Missouri certified public accountants provide that CPA licensees shall not disclose information communicated to the licensee in connection with professional services rendered. *See* § 326.322, RSMo. The American Institute of Certified Public Accountants ("AICPA") Code of Conduct, which is made applicable to all Missouri CPAs, provides that confidential information obtained in the performance of professional services shall not be released without consent. *See* AICPA Code of Professional Conduct Section 1.700.001; 20 C.S.R. 2010-3.010.

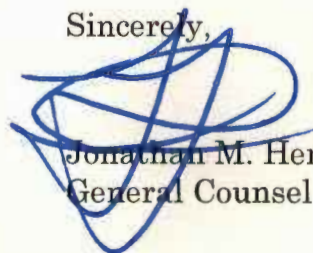
In the face of these authorities, Auditor Galloway's failure or refusal to cite any legal authority permitting this publication is deeply troubling. Her planned course of action violates Missouri law and the professional licensure regulations governing her and her staff. Confidentiality provisions exist to ensure candor and cooperation with auditors, and to protect auditees from partisan or self-interested actions by auditors. Auditor Galloway is not at liberty to discard these protections for mere political convenience.

By Monday, January 6, 2020, please respond to the following:

1. Please cite any legal authority which the State Auditor's Office contends permits its publication of confidential audit work papers and related support materials;

2. Please identify all members of the Auditor's audit staff and legal staff involved in the decision to publish these audit work papers and related supporting materials;
3. During the December 16, 2019, meeting, you stated that these materials had not yet been shared outside of your office, other than to the AGO and interviewees. Please confirm that this remains the contention of the State Auditor's Office, with the exception of sending the revised draft report to Senator Hawley's attorneys; and,
4. Please provide a copy of the draft of the "personal email/personal calendar" section of the audit report as it existed on August 28, 2019.

Sincerely,



Jonathan M. Hensley
General Counsel



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

January 9, 2020

Paul Harper
General Counsel
Office of the State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

Thank you for your prompt response to our December 31, 2019, letter. Thank you also for confirming that the SAO is bound by Yellow Book standards, and that the Auditor's discretion when deciding which records to make part of an audit is "subject to restrictions on records that are confidential by law." Our December 31 letter addresses the SAO's planned publication of materials which SAO counsel has previously conceded constitute "audit work paper and related support materials," and details the statutory and professional conduct provisions declaring the entirety of such materials to be confidential and prohibiting SAO's release of them. We then asked you to cite any legal authority which the SAO contends permits its publication of confidential audit work papers and related support materials. In the face of our cited provisions prohibiting publication, and certainly now with your concession that Auditor Galloway's discretion is "subject to restrictions on records that are confidential by law," your failure or refusal to cite any provision of law supporting Auditor Galloway's ability to publish confidential audit work papers and related support materials simply confirms the patent illegality of her intended course of action.

After acknowledging the restrictions applied to records that are confidential by law, you nonetheless assert, "A record included in a published audit is a public record. Records not made part of the published audit are confidential audit workpapers and related supportive materials." This disagreement could be swiftly resolved by your citation to a controlling authority supporting your assertion that the Auditor's decision to include a statutorily confidential record in her audit strips that record of its confidential nature. Every single authority we have found unequivocally declares this confidentiality, without subjecting it to the Auditor's whim. You seem quite convinced of your position, however, so a citation should not be difficult to provide. And, to be perfectly clear, because your notes and memory seem foggy, while our December 16 meeting included discussion of a handful of examples of immaterial passages in the

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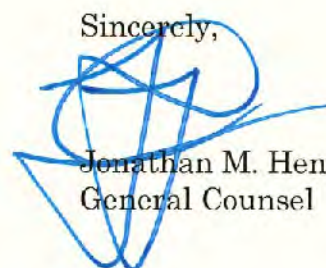
transcripts that would make your publication of them particularly egregious, shameful, or inhumane, the central concern we communicated to you and your colleagues focused on the overall confidentiality of these materials in their entirety – a concern to which you continue to provide no meaningful response.

Your refrain of baseless allegations of delay, relating to nothing more than our voiced concerns about your Office's repeated (and occasionally admitted) overstepping, is tired. The record reveals your frivolity and that any "delay" with respect to the two pending audit reports has been, and continues to be, of the SAO's own calculated creation. We devoted thousands of hours to reviewing and delivering hundreds of thousands of pages of materials in response to the SAO's repeated requests. Your auditors' fieldwork has been finished for several months now. Your staff has repeatedly confirmed to the AGO that it has everything it needs from us. We have discussed drafts of one report with your Office, and on January 2, 2020, were informed by one of your audit managers that the other report has been written and is in the review stage within your office, yet you "anticipate providing the draft report in several months." In short, your staff has what it needs, they haven't been here for months, the reports have been written – though are slowed by "several months" of delay within your own Office – and all you can do is cast shallow, baseless allegations in an attempt to cow this Office into accepting your violative conduct. It will not work. The Auditor's Office is not immune to valid criticism or to facing the consequences of its unlawful behavior.

The plain purpose of our December 31 letter, and of this letter, has been to inform you and your Office of the illegality and professional impropriety of your proposed actions, and to detail the legal and professional conduct bases for these concerns. You, in contrast, have provided no substantive response or legal justification for your planned unlawful conduct, but instead resort to lobbing frivolous, bad faith threats. I encourage you to heed your own warning, as presented in the second to last paragraph of your January 7, 2020, letter.

Your dedication to this unlawful path leaves us no choice but to determine the appropriate next steps necessary to address the patent, even admitted, illegality and professional impropriety of your actions. After all, we, as public servants, are required to do so upon observing illegal and potentially corrupt actions perpetrated by a public office. As our recent correspondence will attest, we have gone to extraordinary lengths to avoid having to pursue any such action. We have simply asked that you follow the law. Your continued silence with respect to each of the four items requested at the end of our December 31 letter speaks volumes and constitutes nothing less than a string of stunning self-indictments.

Sincerely,



Jonathan M. Hensley
General Counsel



ATTORNEY GENERAL OF MISSOURI
ERIC SCHMITT

January 10, 2020

Paul Harper
General Counsel
Office of the State Auditor
P.O. Box 869
Jefferson City, MO 65102

Dear Mr. Harper,

I write in response to your letter of today's date.

Your repeated misrepresentation of the issue and of the specific nature of our concern is deeply troubling. It has never been our position that your release of these transcripts and written answers would be objectionable solely on grounds related to any specific privilege or other concern that could be corrected by line-by-line review and redaction. Those considerations only compound the extraordinarily troubling consequences of Auditor Galloway's recent decision to begin releasing statutorily confidential audit materials whenever she deems appropriate. As your Office has admitted, the Missouri State Auditor's Office has never before released materials of this sort as part of an audit report. No legal authority permits this change in practice.

The transcripts are full of confidential information about personnel decisions, attorney-client privileged communications, active investigations, and on-going litigation, and your release of these transcripts would risk significant consequences for the state, its residents, and their interests on several important fronts. But that, remarkably, is not even the main point. As we have said repeatedly in writing and in person, and now again in direct response to the question presented in your letter today:

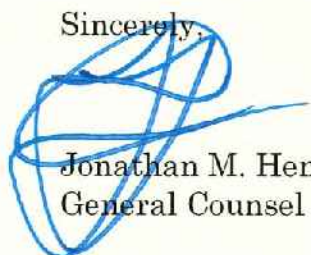
The transcripts and written answers which you plan to release as appendices to your audit report constitute "audit workpapers and related support materials" (as your counsel has admitted) and are declared confidential by Section 29.200.17, RSMo., in their entirety. The law expressly prohibits you from disclosing any of it – first line of the first page, through the final line of the last. There are no exceptions

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provided by law, which you, at this point, essentially admit by not answering our repeated requests for you to provide a single supportive citation to counter the many we have provided in support of our position.

There is no way for us to express our concern in any plainer language. Absent statutory authority supporting your blanket assertion that the Auditor is free to strip statutorily confidential records of their confidential nature whenever she chooses, it is clear that your client is intent on engaging in illegal and unethical conduct. You may wish to consider stopping her, if you can.

Sincerely,



Jonathan M. Hensley
General Counsel

Pamela Allison

From: Brian Barnes <BBarnes@cooperkirk.com>
Sent: Wednesday, January 29, 2020 8:05 PM
To: Pamela Allison
Subject: RE: Missouri Attorney General's Office Audit

Dear Ms. Allison:

We sent you materials in May showing that the political committee reimbursed state employee Steve Hayden on the handful of occasions when, during official travel, Mr. Hawley made incidental stops. We understand this is the same practice adopted by Mr. Hawley's predecessors. We are not aware of any additional outstanding invoices from the state, but if you can identify any such invoices or expenses, we are happy to pay them.

The draft report says that Mr. Hawley "violated" state law by using state resources for political purposes, but, thanks to the political committee's reimbursement of Mr. Hayden and the incidental nature of the stops in question, no state resources were actually used. When the Auditor's Office reviewed similar practices by other statewide elected officials in the past, it did not accuse them of "violating" state law. I also note that the amount at issue here is orders of magnitude less than the nearly \$50,000 Mr. Nixon repaid the state, yet the draft report is far more critical of Mr. Hawley than what the Auditor's Office wrote about Mr. Nixon.

Are you planning to "beef up" the section of the audit report that concerns Mr. Hawley's travel, as you said in a previous email about another part of the report? If so, we would appreciate an opportunity to comment on the revised draft.

Sincerely,

Brian W. Barnes
Cooper & Kirk, PLLC
(202) 220-9623

From: Pamela Allison <pamela.allison@auditor.mo.gov>
Sent: Thursday, January 23, 2020 5:07 PM
To: Brian Barnes <BBarnes@cooperkirk.com>
Subject: Missouri Attorney General's Office Audit

Good afternoon Mr. Barnes,

In a letter to our office dated January 14, 2020, the response to finding 1.2 indicated, "In conducting these trips and reimbursing the state, Mr. Hawley followed the practice of his Democratic predecessors."

On September 5, 2019, our office asked the Missouri Attorney General's Office whether any expenses had been reimbursed to the state by former Attorney General Hawley. On September 6, 2019, Missouri Attorney General's Office fiscal staff responded they had reviewed office records and found no expenses reimbursed by former Attorney General Hawley. On January 15, 2020, we asked the Missouri Attorney General's Office whether any expense reimbursements had been made to the state by former Attorney General Hawley since September 6, 2019, and the response provided indicate no reimbursements had been received.

Please confirm whether former Attorney General Hawley has reimbursed the state for any expenses for non-official travel. If so, please provide documentation of those reimbursements and how they were calculated. Please provide the response by Wednesday, January 29, 2020.

Thank you.

Pamela Allison, CPA, CFE
Missouri State Auditor's Office
Supervisory Manager of the
Public Corruption and Fraud Division
(417) 895-6519

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Nicole Galloway, CPA

Missouri State Auditor

Monthly Report on Political
Subdivision Filings
December 2019

Report No. 2020-005

February 2020

auditor.mo.gov

Monthly Report on Political Subdivision Filings

December 2019

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Political Subdivisions Required to File Annual Financial Reports - Fiscal Year Ended June 30, 2019 Reports Due December 31, 2019.....	4
B	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due March 31, 2019 Filed in December 2019	12
C	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in December 2019	13
D	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in December 2019	14
E	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due October 31, 2019 Filed in December 2019	15
F	Status of Political Subdivisions Required to File Annual Financial Reports - Reports Due November 30, 2019 Filed in December 2019	16



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for political subdivisions other than cities, towns, and villages, required to file a financial report, under Section 105.145, RSMo, and 15 CSR 40-3.030. Section 105.145, RSMo, provides that the State Auditor's Office notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Because of different filing requirements, a separate report is issued for cities, towns, and villages.

The filing status for the 356 political subdivisions required to file a financial report by December 31, 2019, is presented in summary on page 3 and by individual entity in Appendix A. We have not audited the reports submitted and, accordingly, do not express an opinion or any other assurance on them.

This report also includes the updated filing status for political subdivisions, other than cities, towns, and villages, that filed a financial report in December 2019, after their filing deadline. The filing status for these 12 entities is presented in summary on page 3 and by individual entity in Appendix B-F.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Political Subdivision Filings

December 2019

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision in the state, except counties and school districts, to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

This report includes the filing status for the 356 political subdivisions, other than cities, towns, and villages, with a fiscal year end of June 30, 2019. Cities, towns, and villages have additional filing requirements and their reporting status is included in a separate report. Of the 356 political subdivisions, 287 filed an annual financial report timely.

This report also includes the filing status for 12 political subdivisions, other than cities, towns, and villages, that filed their financial report in December 2019, after their filing deadline.

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Andrew	Andrew County NHD	Yes	November 18, 2019
Atchison	Benton Township & Rock Creek DD	Yes	July 18, 2019
	Lewis Drainage District	Yes	September 12, 2019
	West Langdon Drainage District	Yes	July 18, 2019
Barry	Barry County 911 Board	Yes	November 7, 2019
	Barry-Lawrence County PLD	Yes	September 5, 2019
Bates	PWSD 7 Bates County	No	
Benton	Good Samaritan NHD	No	
	Lincoln Community NHD	No	
Boone	Hartsburg Levee District	Yes	December 4, 2019
Buchanan	2317 Belt CID	No	
	American Electric Lofts CID	Yes	December 31, 2019
	Belt Highway & Beck Road CID	Yes	October 15, 2019
	Commons CID	No	
	Cook Crossings CID	No	
	East Hills CID	Yes	October 28, 2019
	Rolling Hills Consolidated PLD	No	
	St. Joseph Downtown CID	Yes	August 23, 2019
	St. Joseph Public Library District	Yes	November 19, 2019
	Tuscany Village CID	Yes	December 30, 2019
Butler	East Butler County Sewer District	Yes	October 22, 2019
Caldwell	Caldwell County Ambulance District	No	
	Hamilton Public Library District	Yes	August 21, 2019
Camden	Camden County Ambulance District	Yes	December 24, 2019
	Cam-MO Ambulance District	Yes	November 25, 2019
	Lake of the Ozarks Area SBD Camden County	Yes	December 19, 2019
Cape Girardeau	Cape Dogwood CID	Yes	November 1, 2019
	Cape Girardeau Library District	No	
	Downtown Cape Girardeau CID	Yes	November 1, 2019
	Midamerica Crossings TDD	Yes	November 1, 2019
	North Cape County Rural FPD	Yes	August 14, 2019
	PWSD 2 Cape Girardeau County	Yes	December 19, 2019
	PWSD 5 Cape Girardeau County	Yes	August 19, 2019
	Town Plaza Crossing CID	Yes	December 30, 2019
Carroll	Big Creek Watershed Subdistrict	Yes	September 25, 2019
	Sugartree Drainage District	Yes	July 21, 2019
Carter	Ellsinore Herren Avenue CID	Yes	November 1, 2019
	Ellsinore Rural FPD	No	
Cass	Dikeland Sewer District	Yes	July 26, 2019
	Mullendike Sewer District	Yes	August 16, 2019
	PWSD 11 Cass County	Yes	October 18, 2019
Chariton	Chariton County Ambulance District	Yes	December 31, 2019
Christian	Ozark Centre TDD	Yes	October 25, 2019
Clark	Clark County NHD	Yes	December 5, 2019
	Northeast Missouri Library District	No	
Clay	Claycomo SRD Clay County	Yes	August 26, 2019
	Eastern Clay Ambulance District	Yes	December 16, 2019
	Meadowbrook Village CID	No	

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Clay	New Liberty Hospital District	No	
	North Kansas City Levee District	Yes	December 23, 2019
	PWSD 2 Clay County	Yes	October 22, 2019
	Williams Creek WSD	No	
Clinton	Consolidated PWSD 4 Clinton County	Yes	September 18, 2019
Crawford	North Crawford Ambulance District	Yes	September 10, 2019
Dade	Dade County NHD	No	
Daviess	Community Ambulance District	Yes	November 27, 2019
	Pattonsburg Rescue & FPD	Yes	August 1, 2019
	West Fork of Big Creek WSD	Yes	August 8, 2019
DeKalb	Grindstone-Lost-Muddy-Creek WSD	Yes	November 27, 2019
Dent	Salem Memorial Hospital District	No	
	Salem Public Library District	No	
Dunklin	Consolidated DD 2 Dunklin County	No	
	Dunklin County Sewer District	No	
Franklin	Berger Levee District	Yes	July 30, 2019
	Dickey Bub CID	Yes	October 31, 2019
	Downtown New Haven CID	Yes	October 31, 2019
	East Main & Highway 47 CID	Yes	December 9, 2019
	East Osage CID	Yes	October 31, 2019
	Osage Commercial Area CID	Yes	October 31, 2019
	Scenic Regional Library District	Yes	December 10, 2019
	Sullivan SRD Franklin County	Yes	August 30, 2019
	Union CID	Yes	September 13, 2019
	Union SRD Franklin County	Yes	August 30, 2019
	Viaduct Commercial Area CID	Yes	October 31, 2019
Gentry	Albany Community FPD	No	
	Albany Public Library District	No	
	Stanberry Rural FPD	Yes	July 9, 2019
Greene	Airport Plaza CID	Yes	July 17, 2019
	Brentwood N/S CID	Yes	October 30, 2019
	College Station CID	Yes	October 22, 2019
	College Station TDD	Yes	October 22, 2019
	Commercial Street CID	Yes	July 10, 2019
	Convention & Entertainment CID	Yes	October 23, 2019
	Downtown Springfield CID	Yes	July 17, 2019
	East-West Arterial TDD	Yes	December 3, 2019
	Glenstone Marketplace CID	Yes	October 25, 2019
	James River Commons CID	No	
	Northwest Area CID	Yes	July 29, 2019
	Springfield Plaza CID	Yes	October 28, 2019
	Springfield-Greene County PLD	Yes	December 18, 2019
Grundy	Grundy County NHD	Yes	December 18, 2019
Harrison	East Fork of Big Creek Subdistrict	Yes	October 8, 2019
	Panther Creek Watershed Subdistrict	Yes	October 8, 2019
	West Fork of Big Creek Subdistrict	Yes	October 8, 2019
Henry	Harry S. Truman PWSD 2 Henry County	Yes	November 20, 2019
	PWSD 4 Henry County	Yes	December 31, 2019

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Holt	Forest City Levee District	No	
	Mound City Public Library District	Yes	September 6, 2019
	Mound City Rural FPD	No	
	Oregon Public Library District	Yes	November 26, 2019
Howell	Mountain View-Summersville AD	Yes	August 10, 2019
Jackson	23rd & Sterling CID	Yes	November 11, 2019
	740 NW Blue Parkway CID	Yes	October 18, 2019
	Arrowhead CID	Yes	December 17, 2019
	Atherton Levee District	Yes	September 12, 2019
	Blue Parkway & Colbern Road CID	Yes	December 26, 2019
	Crackerneck Center CID	Yes	October 28, 2019
	Crackerneck Creek TDD	Yes	December 30, 2019
	Downtown Lee's Summit CID	Yes	December 9, 2019
	Hartman Heritage Center CID	Yes	October 14, 2019
	Highway 50 & Todd George CID	Yes	October 24, 2019
	I-470 & View High CID	Yes	December 13, 2019
	I-470 CID	Yes	October 31, 2019
	I-470 Western Gateway TDD	Yes	December 31, 2019
	Independence Events Center CID	Yes	December 30, 2019
	Kansas City Public Library District	Yes	November 4, 2019
	Marketplace Shopping Center CID	Yes	December 13, 2019
	Mid Continent Library District	Yes	September 9, 2019
	New Longview CID	Yes	August 12, 2019
	Noland Fashion Square CID	Yes	December 30, 2019
	Noland Road CID	Yes	October 25, 2019
	Pine Tree CID	Yes	November 1, 2019
	PWSD 17 Jackson County	Yes	October 25, 2019
	Raintree 150 Center CID	No	
	Stone Canyon CID	No	
	Streets of West Pryor CID	No	
	Streets of West Pryor TDD	No	
	Summit Fair CID	Yes	December 20, 2019
	Summit Orchards CID	Yes	October 30, 2019
	Thirty-Ninth Street TDD	Yes	December 18, 2019
Jasper	Carthage Public Library District	Yes	December 4, 2019
	Carthage SRD Jasper County	Yes	August 13, 2019
	Joplin SRD Newton-Jasper County	Yes	December 4, 2019
Jefferson	Hillsboro SRD Jefferson County	No	
	McNutt Retail Corridor CID	Yes	November 1, 2019
	Peach Tree CID	Yes	October 30, 2019
	PWSD 1 Jefferson County	Yes	November 21, 2019
	PWSD 10 Jefferson County	Yes	December 31, 2019
Johnson	Johnson County Community Health	Yes	December 20, 2019
	South Fork of Blackwater WSD	Yes	July 29, 2019
	Trails Consolidated PLD	Yes	September 23, 2019
Laclede	Fountains CID	Yes	December 3, 2019
	Lebanon Marketplace CID	Yes	October 25, 2019
	Southdale Center CID	Yes	October 30, 2019

Appendix A
Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019
Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Lafayette	Concordia FPD	Yes	July 10, 2019
	Corder FPD	Yes	November 13, 2019
	Little Sni A Bar WSD	Yes	September 16, 2019
	Tabo Creek Watershed Subdistrict	Yes	September 16, 2019
	Wellington Napoleon WSD	Yes	September 16, 2019
Lewis	Canton Public Library District	Yes	December 18, 2019
	Canton SRD Lewis County	No	
	Dickerson SRD Lewis County	No	
Lincoln	Lincoln County Health Department	No	
	Lincoln Crossing CID	Yes	December 4, 2019
Linn	Brookfield Carnegie PLD	Yes	July 22, 2019
	East Yellow Creek WSD	Yes	October 3, 2019
	Linneus FPD	Yes	July 19, 2019
Livingston	Green Township FPD	Yes	December 19, 2019
Macon	Macon County NHD	No	
Marion	Hannibal Free Library District	No	
Miller	Lake of the Ozarks Area SBD Miller County	Yes	December 19, 2019
	Osage National TDD	Yes	June 27, 2019
Mississippi	Levee District 3 Mississippi County	Yes	August 7, 2019
	St. Johns Levee & Drainage District	Yes	December 20, 2019
Monroe	Madison SRD Monroe County	No	
Montgomery	Tri County Levee District	Yes	September 10, 2019
	Wellsville FPD	Yes	December 6, 2019
Morgan	Golden Age NHD 1	No	
	Good Shepherd NHD	Yes	December 4, 2019
	Lake of the Ozarks Area SBD Morgan County	Yes	December 19, 2019
New Madrid	Drainage District 28 New Madrid County	Yes	July 11, 2019
	New Madrid County PID	Yes	December 17, 2019
	PWSD 1 New Madrid County	Yes	December 13, 2019
	Lost Creek Watershed Subdistrict	Yes	August 16, 2019
Nodaway	102 River Tributaries Subdistrict	Yes	July 17, 2019
	Barnard FPD	Yes	July 7, 2019
	Hoover Frankum WSD	Yes	July 17, 2019
	Mill Creek Watershed Subdistrict	Yes	July 17, 2019
	Mozingo Creek Watershed Subdistrict	Yes	July 17, 2019
	West Nodaway FPD	Yes	December 27, 2019
	Caruthersville Library District	Yes	October 21, 2019
	Consolidated Drainage District 1	No	
Pemiscot	Consolidated Drainage District 3	No	
	Hayti-Ventures CID	No	
	Steele Public Library District	Yes	July 17, 2019
	Bois Brule D&LD	Yes	September 13, 2019
Pettis	Boonslick Regional Library District	Yes	September 26, 2019
Phelps	Rolla Free Public Library District	Yes	November 6, 2019
Pike	Pike County Memorial Hospital	Yes	December 30, 2019
Platte	Northmoor Associates CID	No	
	Riverside Gateway Crossing CID	No	
	Riverside-Quindaro Bend LD	Yes	December 18, 2019

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Platte	Tracy Highlands TDD	No	
Pulaski	PWSD 3 Pulaski County	Yes	August 14, 2019
Putnam	Putnam County Memorial Hospital	No	
	PWSD 1 Putnam County	No	
Ralls	Highway 61 CID	Yes	October 25, 2019
Randolph	Downtown Moberly CID	Yes	October 11, 2019
	Meadow Ridge CID	No	
	Moberly Crossings CID	Yes	September 19, 2019
Ray	Lawson SRD Ray County	Yes	December 2, 2019
	Ray County Ambulance District	Yes	October 30, 2019
	Willow Creek Watershed Subdistrict	Yes	August 29, 2019
Ripley	Fourche Creek Watershed Subdistrict	Yes	November 19, 2019
	Little Black Watershed Subdistrict	Yes	November 19, 2019
Scotland	Middle Fabius River Subdistrict	Yes	September 16, 2019
	Scotland County Memorial Hospital	No	
	Scotland County NHD	Yes	November 22, 2019
Scott	Sikeston FPD	Yes	August 28, 2019
	Southeast Missouri Regional PID	Yes	December 9, 2019
Shelby	Clarence NHD	No	
	Clarence Public Library District	No	
	Shelbina Carnegie Library District	Yes	November 14, 2019
St. Charles	Consolidated North County LD	No	
	Hawk Ridge TDD	Yes	October 25, 2019
	Lakeside 370 Levee District	Yes	October 18, 2019
	South Ridge TDD	Yes	October 25, 2019
	St. Charles City-County PLD	Yes	December 6, 2019
	Zumbehl Road/Highway 94 CID	Yes	August 30, 2019
St. Clair	Appleton City Library District	Yes	July 11, 2019
	St. Clair Co Hospital District 1	No	
St. Louis	10700 Pear Tree Lane CID	Yes	October 29, 2019
	10700 Pear Tree Lane TDD	Yes	October 29, 2019
	370/MO Bottom Road/Taussig Road CID	Yes	July 16, 2019
	Arbors of Rockwood CID	Yes	November 1, 2019
	Berkeley-North Park CID	Yes	October 24, 2019
	Brentwood Boulevard/Clayton Road CID	Yes	July 10, 2019
	Brentwood Boulevard/Clayton Road TDD	Yes	July 10, 2019
	Cheshire CID	Yes	October 29, 2019
	Crossings at Richmond Heights CID	Yes	December 31, 2019
	Deer Creek Center CID	Yes	August 20, 2019
	Delmar/Delcrest CID	Yes	December 20, 2019
	Earth City Levee District	Yes	November 8, 2019
	Eureka Old Town TDD	Yes	November 1, 2019
	Eureka Pointe CID	Yes	October 25, 2019
	Ferguson Municipal Library District	Yes	August 15, 2019
	Hadley Township South 2 CID	Yes	December 30, 2019
	Hazelwood Commerce Center CID	Yes	October 30, 2019
	Hazelwood Levee Subdistrict	Yes	November 20, 2019
	Hilltop Village Center CID	Yes	November 1, 2019

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis	Howard Bend Levee District	Yes	October 8, 2019
	Kirkwood Public Library District	Yes	December 3, 2019
	Lind-Litz CID	Yes	October 29, 2019
	Lind-Litz TDD	Yes	October 29, 2019
	Maplewood Public Library District	Yes	October 17, 2019
	Metropolitan SwrD St. Louis	Yes	November 19, 2019
	Missouri Bottoms LD - Bridgeton LSD	Yes	October 18, 2019
	Missouri Bottoms Levee District	Yes	October 18, 2019
	Monarch Chesterfield Levee District	Yes	November 6, 2019
	North County Festival/Square CID	Yes	December 18, 2019
	Northpark-Ferguson CID	Yes	October 24, 2019
	NP Kinloch CID	Yes	November 11, 2019
	NP Kinloch CID II	Yes	October 24, 2019
	OHM Woodson Terrace CID	Yes	December 5, 2019
	OHM Woodson Terrace TDD	Yes	December 5, 2019
	Olive Boulevard TDD	No	
	Residence Inn Downtown St Louis CID	Yes	October 25, 2019
	Riverport Levee District	Yes	October 8, 2019
	Route 141/Marshall Road CID	Yes	October 30, 2019
	St. Louis County Clean Energy Board	Yes	December 6, 2019
	Sunnen Station CID	Yes	July 10, 2019
	Union Station CID	Yes	October 29, 2019
	Valley Park Community PLD	No	
	Webster Groves Library District	Yes	December 23, 2019
St. Louis City	1100 Washington Avenue CID	Yes	July 29, 2019
	1133 Washington Avenue CID	No	
	1201 Washington CID	Yes	July 29, 2019
	1225 Washington CID	Yes	September 4, 2019
	1225 Washington TDD	Yes	September 4, 2019
	14th & Market Street CID	Yes	October 25, 2019
	1601 South Jefferson CID	Yes	December 9, 2019
	1831/2000 Sidney Street CID	No	
	1831/2000 Sidney Street TDD	No	
	2017 Chouteau CID	Yes	September 9, 2019
	2118 Chouteau TDD	Yes	September 9, 2019
	212 South Grand CID	Yes	August 14, 2019
	212 South Grand TDD	Yes	August 14, 2019
	2350 South Grand CID	Yes	August 23, 2019
	4101 Laclede CID	Yes	October 25, 2019
	501 Olive CID	Yes	October 30, 2019
	501 Olive TDD	Yes	October 30, 2019
	60 Plaza Square CID	Yes	December 30, 2019
	620 Market CID	Yes	October 14, 2019
	705 Olive CID	Yes	October 30, 2019
	705 Olive TDD	Yes	October 30, 2019
	840 East Taylor CID	Yes	December 9, 2019
	Armory CID	Yes	December 9, 2019
	Ballpark Village CID	Yes	December 20, 2019

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
St. Louis City	Ballpark Village TDD	Yes	December 20, 2019
	Bevo CID	No	
	Broadway Hotel CID	Yes	October 29, 2019
	Carondelet Commons CID	Yes	December 9, 2019
	Carrie Avenue CID	Yes	December 9, 2019
	Cheshire Annex CID	Yes	October 29, 2019
	Cheshire TDD	Yes	October 29, 2019
	Chouteau Crossing CID	Yes	December 9, 2019
	City Hospital Laundry Building TDD	Yes	October 17, 2019
	City Hospital Powerhouse CID	Yes	October 17, 2019
	City Hospital Powerhouse TDD	Yes	October 17, 2019
	City Hospital RPA 2-Phase 1 CID	Yes	October 17, 2019
	Clean Energy Development Board	Yes	December 6, 2019
	Cozens/MLK/Grand CID	No	
	Crowne Plaza CID	Yes	October 28, 2019
	Cupples Station Building 9 CID	Yes	July 17, 2019
	CWE Business CID	Yes	October 31, 2019
	Downtown St. Louis CID	Yes	December 19, 2019
	Dutchtown CID	Yes	November 22, 2019
	EQH Market Street CID	Yes	December 9, 2019
	Euclid South CID	Yes	September 20, 2019
	Expanded Forsyth Associates CID	No	
	Georgian Square CID	Yes	October 3, 2019
	Grand Center Area CID	No	
	Grand Center Area Two CID	No	
	Grove CID	Yes	September 10, 2019
	Hadley Dean Building CID	No	
	Laurel CID	No	
	Loop East CID	Yes	September 12, 2019
	Loughborough Commons CID	Yes	October 31, 2019
	Magnolia CID	Yes	August 21, 2019
	Magnolia TDD	Yes	August 21, 2019
	North Broadway Carrie CID	Yes	December 4, 2019
	Northeast Hampton/I-44 CID	Yes	December 6, 2019
	Park Pacific CID	Yes	August 7, 2019
	Railway Exchange Building CID	No	
	Railway Exchange Building TDD	No	
	Residence Inn Downtown St. Louis TDD	Yes	October 25, 2019
	Riverfront Hotel CID	Yes	November 26, 2019
	Riverside CID	Yes	November 8, 2019
	Soda Fountain Square CID	No	
	South Grand CID	Yes	November 22, 2019
	St. Louis Convention Center Hotel 3 CID	Yes	November 1, 2019
	St. Louis Convention Center Hotel TDD	Yes	November 1, 2019
	Syndicate Trust CID	Yes	September 30, 2019
	Tucker & Cass CID	Yes	October 29, 2019
	Union Station TDD	Yes	October 29, 2019
	Washington Avenue TDD	Yes	July 29, 2019

Appendix A

Status of Political Subdivisions Required to File Annual Financial Reports Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Ste. Genevieve	Levee District 2 Ste. Genevieve County	Yes	September 11, 2019
	Levee District 3 Ste. Genevieve County	Yes	December 9, 2019
Stoddard	Bloomfield Public Library District	No	
	Common Sewer District 1 Stoddard County	Yes	October 10, 2019
	Drainage District 23 Stoddard County	Yes	August 19, 2019
	Drainage District 36 Stoddard County	Yes	August 19, 2019
	Drainage District 37 Stoddard County	Yes	August 19, 2019
	Drainage District 8 Stoddard County	Yes	August 19, 2019
	PWSD 1 Stoddard County	Yes	August 13, 2019
	PWSD 1 Sullivan County	Yes	November 22, 2019
Sullivan	Nevada Public Library District	Yes	December 30, 2019
	Vernon County Ambulance District	No	
Warren	Missouri Valley Levee District	Yes	July 30, 2019
	Shoppes at Warrenton CID	Yes	September 13, 2019
	Warrenton Commons CID	Yes	October 25, 2019
Webster	Webster County NHD	No	
Worth	East Fork of Grand River WSD	Yes	June 10, 2019
	PWSD 1 Worth County	Yes	October 30, 2019
	Sheridan FPD	Yes	August 23, 2019
	Worth County Convalescent Center District	No	
Total Filed		287	
Total Not Filed		69	

Acronyms:

AD	Ambulance District
CID	Community Improvement District
D&LD	Drainage and Levee District
DD	Drainage District
FPD	Fire Protection District
LD	Levee District
LSD	Levee Subdistrict
NHD	Nursing Home District
PID	Port Improvement District
PLD	Public Library District
PWSD	Public Water Supply District
SBD	Special Business District
SRD	Special Road District
SwrD	Sewer District
TDD	Transportation Development District
WSD	Watershed Subdistrict

Appendix B

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due March 31, 2019

Filed in December 2019

Fiscal Year Ended September 30, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Monroe	Clarence Cannon Water Commission	Yes	December 31, 2019
St. Francois	Farmington Land ABG CID	Yes	December 19, 2019
Total Filed		2	

Acronyms:

CID Community Improvement District

Appendix C

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due June 30, 2019

Filed in December 2019

Fiscal Year Ended December 31, 2018

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Atchison	Atchison-Holt Ambulance District	Yes	December 14, 2019
Audrain	PWSD 1 Audrain County	Yes	December 6, 2019
Callaway	Callaway County Sewer District	Yes	December 9, 2019
Linn	Purdin SRD Linn County	Yes	December 31, 2019
St. Francois	Bismarck FPD	Yes	December 10, 2019
St. Louis	1030 Woodcrest Terrace Drive CID	Yes	December 5, 2019
	1030 Woodcrest Terrace Drive TDD	Yes	December 4, 2019
Total Filed		7	

Acronyms:

CID	Community Improvement District
FPD	Fire Protection District
PWSD	Public Water Supply District
SRD	Special Road District
TDD	Transportation Development District

Appendix D

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due September 30, 2019

Filed in December 2019

Fiscal Year Ended March 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Saline	Van Meter-Teteseau Levee District	Yes	December 4, 2019
Total Filed		1	

Appendix E
 Status of Political Subdivisions Required to File Annual Financial Reports
 Reports Due October 31, 2019
 Filed in December 2019

Fiscal Year Ended April 30, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Jackson	1111 Grand CID	Yes	December 4, 2019
Total Filed		1	

Acronyms:

CID Community Improvement District

Appendix F

Status of Political Subdivisions Required to File Annual Financial Reports

Reports Due November 30, 2019

Filed in December 2019

Fiscal Year Ended May 31, 2019

Primary County	Reporting Entity	Filed Annual Financial Report	Date Filed
Caldwell	PWSD 3 Caldwell County	Yes	December 19, 2019
Total Filed		1	

Acronyms:

PWSD Public Water Supply District



Nicole Galloway, CPA

Missouri State Auditor

**Monthly Report on Municipal Court
and Revenue Filings
December 2019**

Report No. 2020-004

February 2020

auditor.mo.gov

Monthly Report on Municipal Court and Revenue Filings

December 2019

Table of Contents

State Auditor's Report	2
------------------------	---

Executive Summary	3
-------------------	---

Appendixes

Appendix

A	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Fiscal Year Ended June 30, 2019 Reports Due December 31, 2019.....	5
B	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due June 30, 2019 Filed in December 2019	13
C	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due September 30, 2019 Filed in December 2019	14
D	Status of Cities, Towns, and Villages Required to File Annual Financial Reports - Reports Due October 31, 2019 Filed in December 2019	15



NICOLE GALLOWAY, CPA

Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
Jefferson City, Missouri

The primary objective of this compilation is to report the filing status for the municipalities required to file a financial report by December 31, 2019, under Section 105.145, RSMo, and 15 CSR 40-3.030, and, when applicable, an addendum under Section 479.359, RSMo, and 15 CSR 40-3.170 and a municipal court certification under Section 479.360, RSMo, and 15 CSR 40-3.180.

Section 105.145, RSMo, provides that the State Auditor's Office (SAO) notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. Additionally, Section 479.362, RSMo, provides that the SAO notify the Department of Revenue whether counties, cities, towns, and villages have timely filed under Sections 479.359 and 479.360, RSMo. Because of different filing requirements, a separate report is issued for all other political subdivisions required to file a financial report.

The filing status for 262 cities, 5 towns, and 63 villages is presented in summary on page 3 and by individual entity in Appendix A. This compilation is limited to presenting information submitted to our office. We have not audited the information submitted and, accordingly, do not express an opinion or any other form of assurance on it.

This report includes the updated filing status for municipalities that filed at least one of the items (financial report, addendum, or certification) in December 2019, after their filing deadline. The filing status for these 4 cities and 3 villages is presented in summary on pages 4 and by individual entity in Appendixes B to D.

Nicole R. Galloway, CPA
State Auditor

The following staff participated in the preparation of this report:

Director of Audits:	Jon Halwes, CPA, CGFM
General Counsel:	Paul Harper, JD
Senior Analyst:	Jill Wilson, MBA

Monthly Report on Municipal Court and Revenue Filings

December 2019

Executive Summary

Executive Summary

Section 105.145, RSMo, requires the governing body of each political subdivision, except counties and school districts, in the state to prepare and remit to the state auditor an annual report of financial transactions. 15 CSR 40-3.030 requires the financial report to be remitted to the state auditor within 6 months of the end of the political subdivision's fiscal year. The State Auditor's Office (SAO) posts individual annual financial reports to its website. A searchable link is available at <http://auditor.mo.gov>.

Section 105.145, RSMo, requires the state auditor to notify the Department of Revenue if any political subdivision fails to timely submit a copy of its annual financial report. Any political subdivision that fails to timely submit the annual financial report shall be subject to a fine of \$500 per day upon notice by the Department of Revenue, except transportation development districts with a gross revenues less than \$5,000 in the fiscal year of the annual financial report.

Section 479.359.1, RSMo, requires every county, city, town, and village to annually calculate the percentage of its annual general operating revenue received from fines, bond forfeitures, and court costs for minor traffic violations.

Section 479.359.3, RSMo, provides that all entities having a municipal court file an addendum to the annual financial report containing items listed in 15 CSR 40-3.170, which also provides the procedures to file an addendum.

Section 479.360, RSMo, requires every county, city, town, and village that has a municipal court to file, with its annual financial report, a certification of substantial compliance with 10 municipal court procedures. This certification must be signed by the municipal court judge. 15 CSR 40-3.180 provides the procedure to file the municipal court certification. Any county, city, town, or village that does not have a municipal court judge is not required to file a certification.

Section 479.362, RSMo, requires that the SAO notify the Department of Revenue whether counties, cities, towns, or villages have timely filed their addendums under Section 479.359 and certificates of substantial compliance under Section 479.360, RSMo. Section 479.368, RSMo, provides penalties for counties, cities, towns, and villages that fail to file, including loss of revenue and mandatory ballot measure to dissolve the political subdivision.

This report includes the filing status for the 262 cities, 5 towns, and 63 villages with a fiscal year end of June 30, 2019, whose financial report was due by December 31, 2019. Of the 330 municipalities required to file an annual financial report, 245 filed the report timely and 3 filed a financial report for a portion of the fiscal year. Of the 230 municipalities required to file an addendum, 101 filed an addendum timely. Of the 124 municipalities required to file a certification, 75 filed a certification timely.



Monthly Report on Municipal Court and Revenue Filings
December 2019
Executive Summary

This report includes the filing status for 4 cities and 3 villages that filed at least one of the items (financial report, addendum, or certification) in December 2019, after their filing deadline. Of these municipalities, 5 filed an annual financial report and 3 filed an addendum.

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Adair	City of Novinger	Yes	December 31, 2019	No	n/a
Andrew	City of Amazonia	Yes	August 6, 2019	n/a	n/a
Atchison	City of Westboro	No		n/a	n/a
Audrain	City of Laddonia	No		No	n/a
	Village of Vandiver	Yes	July 1, 2019	n/a	n/a
Barry	City of Purdy	Yes	November 19, 2019	Yes	Yes
	City of Washburn	No		Yes	Yes
Barton	City of Lamar	Yes	November 19, 2019	No	No
	City of Mindenmines	Yes	December 30, 2019	n/a	n/a
	Village of Milford	Yes	September 27, 2019	n/a	n/a
Bates	City of Adrian	No		No	n/a
	City of Amsterdam	Yes	July 23, 2019	n/a	n/a
Bollinger	City of Marble Hill	Yes	December 26, 2019	No	n/a
Boone	City of Hallsville	Yes	December 17, 2019	Yes	n/a
	City of Rocheport	No		n/a	n/a
	City of Sturgeon	Yes	August 5, 2019	No	n/a
	Town of Huntsdale	No		n/a	n/a
	Village of Hartsburg	Yes	October 31, 2019	n/a	n/a
Buchanan	City of St. Joseph	No		Yes	Yes
Butler	City of Fisk	No		No	n/a
	City of Qulin	No		No	n/a
Caldwell	City of Braymer	Yes	October 22, 2019	Yes	n/a
	City of Breckenridge	Yes	November 7, 2019	No	n/a
	City of Cowgill	Yes	July 17, 2019	No	n/a
	City of Hamilton	Yes	December 13, 2019	No	n/a
Callaway	Village of Kingdom City	Yes	December 11, 2019	n/a	n/a
Camden	City of Linn Creek	Partial	January 18, 2019	No	n/a
	City of Stoutland	Yes	July 1, 2019	n/a	n/a
Cape Girardeau	City of Cape Girardeau	Yes	December 27, 2019	Yes	Yes
	City of Delta	Yes	December 30, 2019	No	n/a
	Village of Oak Ridge	Yes	November 27, 2019	n/a	n/a
	Village of Whitewater	No		No	n/a
Carroll	City of Bogard	Yes	November 11, 2019	Yes	n/a
	City of De Witt	Yes	September 5, 2019	n/a	n/a
Carter	City of Ellsinore	Yes	November 7, 2019	Yes	n/a
Cass	City of Archie	Yes	December 12, 2019	No	n/a
	City of Cleveland	Yes	December 31, 2019	No	n/a
	City of Creighton	Yes	August 2, 2019	No	n/a
	City of Freeman	Yes	December 12, 2019	No	n/a
	City of Garden City	Yes	November 25, 2019	No	n/a
	City of Lake Annette	No		No	n/a
	Village of Baldwin Park	Partial	February 8, 2019	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Cass	Village of Loch Lloyd	No		n/a	n/a
Cedar	Village of Jerico Springs	Yes	September 21, 2019	No	n/a
Chariton	City of Brunswick	Yes	December 12, 2019	No	n/a
	City of Keytesville	Yes	September 19, 2019	No	n/a
	City of Salisbury	Yes	December 2, 2019	Yes	n/a
	Village of Dalton	Yes	August 12, 2019	n/a	n/a
Christian	City of Clever	Yes	November 21, 2019	No	Yes
	City of Highlandville	Yes	December 19, 2019	Yes	No
	City of Sparta	Yes	November 22, 2019	Yes	Yes
Clark	City of Alexandria	Yes	September 24, 2019	n/a	n/a
	City of Wayland	Yes	July 30, 2019	n/a	n/a
Clay	City of Gladstone	Yes	December 26, 2019	Yes	Yes
	City of Pleasant Valley	Yes	December 10, 2019	Yes	Yes
	Village of Birmingham	Yes	November 29, 2019	No	n/a
Clinton	City of Gower	No		No	No
	City of Lathrop	Yes	December 30, 2019	Yes	Yes
	City of Plattsburg	Yes	August 2, 2019	No	No
Cole	City of St. Thomas	No		n/a	n/a
	City of Taos	Yes	December 23, 2019	No	n/a
Cooper	City of Bunceton	Yes	December 9, 2019	No	n/a
	City of Prairie Home	Yes	August 8, 2019	Yes	n/a
	Village of Wooldridge	Yes	September 23, 2019	n/a	n/a
Crawford	City of Bourbon	Yes	December 30, 2019	Yes	n/a
	City of Cuba	Yes	December 20, 2019	Yes	Yes
	City of Steelville	Yes	December 31, 2019	No	n/a
	Village of St. Cloud	No		n/a	n/a
Dade	City of Everton	Yes	July 23, 2019	No	n/a
	City of Greenfield	Yes	September 25, 2019	No	No
	City of Lockwood	Yes	December 4, 2019	No	n/a
Dallas	City of Urbana	Yes	December 10, 2019	Yes	Yes
	Village of Louisburg	Yes	December 5, 2019	n/a	n/a
Daviess	City of Coffey	Yes	July 22, 2019	n/a	n/a
	City of Jamesport	Yes	December 30, 2019	No	n/a
	City of Pattonsburg	Yes	July 26, 2019	No	n/a
	Village of Altamont	Yes	December 6, 2019	No	n/a
DeKalb	City of Clarksdale	Yes	December 30, 2019	No	n/a
	City of Maysville	Yes	December 16, 2019	Yes	n/a
	Village of Amity	No		n/a	n/a
	Village of Weatherby	Yes	December 31, 2019	n/a	n/a
Dent	City of Salem	No		No	n/a
Douglas	City of Ava	Yes	December 30, 2019	Yes	n/a
Dunklin	City of Arbyrd	Yes	September 24, 2019	No	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Dunklin	City of Campbell	Yes	December 30, 2019	Yes	Yes
	City of Clarkton	Yes	August 29, 2019	No	Yes
	City of Holcomb	Yes	December 31, 2019	No	No
	City of Kennett	Yes	December 30, 2019	No	No
	City of Malden	No		Yes	Yes
	City of Senath	Yes	October 15, 2019	No	Yes
Franklin	City of Berger	No		No	n/a
	City of New Haven	Yes	December 24, 2019	Yes	Yes
	City of Pacific	Yes	December 27, 2019	Yes	Yes
	City of Union	Yes	December 9, 2019	Yes	No
	Village of Parkway	Yes	December 6, 2019	n/a	n/a
Gasconade	City of Bland	No		No	No
	City of Gasconade	Yes	December 23, 2019	No	n/a
	City of Hermann	Yes	December 16, 2019	Yes	n/a
	City of Morrison	Yes	December 5, 2019	n/a	n/a
	City of Owensville	Yes	December 3, 2019	No	n/a
	City of Rosebud	Yes	November 5, 2019	Yes	n/a
Gentry	City of Albany	Yes	December 30, 2019	Yes	n/a
	City of King City	Yes	December 11, 2019	Yes	n/a
	Village of Darlington	Yes	June 14, 2019	n/a	n/a
Greene	City of Ash Grove	Yes	October 30, 2019	No	No
	City of Battlefield	Yes	November 4, 2019	No	No
	City of Fair Grove	Yes	September 25, 2019	No	Yes
	City of Springfield	Yes	December 19, 2019	Yes	Yes
Grundy	City of Galt	Yes	December 20, 2019	n/a	n/a
	Village of Brimson	No		n/a	n/a
Harrison	Village of Mount Moriah	Yes	August 6, 2019	n/a	n/a
Henry	Village of Brownington	Yes	August 29, 2019	n/a	n/a
Hickory	City of Hermitage	Yes	October 16, 2019	n/a	n/a
	City of Weaubleau	Yes	October 10, 2019	n/a	n/a
	City of Wheatland	Yes	October 9, 2019	n/a	n/a
Holt	City of Craig	No		No	n/a
	City of Mound City	Yes	December 17, 2019	No	n/a
	Village of Big Lake	No		No	n/a
	Village of Bigelow	Yes	December 31, 2019	n/a	n/a
Howard	City of Fayette	No		No	n/a
	City of Franklin	Yes	November 25, 2019	n/a	n/a
	City of Glasgow	Partial	January 29, 2019	No	n/a
	City of New Franklin	Yes	June 27, 2019	No	n/a
Howell	City of Mountain View	No		Yes	Yes
Iron	City of Arcadia	Yes	October 1, 2019	Yes	n/a
	City of Ironton	No		No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual		Filed Addendum	Filed Certification
		Financial Report	Date Financial Report Filed		
Iron	City of Pilot Knob	Yes	July 23, 2019	Yes	n/a
	City of Viburnum	Yes	July 12, 2019	No	n/a
Jackson	City of Greenwood	Yes	October 31, 2019	Yes	Yes
	City of Independence	Yes	December 26, 2019	Yes	Yes
	City of Lake Tapawingo	No		No	n/a
	City of Lee's Summit	Yes	December 27, 2019	Yes	Yes
Jasper	City of Lone Jack	Yes	December 26, 2019	Yes	Yes
	City of Alba	Yes	November 21, 2019	n/a	n/a
	City of Carthage	No		No	No
	City of La Russell	Yes	December 17, 2019	n/a	n/a
	City of Neck City	No		n/a	n/a
	City of Oronogo	Yes	December 10, 2019	Yes	Yes
	City of Waco	Yes	December 31, 2019	n/a	n/a
	Town of Brooklyn Heights	Yes	December 1, 2019	n/a	n/a
	City of Byrnes Mill	No		No	No
	City of Herculaneum	No		Yes	Yes
Jefferson	City of Hillsboro	Yes	November 18, 2019	No	No
	City of Olympian Village	Yes	December 6, 2019	n/a	n/a
Johnson	City of Holden	No		No	n/a
Knox	City of Hurdland	No		n/a	n/a
Laclede	City of Lebanon	Yes	December 9, 2019	Yes	Yes
	Village of Evergreen	No		n/a	n/a
Lafayette	City of Corder	Yes	August 14, 2019	Yes	n/a
	City of Waverly	Yes	August 14, 2019	Yes	n/a
	City of Wellington	Yes	October 15, 2019	No	n/a
	Village of Aullville	No		n/a	n/a
Lawrence	City of Miller	Yes	December 2, 2019	No	No
Lewis	City of Canton	Yes	December 9, 2019	No	No
	City of Ewing	No		n/a	n/a
	City of Lewistown	No		n/a	n/a
	Village of Monticello	No		n/a	n/a
Lincoln	City of Troy	Yes	December 17, 2019	Yes	Yes
Livingston	City of Chula	No		n/a	n/a
	Village of Mooresville	Yes	November 18, 2019	n/a	n/a
Macon	City of Bevier	Yes	December 11, 2019	n/a	n/a
	City of Callao	Yes	December 3, 2019	Yes	n/a
	City of La Plata	Yes	December 20, 2019	No	n/a
Madison	Village of Cobalt City	No		n/a	n/a
Maries	City of Belle	No		Yes	Yes
	City of Vienna	Yes	October 4, 2019	No	n/a
Marion	City of Hannibal	Yes	August 30, 2019	No	Yes
Mercer	City of Mercer	Yes	July 1, 2019	No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Miller	City of Bagnell	No		n/a	n/a
	Village of Brumley	Yes	December 31, 2019	n/a	n/a
Mississippi	City of Bertrand	Yes	September 24, 2019	No	No
	Village of Wilson City	No		n/a	n/a
Moniteau	City of Clarksburg	Yes	July 24, 2019	Yes	n/a
Monroe	City of Madison	Yes	July 16, 2019	No	n/a
Montgomery	City of Middletown	No		No	n/a
	City of Montgomery	Yes	December 17, 2019	Yes	No
	City of New Florence	Yes	December 10, 2019	No	No
Morgan	City of Stover	Yes	August 12, 2019	No	n/a
	Town of Gravois Mills	Yes	October 22, 2019	n/a	n/a
New Madrid	City of Gideon	No		No	No
	City of Howardville	No		No	No
	City of Lilbourn	Yes	December 26, 2019	No	n/a
	City of Parma	Yes	October 8, 2019	No	No
	Village of Catron	Yes	December 27, 2019	Yes	n/a
	Village of North Lilbourn	Yes	July 16, 2019	n/a	n/a
Newton	City of Diamond	Yes	October 25, 2019	Yes	No
	City of Granby	Yes	October 4, 2019	No	No
	Village of Dennis Acres	Yes	July 18, 2019	n/a	n/a
	Village of Saginaw	Yes	December 21, 2019	n/a	n/a
	Village of Stark City	No		n/a	n/a
Nodaway	Village of Stella	No		n/a	n/a
	City of Arkoe	No		n/a	n/a
	City of Barnard	No		No	n/a
	City of Burlington Junction	No		No	n/a
	City of Elmo	Yes	August 12, 2019	No	n/a
Oregon	City of Skidmore	Yes	December 29, 2019	Yes	n/a
	City of Alton	No		No	n/a
	City of Koshkonong	Yes	August 29, 2019	Yes	n/a
	City of Thayer	Yes	December 31, 2019	Yes	Yes
Osage	City of Chamois	Yes	September 10, 2019	n/a	n/a
	City of Meta	Yes	December 10, 2019	n/a	n/a
Ozark	Village of Bakersfield	Yes	October 25, 2019	n/a	n/a
Pemiscot	City of Caruthersville	Yes	December 30, 2019	Yes	Yes
	City of Hayti	Yes	November 15, 2019	No	No
	City of Hayti Heights	Yes	October 2, 2019	No	No
	City of Steele	Yes	December 6, 2019	Yes	Yes
Perry	Town of Cooter	Yes	August 26, 2019	No	No
	City of Altenburg	Yes	July 19, 2019	n/a	n/a
	City of Frohna	Yes	November 14, 2019	n/a	n/a
Pettis	City of Green Ridge	Yes	December 27, 2019	No	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Pettis	City of Smithton	Yes	December 30, 2019	No	n/a
Phelps	City of Doolittle	No		No	n/a
	City of Newburg	Yes	November 11, 2019	Yes	n/a
Pike	City of Clarksville	No		No	n/a
	City of Frankford	Yes	July 5, 2019	No	No
Platte	City of Houston Lake	Yes	December 29, 2019	Yes	n/a
	City of Northmoor	Yes	November 13, 2019	Yes	Yes
	City of Riverside	Yes	November 14, 2019	Yes	Yes
Polk	City of Morrisville	Yes	September 26, 2019	n/a	n/a
	Village of Aldrich	Yes	December 31, 2019	n/a	n/a
	Village of Flemington	Yes	November 25, 2019	n/a	n/a
Pulaski	City of Crocker	Yes	November 11, 2019	No	No
	City of Richland	Yes	December 31, 2019	Yes	Yes
Putnam	Village of Livonia	Yes	December 12, 2019	n/a	n/a
	Village of Lucerne	Yes	August 20, 2019	n/a	n/a
Ralls	City of New London	No		No	n/a
	Village of Rensselaer	No		n/a	n/a
Randolph	City of Clark	No		No	n/a
	City of Clifton Hill	Yes	July 26, 2019	n/a	n/a
	City of Huntsville	Yes	December 12, 2019	No	n/a
	City of Moberly	Yes	December 23, 2019	No	n/a
	Village of Jacksonville	No		n/a	n/a
	Village of Renick	Yes	July 31, 2019	n/a	n/a
Ray	City of Lawson	Yes	December 31, 2019	No	No
	City of Wood Heights	Yes	December 10, 2019	No	n/a
	Village of Elmira	Yes	July 17, 2019	n/a	n/a
Reynolds	City of Bunker	Yes	December 30, 2019	No	n/a
	City of Ellington	Yes	December 30, 2019	No	n/a
Ripley	City of Doniphan	No		No	n/a
Saline	City of Nelson	No		n/a	n/a
	Village of Grand Pass	Yes	November 12, 2019	n/a	n/a
Scotland	City of South Gorin	Yes	November 15, 2019	n/a	n/a
	Village of Granger	No		n/a	n/a
	Village of Rutledge	No		n/a	n/a
Scott	City of Benton	No		No	n/a
	City of Blodgett	No		n/a	n/a
	City of Scott City	Yes	December 31, 2019	Yes	Yes
	City of Sikeston	No		Yes	Yes
	Village of Commerce	No		n/a	n/a
	Village of Diehlstadt	No		n/a	n/a
	Village of Lambert	Yes	August 20, 2019	n/a	n/a
	Village of Vanduser	Yes	December 10, 2019	n/a	n/a

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Shelby	City of Clarence	No		No	No
	City of Shelbina	Yes	December 27, 2019	No	No
	Village of Leonard	Yes	August 25, 2019	n/a	n/a
St. Charles	City of Lake St. Louis	Yes	December 13, 2019	Yes	Yes
St. Clair	City of Lowry City	No		Yes	n/a
	Village of Gerster	No		n/a	n/a
St. Francois	City of Bismarck	Yes	November 6, 2019	No	No
	City of Desloge	No		Yes	Yes
	City of Leadington	No		No	n/a
St. Louis	City of Bella Villa	Yes	December 18, 2019	No	Yes
	City of Bellefontaine Neighbors	Yes	December 31, 2019	No	No
	City of Berkeley	No		No	No
	City of Black Jack	Yes	November 25, 2019	Yes	Yes
	City of Calverton Park	Yes	December 30, 2019	Yes	Yes
	City of Charlack	No		No	Yes
	City of Clarkson Valley	Yes	August 30, 2019	Yes	No
	City of Country Club Hills	Yes	July 16, 2019	No	No
	City of Creve Coeur	Yes	December 18, 2019	Yes	Yes
	City of Edmundson	Yes	December 17, 2019	Yes	Yes
	City of Eureka	Yes	December 20, 2019	Yes	No
	City of Ferguson	Yes	December 24, 2019	No	No
	City of Frontenac	Yes	November 21, 2019	Yes	Yes
	City of Glendale	Yes	November 19, 2019	No	No
	City of Hazelwood	Yes	November 27, 2019	Yes	Yes
	City of Kinloch	Yes	December 1, 2019	No	n/a
	City of Maplewood	Yes	December 20, 2019	Yes	Yes
	City of Oakland	Yes	December 6, 2019	No	No
	City of Olivette	Yes	December 27, 2019	Yes	Yes
	City of Overland	Yes	November 27, 2019	Yes	Yes
	City of Pine Lawn	Yes	December 31, 2019	Yes	No
	City of Richmond Heights	Yes	December 30, 2019	Yes	Yes
	City of University City	Yes	December 31, 2019	Yes	Yes
	City of Valley Park	Yes	December 27, 2019	Yes	Yes
	City of Velda City	No		No	Yes
	City of Vinita Park	Yes	October 25, 2019	Yes	Yes
	City of Warson Woods	Yes	November 22, 2019	No	No
	City of Webster Groves	Yes	December 27, 2019	Yes	Yes
	City of Wellston	Yes	December 31, 2019	No	Yes
	City of Winchester	Yes	December 20, 2019	Yes	No
	City of Woodson Terrace	Yes	October 25, 2019	No	No
	Town of Grantwood Village	Yes	November 18, 2019	Yes	Yes
	Village of Hanley Hills	Yes	December 19, 2019	No	No

Appendix A
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due December 31, 2019

Fiscal Year Ended June 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	Village of Norwood Court	Yes	October 29, 2019	n/a	n/a
St. Louis City	City of St. Louis City	Yes	December 20, 2019	Yes	Yes
Stoddard	City of Bell City	Yes	December 18, 2019	No	n/a
	City of Bernie	No		Yes	Yes
	City of Bloomfield	Yes	December 30, 2019	Yes	Yes
	City of Dexter	No		Yes	Yes
	City of Dudley	Yes	December 27, 2019	n/a	n/a
	City of Essex	No		No	n/a
	City of Puxico	Yes	December 27, 2019	Yes	Yes
Stone	City of Crane	No		No	No
	City of Hurley	Yes	July 16, 2019	n/a	n/a
	Village of Blue Eye	Yes	July 11, 2019	n/a	n/a
	Village of Coney Island	Yes	August 5, 2019	n/a	n/a
	Village of McCord Bend	No		n/a	n/a
Sullivan	City of Milan	Yes	December 10, 2019	No	n/a
Taney	City of Rockaway Beach	No		No	n/a
	Village of Bull Creek	Yes	October 25, 2019	n/a	n/a
Texas	City of Cabool	Yes	December 16, 2019	Yes	Yes
	City of Summersville	Yes	December 21, 2019	No	Yes
Vernon	City of Walker	Yes	September 27, 2019	Yes	n/a
Warren	City of Marthasville	Yes	November 8, 2019	Yes	n/a
	City of Truesdale	Yes	December 23, 2019	Yes	n/a
	City of Warrenton	Yes	July 19, 2019	Yes	Yes
	Village of Innsbrook	Yes	September 25, 2019	No	n/a
Washington	City of Irondale	No		n/a	n/a
	City of Potosi	Yes	December 4, 2019	Yes	Yes
Wayne	City of Greenville	Yes	September 9, 2019	Yes	Yes
	City of Piedmont	Yes	December 17, 2019	Yes	Yes
	City of Williamsville	Yes	August 2, 2019	Yes	Yes
Webster	City of Fordland	Yes	September 4, 2019	No	No
	City of Rogersville	Yes	December 20, 2019	Yes	Yes
	City of Seymour	Yes	December 27, 2019	Yes	Yes
	Village of Diggins	Yes	November 25, 2019	n/a	n/a
Wright	City of Hartville	Yes	July 12, 2019	Yes	Yes
	City of Mountain Grove	Yes	December 30, 2019	Yes	Yes
	City of Norwood	Yes	October 8, 2019	n/a	n/a
Total Filed		245		101	75
Total Partially Filed		3		0	0
Total Not Filed		82		129	49
Total n/a		0		100	206

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix B
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due June 30, 2019
Filed in December 2019

Fiscal Year Ended December 31, 2018

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Carroll	City of Hale	**	January 31, 2019	Yes	n/a
Ray	City of Homestead Village	Yes	December 10, 2019	No	n/a
Wayne	Village of Mill Spring	Yes	December 12, 2019	No	No
Total Filed		2		1	0

** Filed by June 30, 2019.

n/a Entities without a municipal judge are not required to file a certification.

Appendix C
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due September 30, 2019
Filed in December 2019

Fiscal Year Ended March 31, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
Boone	City of Centralia	Yes	December 2, 2019	Yes	n/a
Franklin	Village of Leslie	Yes	December 9, 2019	n/a	n/a
Holt	Village of Corning	Yes	December 16, 2019	n/a	n/a
Total Filed		3		1	0

n/a Entities that do not have a municipal division are not required to file an addendum and entities without a municipal judge are not required to file a certification.

Appendix D
Status of Cities, Towns, and Villages Required to File Annual Financial Reports
Reports Due October 31, 2019
Filed in December 2019

Fiscal Year Ended April 30, 2019

County	Reporting Entity	Filed Annual Financial Report	Date Financial Report Filed	Filed Addendum	Filed Certification
St. Louis	City of Beverly Hills	***	November 27, 2019	Yes	**
Total Filed		0		1	0

** Filed by October 31, 2019.

*** Filed after October 31, 2019, but before December 2019.



Nicole Galloway, CPA

Missouri State Auditor

FOLLOW-UP REPORT ON AUDIT FINDINGS

Plattsburg Special Road District

Report No. 2020-003

January 2020

auditor.mo.gov

Plattsburg Special Road District

Follow-Up Report on Audit Findings

Table of Contents

State Auditor's Letter	2
------------------------	---

Status of Findings*

1.	Misappropriated Monies	3
2.	Oversight and Bond Coverage	3
3.1	Accounting Controls and Procedures - Board review and approval process	4
3.2	Accounting Controls and Procedures - District checks and accounting records	5
3.3	Accounting Controls and Procedures - Recording and depositing	6
4.	Payroll	6
5.	Budgets and Financial Reporting	7

*Includes selected findings



NICOLE GALLOWAY, CPA

Missouri State Auditor

To the Board of Commissioners
Plattsburg Special Road District

We have conducted follow-up work on certain audit report findings contained in Report No. 2019-054, *Plattsburg Special Road District* (rated as Poor), issued in July 2019, pursuant to the Auditor's Follow-Up Team to Effect Recommendations (AFTER) program. The objectives of the AFTER program are to:

1. Identify audit report findings for which follow up is considered necessary, and inform the district about the follow-up review on those findings.
2. Identify and provide status information for each recommendation reviewed. The status of each recommendation reviewed will be one of the following:
 - Implemented: Auditee fully implemented the recommendation, either as described in the report or in a manner that resolved the underlying issue.
 - In Progress: Auditee has specific plans to begin, or has begun, to implement and intends to fully implement the recommendation.
 - Partially Implemented: Auditee implemented the recommendation in part, but is not making efforts to fully implement it.
 - Not Implemented: Auditee has not implemented the recommendation and has no specific plans to implement the recommendation.

As part of the AFTER work conducted, we reviewed documentation provided by district officials and held discussion with district officials to verify the status of implementation for the recommendations. Documentation provided by the district included minutes of meetings, financial records, and other pertinent documents. This report is a summary of the results of this follow-up work, which was completed during December 2019.

Nicole R. Galloway, CPA
State Auditor

Plattsburg Special Road District

Follow-Up Report on Audit Findings

Status of Findings

1. **Misappropriated Monies** The former Secretary/Treasurer, Ava Langner, misappropriated monies totaling at least \$286,615 from the district. The former Secretary/Treasurer made improper payments to her company totaling \$156,739, used district monies to pay personal credit card bills totaling \$125,642, obtained \$1,634 in credit card rewards points related to transactions paid for using district funds, and made other improper payments for personal and company bills totaling at least \$2,600.

In addition, the former Secretary/Treasurer may have created/modified meeting minutes after she was terminated, and she falsified the district's published financial statements for several years to conceal improper disbursements.

Recommendation

The Board of Commissioners continue to work with law enforcement officials regarding criminal prosecution of the improper payments, falsified records, and improper disbursements, and take the necessary actions to obtain restitution. In addition, the Board of Commissioners should ensure financial statements are reviewed for accuracy prior to publication.

Status

Implemented

The Board is continuing to work with law enforcement officials regarding criminal prosecution, and will take the necessary action to obtain restitution. On November 12, 2019, the former Secretary/Treasurer was indicted by a federal grand jury for stealing from the district. The case is ongoing as of December 2019. The Board Treasurer indicated the Board reviewed the financial statement for the year ended December 31, 2018, for accuracy prior to its publication in March 2019.

2. **Oversight and Bond Coverage**

The Board did not establish adequate oversight of the former Secretary/Treasurer or obtain bond coverage for applicable officials and employees as required by state law.

2.1 **Oversight and segregation of duties**

The Board did not establish adequate segregation of duties or supervisory reviews over the various financial accounting functions performed by the former Secretary/Treasurer, and blank checks were frequently signed in advance by check signers with no subsequent review of the checks.

Recommendation

The Board of Commissioners segregate accounting duties to the extent possible and implement appropriate reviews and monitoring procedures. In addition, the Board should not allow any check signers to sign checks in advance.

Status

Partially Implemented



Plattsburg Special Road District
Follow-up Report on Audit Findings
Status of Findings

The district has not adequately segregated accounting duties or implemented appropriate reviews and monitoring over various accounting functions. Accounting duties previously performed by the former Secretary/Treasurer related to making deposits, preparing disbursements, and reconciling bank accounts are now primarily performed by the Board Treasurer. A part-time Secretary processes incoming mail, including receiving receipts and invoices, and an accounting firm processes district payroll and prepares year-end financial statements.

Monthly financial information is presented to the Board by the Board Treasurer and the Board's review is documented in the meeting minutes. However, our review of the November 2019 Board meeting packet showed an adequate independent supervisory review of district accounting records is still not being performed as discussed in section 3.1. The Board Treasurer indicated checks are no longer signed in advance and our review showed most disbursements are now made using online banking.

2.2 Bonding

The district did not have bond coverage for district employees or officials. While the district had some fidelity and crime insurance coverage it was limited to \$5,000 with a \$500 deductible for each specific type of crime listed.

Recommendation

The Board of Commissioners maintain bond coverage for all employees or officials with access to district monies or other assets.

Status

Implemented

The Board increased its fidelity and crime insurance coverage to \$50,000 per type of crime (fidelity, forgery or alteration, on premises, in transit, and computer fraud). The Board Treasurer indicated the Board chose to increase this coverage, rather than bonding each board member or individual employee.

3.1 Accounting Controls and Procedures - Board review and approval process

The former Secretary/Treasurer did not provide bank statements, a list of bills, or financial statements to the Board for review at monthly meetings. The Board and the former Secretary/Treasurer failed to monitor the district's cash balances, and as a result, the district's checking account incurred overdraft fees. In addition, Board members did not review invoices, and no one generally marked invoices paid or otherwise canceled once payment occurred or acknowledged receipt of goods or services on them. Board members also indicated the former Secretary/Treasurer did not prepare meeting minutes for their review and approval.

Recommendation

The Board of Commissioners review bank statements and reconciliations monthly, properly monitor bank account balances to avoid bank fees, and ensure any differences are promptly investigated and resolved. The Board should also ensure a monthly list of bills is prepared and compared to invoices



Plattsburg Special Road District
Follow-up Report on Audit Findings
Status of Findings

and checks written. In addition, the Board should ensure invoices are adequately reviewed and marked paid and require documentation of receipt of goods and/or services prior to payment of invoices.

Status

Partially Implemented

Our review of the November 2019 accounting and bank records showed the Board Treasurer actively monitored bank account balances by reconciling the bank account to accounting records after each district online banking transaction and the district incurred no bank fees.

Board packets presented to the Board for the November 2019 meeting included the previous month's meeting minutes and monthly financial information. However, the bank balances reported did not agree to the related accounting records provided to the Board. In addition, the check listing did not include all details, such as date issued, and invoices were not provided for comparison to the disbursements. The Board Treasurer indicated he and the Secretary review invoices prior to payment. However, he also stated that invoices, while available for review, are not typically reviewed by the Board members when the Board approves disbursements at meetings. Our review of November 2019 invoices showed that invoices were stamped as received by the Secretary. The Board Treasurer indicated payment stubs are filed with each invoice. This filing process serves as marking the invoices as paid. The receipt of goods and/or services was not always documented for invoices reviewed during November 2019.

3.2 Accounting Controls
and Procedures -
District checks and
accounting records

The former Secretary/Treasurer did not issue checks in numerical sequence, properly account for the numerical sequence of checks, or retain voided checks. In addition, accounting records maintained by the former Secretary/Treasurer were not accurate.

Recommendation

The Board of Commissioners perform adequate reviews of accounting records and checks written before approving disbursements.

Status

In Progress

Our review of November 2019 financial records showed district checks were issued in numerical sequence, no checks were voided, and all receipts and disbursements appear to be recorded in the accounting records. The meeting minutes also documented the Board's review and approval of the accounting records presented. However, as discussed in section 3.1, the financial records presented to the Board showed discrepancies.



Plattsburg Special Road District
Follow-up Report on Audit Findings
Status of Findings

3.3 Accounting Controls
and Procedures -
Recording and
depositing

The former Secretary/Treasurer did not always record or deposit receipts timely.

Recommendation

The Board of Commissioners ensure receipts are recorded and deposited timely and intact.

Status

In Progress

The district receives monies by check (all received by mail) or direct deposit. The Secretary makes a copy of checks received and date stamps the copy. Receipts received in November 2019 were deposited timely and intact; however, the Board Treasurer does not record the date payments are received in the accounting records. As a result, we could not determine if receipts were recorded timely. The Board Treasurer indicated he intends to add the date of each transaction to the accounting records.

4. Payroll

The Board approved year-end bonuses to the former Secretary/Treasurer and employees contrary to state law and the former Secretary/Treasurer did not timely file and remit payroll taxes.

4.1 Bonuses

The Board approved year-end bonus payments to the former Secretary/Treasurer and district employees contrary to state law.

Recommendation

The Board of Commissioners discontinue the practice of paying bonuses.

Status

Implemented

The Board indicated employees will not receive year-end bonuses in 2019.

4.2 Payroll taxes

The former Secretary/Treasurer did not timely remit federal payroll taxes resulting in interest and penalties for the district.

Recommendation

The Board of Commissioners establish procedures to ensure payroll taxes are remitted timely.

Status

Implemented

The Board remitted the outstanding payroll taxes and associated interest and penalties to the Internal Revenue Service in December 2018. Payroll taxes are currently processed by an accounting firm and reviewed by the Board each month. Accounting records for the period January 2019 through November 2019 showed that federal taxes are being filed and remitted monthly.



Plattsburg Special Road District
Follow-up Report on Audit Findings
Status of Findings

5. Budgets and Financial Reporting

The district did not comply with state law relating to budget preparation and submitting financial statements.

5.1 Budgets

Neither the Board nor the former Secretary/Treasurer prepared budgets for the 8 years ended December 31, 2018, as required by state law.

Recommendation

The Board of Commissioners prepare budgets that contain all information required by state law.

Status

In Progress

The Board prepared a 2019 budget document that showed detailed budgeted revenues and disbursements. However, the budget document did not contain a budget message, actual and estimated cash balances, and actual receipts and disbursements for the 2 preceding years. The Board Treasurer indicated district officials will work with the accounting firm in January to prepare a complete budget for 2020.

5.2 Financial reporting

Neither the Board nor the former Secretary/Treasurer submitted a financial report to the State Auditor's Office as required by state law for the years ended December 31, 2012, 2013, 2014, 2015, and 2016, and the report submitted for the year ended December 31, 2017, was not filed until November 7, 2018, more than 4 months late.

Recommendation

The Board of Commissioners submit annual financial reports to the State Auditor's Office as required by state law.

Status

Implemented

The district timely submitted a financial report to the State Auditor's Office for the year ended December 31, 2018, on June 13, 2019.



NICOLE GALLOWAY, CPA
Missouri State Auditor

Honorable Michael L. Parson, Governor
and
Members of the General Assembly
and
Anne L. Precythe, Director
Department of Corrections
Jefferson City, Missouri

To address our responsibilities of Section 217.595.6, RSMo, we have audited the revenues and the expenditures of the Working Capital Revolving Fund, as part of our audit of the state's Comprehensive Annual Financial Report (CAFR), as of and for the year ended June 30, 2019, and have issued our report (Report No. 2020-001), dated January 9, 2020. The state's CAFR is comprised of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information (including the Working Capital Revolving Fund) of the state of Missouri, and the related notes to the financial statements.

Our report expressed qualified audit opinions on the governmental activities and the General Fund opinion units and unmodified opinions on the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information (including the Working Capital Revolving Fund) opinion units of the state of Missouri, as of June 30, 2019.

No findings resulted from our audit procedures related to the Working Capital Revolving Fund.

A handwritten signature in black ink that reads "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

January 2020
Report No. 2020-002

The background of the entire page is a photograph of the Missouri State Capitol dome at night. The dome is illuminated with a warm, golden light. Numerous fireworks are exploding in the dark sky around the dome, with colors including red, white, green, and purple. The fireworks are in various stages of explosion, creating a dynamic and celebratory atmosphere.

MISSOURI

2019

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

STATE OF MISSOURI
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

Fiscal Year Ended June 30, 2019



Michael L. Parson
Governor

SARAH H. STEELMAN
Commissioner
Office of Administration

STACY NEAL
Director
Division of Accounting

Prepared by
Office of Administration, Division of Accounting

On the Cover:

Missouri State Capitol, Mayor Carrie Tergin, Photographer

This report can be viewed on the Internet at <http://oa.mo.gov/accounting/reports>

STATE OF MISSOURI
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	I
Organizational Chart	VI
Principal State Officials	VII
<u>FINANCIAL SECTION</u>	
Auditor's Opinion	i
Management's Discussion and Analysis	1
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds	
Balance Sheet	18
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances in Governmental Funds to the Statement of Activities	21
Proprietary Funds	
Statement of Net Position	23
Statement of Revenues, Expenses, and Changes in Fund Net Position	24
Statement of Cash Flows	25
Fiduciary Funds	
Statement of Fiduciary Net Position	27
Statement of Changes in Fiduciary Net Position	28
Component Units	
Statement of Net Position	30
Statement of Revenues, Expenses, and Changes in Net Position/Statements of Activities	31
Notes to the Financial Statements	34
Required Supplementary Information	
Budgetary Comparison Schedule General Fund, Major Special Revenue Funds	140
Notes to Required Supplementary Information Budgetary Reporting	142
Schedule of Changes in Net Pension Liability and Related Ratios	143
Schedule of Proportionate Share of the Net Pension Liability	146
Schedule of State Contributions	147
Schedule of Changes in Total OPEB Liability and Related Ratios	148

Schedule of Changes in Net OPEB Liability and Related Ratios	149
Schedule of Proportionate Share of the Collective Net OPEB Liability	150
Supplementary Information	
Budgetary Comparison Schedule Major Capital Projects Fund	152
Combining Fund Statement - General Fund	
Balance Sheet	154
Statement of Revenues, Expenditures, and Changes in Fund Balance	155
Combining and Individual Fund Statements - Non-major Funds	
Governmental Funds	
Combining Balance Sheet Non-Major Governmental Funds - by Fund Type	156
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Non-Major Governmental Funds - by Fund Type	157
Special Revenue Funds	
Combining Balance Sheet	160
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	161
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non- GAAP Budgetary Basis) and Actual	162
Debt Service Funds	
Combining Balance Sheet	168
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	169
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non- GAAP Budgetary Basis) and Actual	170
Capital Projects Funds	
Combining Balance Sheet	175
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	176
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non- GAAP Budgetary Basis) and Actual	177
Permanent Funds	
Combining Balance Sheet	181
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	182
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non- GAAP Budgetary Basis) and Actual	183
Proprietary Funds	
Enterprise Funds	
Combining Statement of Net Position	188
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	190
Combining Statement of Cash Flows	192
Internal Service Funds	
Combining Statement of Net Position	196

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	198
Combining Statement of Cash Flows	200

Fiduciary Funds

Pension (and Other Employee Benefit) Trust Funds	
Combining Statement of Fiduciary Net Position	204
Combining Statement of Changes in Fiduciary Net Position	205
Private-Purpose Trust Funds	
Combining Statement of Fiduciary Net Position	206
Combining Statement of Changes in Fiduciary Net Position	207
Agency Funds	
Combining Balance Sheet	208
Combining Statement of Changes in Assets and Liabilities	209

Component Units

Combining Statement of Net Position	212
Combining Statement of Revenues, Expenses, and Changes in Net Position	213
Combining Statement of Cash Flows	214

STATISTICAL SECTION

Financial Trends

Net Position by Component	217
Changes in Net Position	218
Fund Balances - Governmental Funds	220
Changes in Fund Balances - Governmental Funds	221

Revenue Capacity

Revenue Base - Taxable Sales by Industry	223
Revenue Base - Personal Income by Industry	224
Personal Income Tax Revenue	225
Personal Income Tax Rates	226
Revenue Payers by Industry	227
Personal Income Tax Filers/Liability	228

Debt Capacity

Ratios of Outstanding Debt	229
Pledged Revenue Coverage	231

Demographic and Economic Information

Demographic Indicators	232
Economic Indicators	233
Principal Employers	234

Operating Information

State Employees by Function 235

Operating Indicators by Function 236

Capital Asset Statistics by Function 238

Acknowledgements 240



*The **Introductory Section** includes material to familiarize the reader with the organizational structure of the State, the nature and scope of services the State provides, and a summary of the financial activities of the State and the factors that influence these activities.*

Michael L. Parson
Governor



Sarah Steelman
Commissioner

State of Missouri
OFFICE OF ADMINISTRATION
Division of Accounting
570 Truman Building, 301 West High Street
Post Office Box 809
Jefferson City, Missouri 65102
573 751-2971
INTERNET: <http://www.oa.mo.gov/acct>
E-MAIL: acctmail@oa.mo.gov

Stacy Neal
Director

January 9, 2020

The Honorable Michael L. Parson
The Honorable Members of the Legislature
Citizens of the State of Missouri

In accordance with generally accepted accounting principles, I submit to you the Comprehensive Annual Financial Report (CAFR) of the State of Missouri for the fiscal year ended June 30, 2019. This report was prepared by the Office of Administration, Division of Accounting, whose management is responsible for its contents.

The report is prepared to show the financial position and operating results of the State. The State's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit. We believe the data presented is accurate in all material respects and that all disclosures necessary to enable the reader to gain a reasonable understanding of the State's financial activities have been included.

An annual audit of the basic financial statements is completed each year by the State Auditor's Office. The State Auditor conducts the audit in accordance with generally accepted government auditing standards, and her opinion has been included in this report. The State Auditor conducts a "Single Audit" of all federal funds in accordance with the Federal Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform guidance).

A narrative introduction, overview, and analysis of the basic financial statements is presented in the *Management's Discussion and Analysis (MD&A)* section of this report. This letter of transmittal is intended to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

Missouri was organized as a territory in 1812 and was the second state (after Louisiana) of the Louisiana Purchase to be admitted to the Union. Statehood was granted on August 10, 1821, making Missouri the 24th state. The State encompasses 68,945 square miles.

The State operates under three branches of government: executive, legislative, and judicial. The executive branch consists of the Governor, Lieutenant Governor, Secretary of State, State Auditor, State Treasurer, and Attorney General. The legislative branch consists of 34 members of the Senate and 163 members of the House of Representatives. The judicial branch is a three-tier court system: the Supreme Court, the State's highest court, has statewide jurisdiction; a court of appeals that consists of districts established by the General Assembly; and a system of circuit courts that has original jurisdiction over all cases and matters, civil and criminal.

The State provides a range of services in the areas of agriculture, education, health and social services, transportation systems, public safety, judicial systems, economic development, conservation and natural resources, labor relations, and general administration.

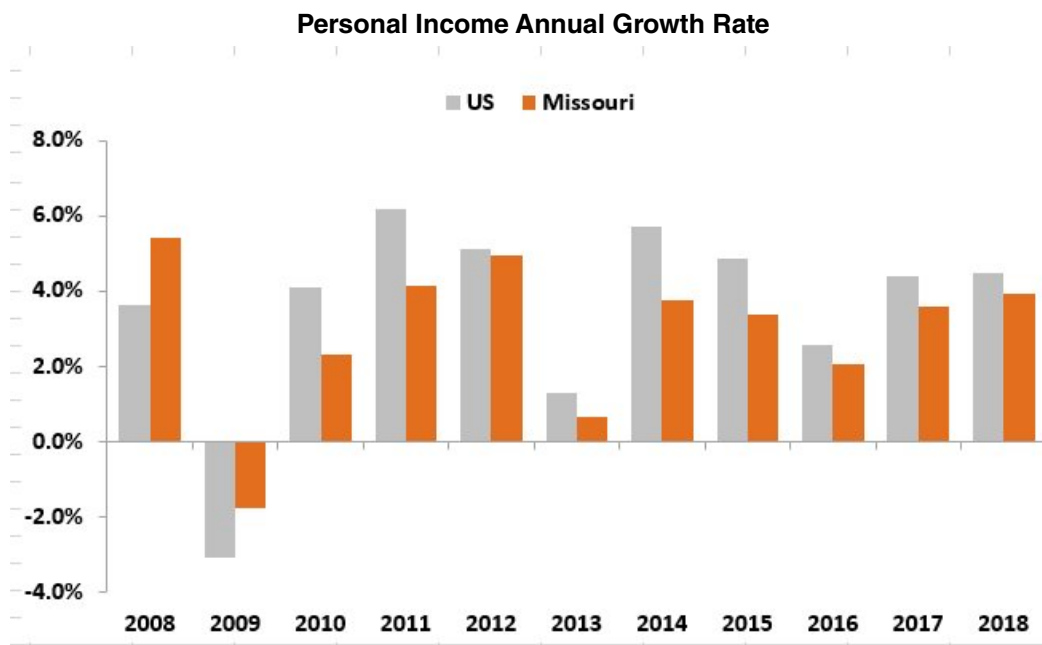
The State operates on a legally adopted budget in order to ensure compliance with legal provisions embodied in the annual appropriated budget passed by the General Assembly and approved by the Governor prior to the beginning of the fiscal year. If appropriations are not sufficient for a fiscal year, supplemental amounts are requested during the next legislative session by the same process that original appropriations are requested. Budgets are established at the program level. Expenditures cannot exceed the individual appropriation amount. The Governor has the authority to reduce the allotments of appropriations in any fund if it appears that the revenue estimate will not be met. Article IV, Section 27 of the Missouri Constitution, amended in 2014, requires the Governor to notify the General Assembly if the Governor reduces allotments when it appears revenues will be less than estimated. This Section then gives the General Assembly the authority to overturn any of the Governor's restrictions with a two-thirds vote, similar to the procedure to overturn a veto. Unexpended appropriations lapse at the end of each fiscal year, unless reappropriated to the following budget fiscal year.

The financial reporting entity of the State includes all of the funds of the primary government as well as component units for which the State is financially accountable. The transmittal letter, MD&A, and the financial statements focus on the primary government and its activities. Although information pertaining to the component units is provided, their separately issued financial statements should be read to obtain a complete overview of their financial position.

ECONOMIC CONDITION AND OUTLOOK

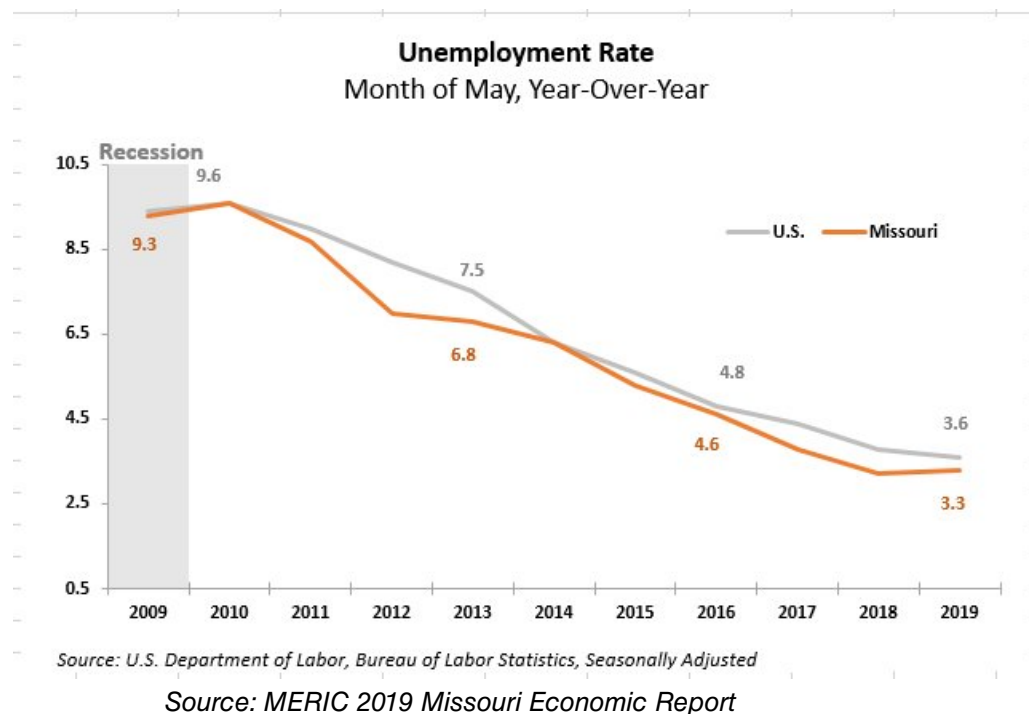
State Economy

Missouri's economy saw its seventh consecutive year of Annual Real GDP growth in 2018. Missouri's GDP was \$282.2 billion in inflation-adjusted dollars; this is a 2.3% increase over 2017. Missouri's per capita personal income was \$46,635 in 2018, an increase of 3.6% from 2017. The national per capita income is \$53,712. While the State's per capita income is lower than the national average, so is the cost of living. In 2018, Missouri ranked 4th lowest in cost of living for states.



Source: MERIC 2019 Missouri Economic Report

In May 2019, Missouri's unemployment rate was 3.3%, while the nation's unemployment rate was 3.6%. May 2019 makes 27 consecutive months of unemployment rates below 4%. Between May 2018 and May 2019 Missouri added 31,000 jobs.



Long-Term Financial Planning

During the 2014 legislative session, the legislature passed Senate Bill 509 and Senate Bill 496, relating to changes to the State's income tax structure. The legislation reduced the maximum tax rate on personal income and created an income tax deduction for business income. The implementation of the tax cut is gradual with a 0.10% decline each calendar year and will go into effect following fiscal years where net general revenue collections grow at least \$150 million. Estimates indicate that the bills will cost at least \$620 million annually once fully in effect, which will occur in fiscal year 2024 at the earliest, due to a phased implementation. General revenue growth for fiscal year 2017 and 2018 triggered the first two income tax reductions in tax year 2018 and 2019. The estimated income tax revenue reduction for fiscal year 2019 is \$240 million. Net General revenue growth did not trigger the third income tax reduction for tax year 2020.

The General Assembly passed several tax-related bills during the 2019 legislative session. The combined impact to general revenue during fiscal year 2020 is estimated as a loss of \$9.4 million to \$59.6 million. Once fully implemented, the legislation could impact general revenue by an estimated loss of \$57.3 million to an estimated gain of \$4.3 million.

There were no new bond issuances during fiscal year 2019. In fiscal year 2020, the Third Lien State Road Bonds, Series B 2019 in the amount of \$178,370,000 were issued by the Missouri Highways and Transportation Commission. Senate Concurrent Resolution 14 authorized \$301 million Missouri Highways and Transportation Commission bonds to renovate bridges and other important transportation infrastructure. The Department of Transportation leveraged this spending authority to qualify for the U.S. Infrastructure for Rebuilding America grant to provide \$81.2 million in federal funding for Missouri transportation projects. This is the first time that general revenue funds are being used to pay a Missouri Highways and Transportation Commission bond.

Relevant Financial Policies

Article X, Sections 16-24 of the Constitution of Missouri (the “Tax Limitation Amendment”), imposes a limit on the amount of taxes that may be imposed by the General Assembly in any fiscal year. This limit is tied to total state revenues for fiscal year 1981, as defined in the Tax Limitation Amendment and adjusted annually based on a formula, which is tied to increases in the personal income of Missouri for certain designated periods. If the revenue limit is exceeded by one percent or more in any fiscal year, the excess revenue will be refunded based on the liability reported on state income tax returns. If the excess revenue collected is less than one percent of the revenue limit, the excess revenue shall be transferred to the General Revenue Fund.

The revenue limit can be exceeded by a constitutional amendment duly adopted by the people or, if the General Assembly approves by a two-thirds vote, an emergency declaration by the Governor. Strong economic growth resulted in revenues above the total state revenue limit in fiscal years 1995-1999. The State has refunded to income taxpayers \$979 million in excess revenue for these fiscal years. The revenue limit was not exceeded in fiscal years 2000 through 2019, inclusive. The State is currently \$3.79 billion below the limit and does not expect the limit to be exceeded in fiscal year 2020.

Major Initiatives

Missouri will continue to focus on streamlining government functions and investing in its citizens. Major initiatives include a focus on tax reform, economic growth, government reorganization, and the well-being of Missouri citizens.

2019 Tax Legislation

- **Individual Income Tax** - The General Assembly passed Senate Bill (SB) 87 which contained individual income tax-related components. SB 87 would disallow interest for one month and penalties through December 2019 for individuals who paid their income tax liabilities (due in April 2019) late. In addition, the bill created the Taxpayer Protection Act which requires paid tax preparers to provide their tax identification number and signature on tax returns. SB 87 is estimated to reduce fiscal year 2020 general revenues by \$9.3 million. Once fully implemented, SB 87 could increase general revenue by an estimated \$1.4 million.
- **Sales Tax** - The General Assembly passed three sales tax related bills - House Bill (HB) 220, SB 87, and SB 368. HB 220 would allow telecommunications businesses to separate product bundles into taxable and non-taxable components. Currently the full telecommunications bundle is taxable, even if it contains non-taxable items and services. This may have an unknown negative impact on general revenue. SB 87 would extend sales tax refunds from three years to ten years from the date of overpayment. SB 368 would grant a tax exemption to leases from port authorities to private entities.
- **Corporate Income Tax** - The General Assembly passed two corporate income tax-related bills - SB 87 and SB 174. SB 87 would decouple business interest expensing from the federal Tax Cuts and Jobs Act. This provision is estimated to have cash flow impacts to general revenue as businesses accelerate interest expensing into the year the interest expenses occurred, and adding back the federally allowed deduction in later years. SB 174 exempts Federal Reserve interest received by financial institutions from corporate income taxes. SB 174 is expected to reduce corporate income tax collections by \$30,000 to \$70,000 once fully implemented.
- **Tax Credits** - The General Assembly passed three tax credit-related bills - SB 68, SB 174, and SB 180. SB 68 expands both the business facility tax credit and the Missouri Works tax credit programs. These expansions are estimated to reduce general revenue by \$54.4 million, once fully implemented. SB 174 eliminates one of the bank franchise tax credits, now that the bank franchise tax has been phased out. This provision is estimated to increase general revenue by \$2.7 to \$4.3 million annually. SB 180 would expand the Missouri Works tax credit program to include military projects. This provision is estimated to decrease general revenue by an estimated \$5.5 million annually.

Fast-Track Grant Program and Qualified Manufacturing Incentives - The General Assembly passed a comprehensive economic development strategy for growth across Missouri (SB 68). SB 68 provides state government with new tools to promote economic success. The Fast-Track Workforce Incentive Grant program offers qualified individuals, at least 25 years of age, forgivable loans to pay for education in fields with current occupational shortages. Additionally, the bill creates a new incentive program for automotive manufacturing plants that invest at least \$500 million in retooling manufacturing facilities.

Missouri One Start Workforce Development Initiatives - The General Assembly passed a comprehensive economic development strategy for growth across Missouri - SB 68 and SB 180. SB 68 creates a new Closing Fund to help the state encourage businesses to locate in Missouri while also modifying the Missouri One Start new and retained jobs initiatives to encourage current Missouri businesses to remain in Missouri. Senate Bill 180 modifies the One Start program to assist in funding the retention or expansion of U.S. Department of Defense installations within Missouri

Executive Department Reorganization - Executive Orders 19-01, 19-02, and 19-03 reorganized the Departments of Higher Education; Economic Development; Natural Resources; and Insurance, Financial Institutions and Professional Registration to promote efficiency across state government by allowing each agency to focus on its primary mission. These structural changes promote state government economic and workforce development initiatives. Additionally, HB 612 transferred the State Arts Council to the Lieutenant Governor's Office to allow the Department of Economic Development to focus on business retention, expansion, and recruitment while supporting the Arts Council's mission of promoting fine and performing arts across the state.

ACKNOWLEDGEMENTS

While the Office of Administration, Division of Accounting, is responsible for the contents of this report, no one division could do it alone. Many people were involved in the compilation of materials necessary to complete the report.

We want to issue a special thanks to all the personnel at the State agencies who provided us with information quickly and accurately so that we could issue the CAFR in a timely manner. We also owe thanks to the professionalism and dedication demonstrated by technical and management personnel within the State Auditor's Office, the State Treasurer's Office, Office of Administration, Information Technology Services Division, and the State Printing Center. We appreciate all their efforts.

Sincerely,

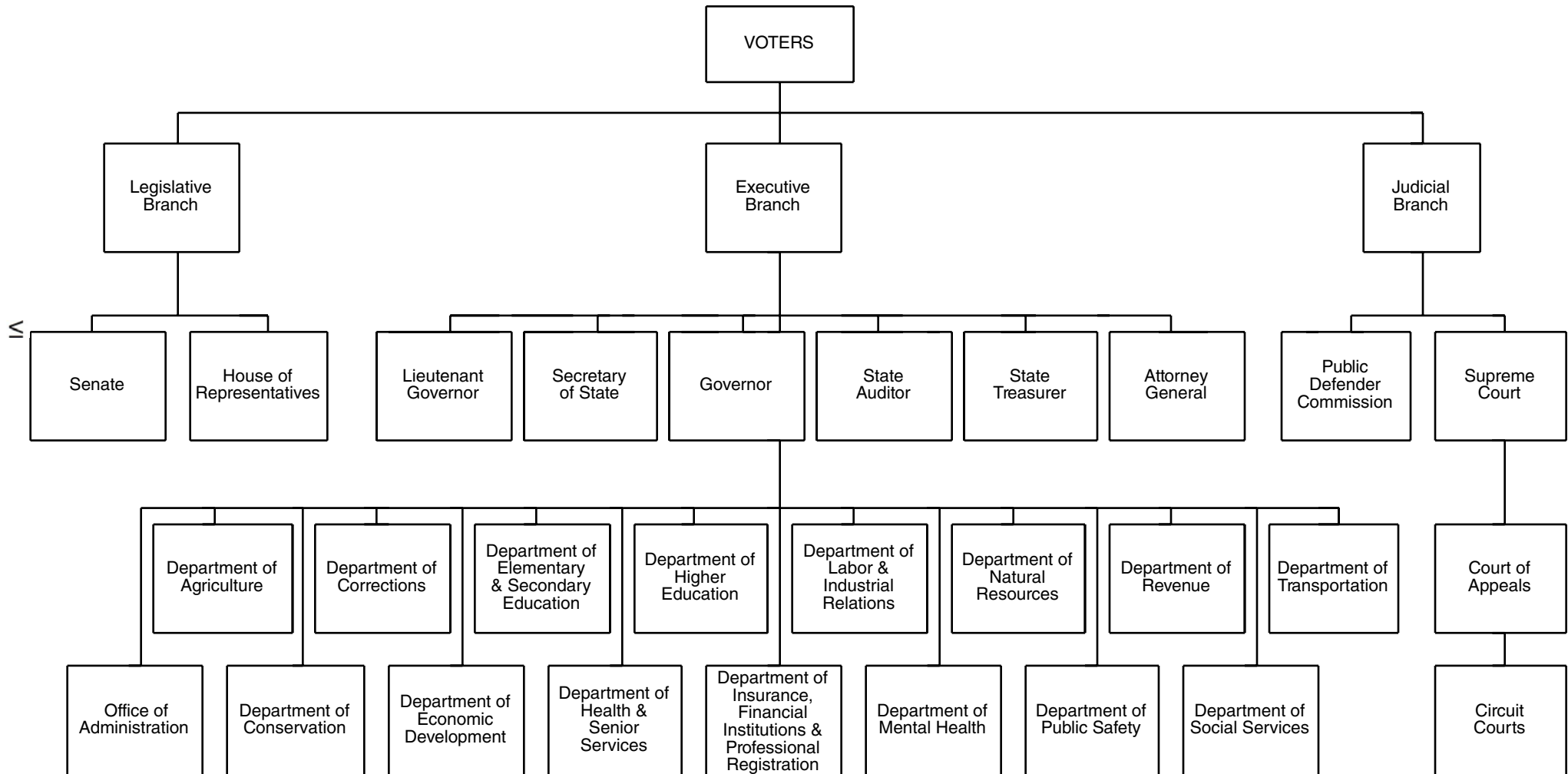
A handwritten signature in black ink that reads "Stacy Neal". The signature is written in a cursive, flowing style.

Stacy Neal, CPA
Director

STATE OF MISSOURI

ORGANIZATIONAL CHART

June 30, 2019



**STATE OF MISSOURI
PRINCIPAL STATE OFFICIALS
as of June 30, 2019**

EXECUTIVE

Michael L. Parson
Governor

Mike Kehoe
Lieutenant Governor

John R. Ashcroft
Secretary of State

Nicole Galloway, CPA
State Auditor

Scott Fitzpatrick
State Treasurer

Eric Schmitt
Attorney General

LEGISLATIVE

Dave Schatz
President Pro Tem of the Senate

Elijah Haahr
Speaker of the House of Representatives

JUDICIAL

George W. Draper III
Chief Justice of the Supreme Court



*The **Financial Section** includes the Independent Auditor's Report, Management's Discussion and Analysis, Basic Financial Statements, Required Supplementary Information, and Supplementary Information.*



NICOLE GALLOWAY, CPA

Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT

Honorable Michael L. Parson, Governor
and
Members of the General Assembly

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the state of Missouri, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the state's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of certain entities. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those entities, are based solely on the reports of the other auditors. Those entities were:

1. The Missouri Road Fund, a major fund; the Missouri Road Bond Fund; the Transportation Self-Insurance Plan; the Missouri State Employees' Insurance Plan; the Missouri Consolidated Health Care Plan; and the Missouri Department of Transportation and Missouri State Highway Patrol Medical and Life Insurance Plan which represent 76 percent of the assets and 11 percent of the revenues of the governmental activities.
2. The State Lottery and the Petroleum Storage Tank Insurance Fund which are both major funds and represent 11 percent of the assets and 74 percent of the revenues of the business-type activities.

3. The aggregate discretely presented component units.
4. The pension (and other employee benefit) trust funds and the Missouri Department of Transportation agency funds which represent 93 percent of the assets and 97 percent of the additions of the fiduciary funds.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Missouri State Employees' Insurance Plan and the Missouri Consolidated Health Care Plan, internal service funds; the Missouri Development Finance Board, the Missouri Agricultural and Small Business Development Authority, and the State Environmental Improvement Energy Resources Authority, discretely presented component units; and the pension (and other employee benefit) trust funds were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions on the governmental activities and the General Fund opinion units and our unmodified opinions on all remaining opinion units.

Basis for Qualified Opinions on the Governmental Activities and the General Fund

We were not allowed access to tax returns and related source documents for income taxes. Access was denied based on the Department of Revenue's interpretation of the decision rendered by the Missouri Supreme Court in the case of *Director of Revenue v. State Auditor* 511 S.W.2d 779 (Mo. 1974). Approximately 29 percent of governmental activity revenues and 34 percent of General Fund revenues are from this source. We were unable to satisfy ourselves by appropriate audit procedures as to the income tax revenue beyond the amounts recorded.

Qualified Opinions

In our opinion, based on our audit and the reports of other auditors, and except for the possible effects of the matter described in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of the state of Missouri, as of June 30, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund excluding the General Fund, and the aggregate remaining fund information of the state of Missouri, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the 2018 financial statements have been restated to correct misstatements. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Budgetary Comparison Schedule-General Fund, Major Special Revenue Funds; the Schedule of Changes in Net Pension Liability and Related Ratios; the Schedule of Proportionate Share of the Net Pension Liability; the Schedule of State Contributions; the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of Changes in Net OPEB Liability and Related Ratios; and the Schedule of Proportionate Share of the Collective Net OPEB Liability, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the state of Missouri's basic financial statements. The supplementary information, as listed in the table of contents, and the other information, which consists of the introductory and statistical sections, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

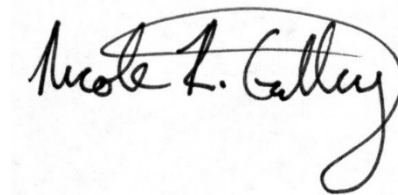
The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States

of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, and except for the possible effects on the supplementary information of the matter discussed in the "Basis for Qualified Opinions on the Governmental Activities and the General Fund" paragraph, the supplementary information, as listed in the table of contents, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The information in the introductory and statistical sections has not been subjected to the audit procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, our report dated January 9, 2020, on our consideration of the state of Missouri's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters will be issued under separate cover in the Report on Internal Control, Compliance, and Other Matters. The purpose of our report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the state of Missouri's internal control over financial reporting or on compliance. Our report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the state of Missouri's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Nicole R. Galloway". The signature is written in a cursive style with a large, looping "G" at the end.

Nicole R. Galloway, CPA
State Auditor

January 9, 2020



The Management's Discussion and Analysis provides a narrative overview and analysis of the financial activities of the State.

Management's Discussion and Analysis

The following is a discussion and analysis of the State of Missouri's financial activities for the fiscal year ended June 30, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-Wide:

- *Net Position.* Assets and deferred outflows of the State of Missouri exceeded liabilities and deferred inflows at the close of fiscal year 2019 by \$28.1 billion. Of the \$28.1 billion, “unrestricted net position” is reported as a negative \$7.3 billion, offset by \$4.4 billion in “restricted net position,” and \$31.0 billion net investment in capital assets.
- *Changes in Net Position.* The State's total net position increased by \$502.4 million in fiscal year 2019. Net position for governmental-type activities increased by \$404.6 million.
- *Excess of Revenues over (under) Expenses.* During fiscal year 2019, the State's total revenues of \$28.2 billion were \$502.3 million greater than total expenses of \$27.7 billion (excluding capital contributions, transfers, and extraordinary items). Of these expenses, \$15.5 billion were covered by program revenues. General revenues, generated primarily from various taxes, totaled \$12.7 billion.

Fund-Level:

- *Governmental Funds – Fund Balance.* At the close of fiscal year 2019, the State's governmental fund assets exceeded liabilities by \$5.8 billion, an increase of \$310.4 million or 5.7% from the prior year. The increase was due to the net effect of several factors. Revenues increased \$245.0 million, primarily from an increase in taxes of \$314.6 million. Additionally, revenues from Contributions and Intergovernmental decreased \$125.3 million and related expenditures in Human Services increased \$53.9 million due to an increase for Medicaid and Other Assistance Programs.
- *General Fund – Fund Balance.* At the end of the current fiscal year, the State's General Fund reported a balance of \$2.1 billion.

Additional information regarding individual funds begins on Page 8.

Debt Issued and Outstanding:

- The primary government's total long-term obligations related to bonds payable decreased \$321.9 million, or 11.1%, over the prior year. The outstanding bonds payable represents 25.3% of financial assets (cash, receivables, and investments) and 5.9% of total assets. The Missouri Department of Transportation issued refunding bond Series A 2019 in the amount of \$102,705,000, which refunded \$68,605,000 of bond Series A 2008 and \$42,695,000 of bond Series A 2009. Additionally, bond payments of \$313,265,000 were made during the fiscal year. The State has financed purchases through direct borrowing with banks in the amount of \$31.5 million. Additional detail is available in *Note 12*.

Revenue Limit:

- The State Constitution limits the State's ability to retain revenue collected over an amount set by a constitutional amendment known as Article X. Excess revenue of 1.0% or more must be refunded to the taxpayers each year. During fiscal year 2019, the State did not exceed the revenue limit.

OVERVIEW OF THE FINANCIAL STATEMENTS

The State's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements:

The government-wide financial statements are designed to provide readers with a broad overview of the State's finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the State's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as *net position*. Increases or decreases in net position may serve as a useful indicator of the State's financial position.

The *Statement of Activities* presents information showing how the State's net position changed during the most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of when the cash is received. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements report three activities:

Governmental Activities are primarily supported by taxes and intergovernmental revenues. They include general government, education, natural and economic resources, transportation and law enforcement, and human services.

Business-Type Activities are intended to recover all or a significant portion of their costs through user fees and charges. They include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, publishing maps and documents, and insurance coverage. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds.

Discretely Presented Component Units are operations for which the State has financial accountability, but are legally separate. They include the college and universities, Missouri Development Finance Board, Missouri Agricultural and Small Business Development Authority, Missouri Transportation Finance Corporation, Missouri Wine and Grape Board, and the State Environmental Improvement Energy Resources Authority.

Fund Financial Statements:

The fund financial statements present more detailed information about the government's operations than the government-wide statements. The State uses fund accounting to ensure and demonstrate compliance with statutory requirements. The funds of the State can be divided into three categories: governmental, proprietary, and fiduciary.

Governmental funds. Governmental funds are used to account for most of the basic services provided by the State. Unlike the government-wide financial statements, governmental fund financial statements focus on short-term inflows and outflows of current financial resources and utilize the modified accrual basis of accounting. This presentation focuses on when cash will be received and disbursed making the statements useful in evaluating a government's financing requirements in the near future.

Governmental funds include the general, special revenue, capital projects, debt service, and permanent funds. Major funds include general, public education, conservation and environmental protection, and the Missouri Road Fund which are presented in separate columns. Data from other governmental funds are combined into a single column for aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in supplementary information.

A user can compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. A reconciliation to facilitate this comparison is provided on the page immediately following each governmental fund financial statement.

Proprietary funds. Proprietary funds are used to account for activities similar to private businesses in which goods and services are sold for specified fees. Generally, the State uses enterprise funds to account for activities that provide goods and services to the general public. These include constructing or operating state park facilities, fairgrounds, historical properties and office buildings, hospital services, warehousing, merchandising, and publishing maps and documents. Also included are the operations of the State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance funds. Internal service funds report activities that provide supplies and services for the State's other programs and activities. The State uses internal service funds to account for insurance and health care plans, as well as administrative services for other state agencies, such as fleet management, data processing, and telecommunication services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds focus on economic resources and utilize the full accrual basis of accounting. The proprietary fund financial statements provide separate information for the State Lottery, Unemployment Compensation, and Petroleum Storage Tank Insurance, which are considered major enterprise funds. Non-major enterprise funds are also combined into a single column for aggregated presentation. All internal service funds are combined into a single column in the proprietary fund financial statements. Individual fund data for the non-major enterprise and internal service funds is provided in the form of combining statements in supplementary information.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside State government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the State's own programs. The fiduciary funds are presented using the full accrual basis of accounting.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information (RSI) including a budgetary comparison schedule for the General Fund and major special revenue funds and schedules for pension and other postemployment benefits. Other supplementary information includes the combining statements for the general, non-major governmental, non-major enterprise, internal service, fiduciary, and non-major component unit funds. It also includes the statistical section as well as budgetary comparison schedules and statements for the Missouri Road Fund, non-major special revenue, debt service, capital projects, and permanent funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position:

The State's total net position increased \$502.4 million or 1.8% during fiscal year 2019. Cash and cash equivalents and investments increased \$326.3 million due to an increase in revenues. Accounts receivable increased \$188.3 million due to the conversion to a new tax system and the timing of grants receivables. Capital assets increased \$228.1 million mainly due to an increase in the State's infrastructure in progress. Bonds payable and the related unamortized bond premium liability decreased by \$351.0 million, due to bond payments of \$313.3 million and the refunding of the Missouri Highways and Transportation Commission Series A 2008 and Series A 2009 Bonds.

Net investment in capital assets, which includes capital assets, bonds payable, and capital lease/financed purchase obligations, is the largest component of the State's net position at \$31.0 billion or 110.1%. These assets include construction in progress, software in progress, infrastructure in progress, land, easements, land improvements, buildings, equipment, software, and trademarks which are not easily converted to cash or readily available to pay state debts as they come due. Net investment in capital assets and restricted net position, which do not represent resources available to pay day-to-day operating expenses, increased by \$631.9 million or 1.8%. The increase was primarily due to the increase in capital assets of \$228.1 million and a decrease in related outstanding bond, capital lease, and financed purchase obligation of \$254.7 million.

Restricted net position of the primary government totaled \$4.4 billion or 15.6% of total net position vs. 15.4% from the prior year. Net position is restricted for several reasons including constitutional, legal, enabling legislation, or external requirements. Examples of restricted net position include lottery proceeds restricted for public education, funds restricted for debt service, and certain sales taxes restricted for the maintenance of highways or state parks and conservation areas. Also, many federal funds are restricted to funding certain programs.

The following table displays the current and prior year government-wide condensed Statement of Net Position.

STATEMENT OF NET POSITION (In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
ASSETS:						
Current and Other Assets	\$ 8,939,981	\$ 8,554,606	\$ 1,362,290	\$ 1,233,092	\$ 10,302,271	\$ 9,787,698
Capital Assets, Net	33,272,121	33,042,482	125,355	126,899	33,397,476	33,169,381
<i>Total Assets</i>	<u>42,212,102</u>	<u>41,597,088</u>	<u>1,487,645</u>	<u>1,359,991</u>	<u>43,699,747</u>	<u>42,957,079</u>
DEFERRED OUTFLOWS:	<u>1,803,126</u>	<u>1,917,257</u>	<u>50,848</u>	<u>55,443</u>	<u>1,853,974</u>	<u>1,972,700</u>
LIABILITIES:						
Other Liabilities	1,751,216	1,795,865	37,112	32,247	1,788,328	1,828,112
Long-Term Liabilities	14,819,597	14,706,191	405,994	389,192	15,225,591	15,095,383
<i>Total Liabilities</i>	<u>16,570,813</u>	<u>16,502,056</u>	<u>443,106</u>	<u>421,439</u>	<u>17,013,919</u>	<u>16,923,495</u>
DEFERRED INFLOWS:	<u>411,690</u>	<u>384,165</u>	<u>6,693</u>	<u>3,124</u>	<u>418,383</u>	<u>387,289</u>
NET POSITION:						
Net Investment in Capital Assets	30,849,210	30,364,850	125,355	126,899	30,974,565	30,491,749
Restricted	4,387,607	4,239,726	6,798	5,616	4,394,405	4,245,342
Unrestricted	(8,204,092)	(7,976,452)	956,541	858,356	(7,247,551)	(7,118,096)
<i>Total Net Position</i>	<u>\$ 27,032,725</u>	<u>\$ 26,628,124</u>	<u>\$ 1,088,694</u>	<u>\$ 990,871</u>	<u>\$ 28,121,419</u>	<u>\$ 27,618,995</u>

*Fiscal year 2018 amounts have been restated.

Changes in Net Position:

The schedule below reflects how the State's net position changed during the year. The State collected program revenues of \$15.5 billion and general revenues of \$12.7 billion for total revenues of \$28.2 billion during fiscal year 2019. Expenses for the State during fiscal year 2019 were \$27.7 billion. Total net position, net of contributions and transfers, increased by \$502.4 million.

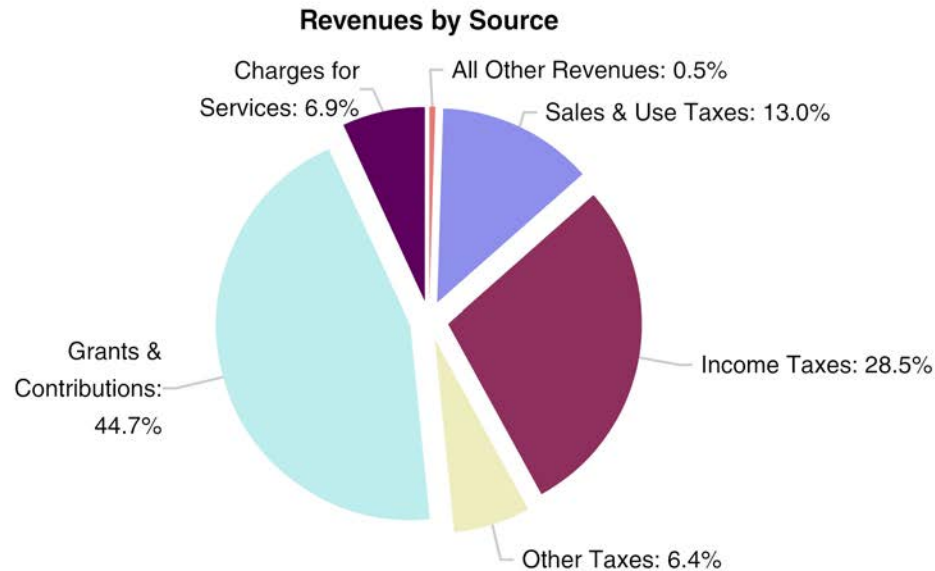
The following table displays the current and prior year government-wide condensed Statement of Activities.

STATEMENT OF ACTIVITIES (In Thousands of Dollars)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018*	2019	2018*	2019	2018*
REVENUES:						
Program Revenues:						
Charges for Services	\$ 1,803,260	\$ 1,700,766	\$ 1,571,219	\$ 1,522,729	\$ 3,374,479	\$ 3,223,495
Operating Grants and Contributions	10,757,841	10,811,591	431,609	466,750	11,189,450	11,278,341
Capital Grants and Contributions	949,652	1,020,653	—	—	949,652	1,020,653
General Revenues:						
Sales and Use Taxes	3,405,745	3,235,110	—	—	3,405,745	3,235,110
Income Taxes	7,470,829	7,200,130	—	—	7,470,829	7,200,130
Other Taxes	1,666,821	1,632,412	—	—	1,666,821	1,632,412
Other Revenues	138,138	85,541	26,449	18,338	164,587	103,879
<i>Total Revenues</i>	<u>26,192,286</u>	<u>25,686,203</u>	<u>2,029,277</u>	<u>2,007,817</u>	<u>28,221,563</u>	<u>27,694,020</u>
EXPENSES:						
General Government	1,336,971	1,265,947	—	—	1,336,971	1,265,947
Education	7,142,264	7,053,444	—	—	7,142,264	7,053,444
Natural and Economic Resources	1,056,172	1,079,318	—	—	1,056,172	1,079,318
Transportation and Law Enforcement	1,997,540	1,974,321	—	—	1,997,540	1,974,321
Human Services	14,449,527	14,339,926	—	—	14,449,527	14,339,926
State Lottery	—	—	1,168,030	1,086,927	1,168,030	1,086,927
Unemployment Compensation	—	—	264,370	294,271	264,370	294,271
Petroleum Storage Tank Insurance	—	—	20,346	21,298	20,346	21,298
State Fair Fees	—	—	4,531	4,880	4,531	4,880
State Parks and DNR	—	—	12,950	9,829	12,950	9,829
Historic Preservation	—	—	532	725	532	725
Missouri Veterans' Homes	—	—	125,213	123,095	125,213	123,095
Surplus Property	—	—	2,591	2,416	2,591	2,416
Revenue Information	—	—	9	12	9	12
Inmate Canteen Fund	—	—	28,526	46,474	28,526	46,474
All Other Expenses	109,740	120,206	—	—	109,740	120,206
<i>Total Expenses</i>	<u>26,092,214</u>	<u>25,833,162</u>	<u>1,627,098</u>	<u>1,589,927</u>	<u>27,719,312</u>	<u>27,423,089</u>
Increase (Decrease) in Net Position before Capital Contributions, Transfers, and Extraordinary Items	100,072	(146,959)	402,179	417,890	502,251	270,931
Capital Contributions	—	—	173	11,463	173	11,463
Transfers and Extraordinary Items	304,529	331,631	(304,529)	(331,631)	—	—
Change in Net Position	404,601	184,672	97,823	97,722	502,424	282,394
Net Position – July 1	26,628,124	26,443,452	990,871	893,149	27,618,995	27,336,601
Net Position – June 30	<u>\$ 27,032,725</u>	<u>\$ 26,628,124</u>	<u>\$ 1,088,694</u>	<u>\$ 990,871</u>	<u>\$ 28,121,419</u>	<u>\$ 27,618,995</u>
*Fiscal year 2018 amounts have been restated.						

Governmental Activities

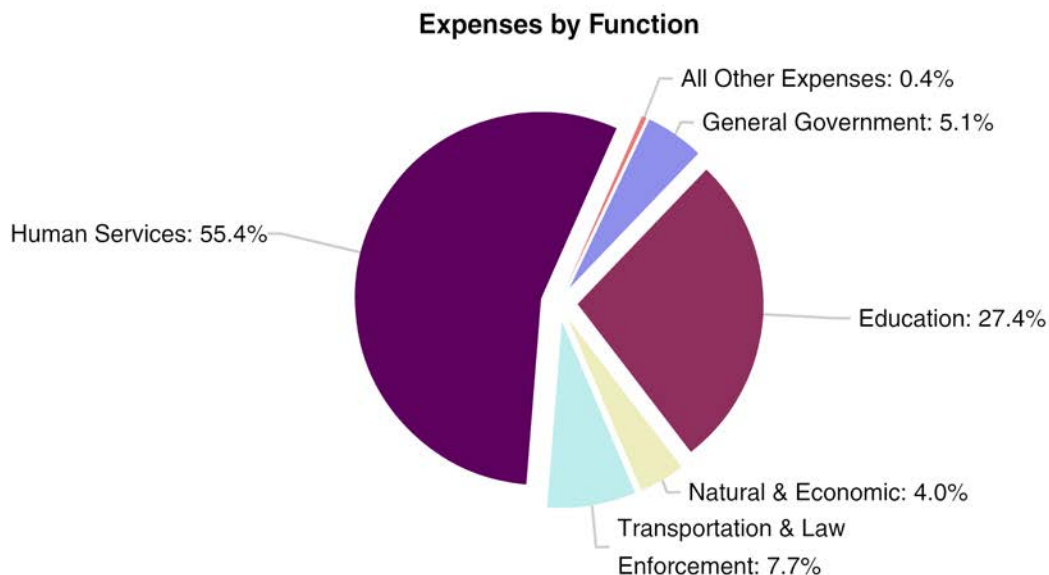
The net position of governmental activities increased \$404.6 million in fiscal year 2019. General and program revenues of governmental activities were \$506.1 million more in fiscal year 2019 than in fiscal year 2018, due mainly to an increase in charges for services, sales and use taxes, and income taxes.

As shown in the Revenues by Source chart below, approximately 47.9% of revenues from all sources earned came from taxes. Grants and contributions, which represents amounts received from other governments/entities, primarily the federal government, provided 44.7% of total revenue. Charges for services contributed 6.9% and various other revenues provided 0.5% of the remaining governmental activity revenue sources.



The State's governmental activities program expenses for fiscal year 2019 were \$259.1 million more than fiscal year 2018. The most notable increase is \$109.6 million in Human Services. This is mainly due to an increase for Medicaid and Other Assistance Programs.

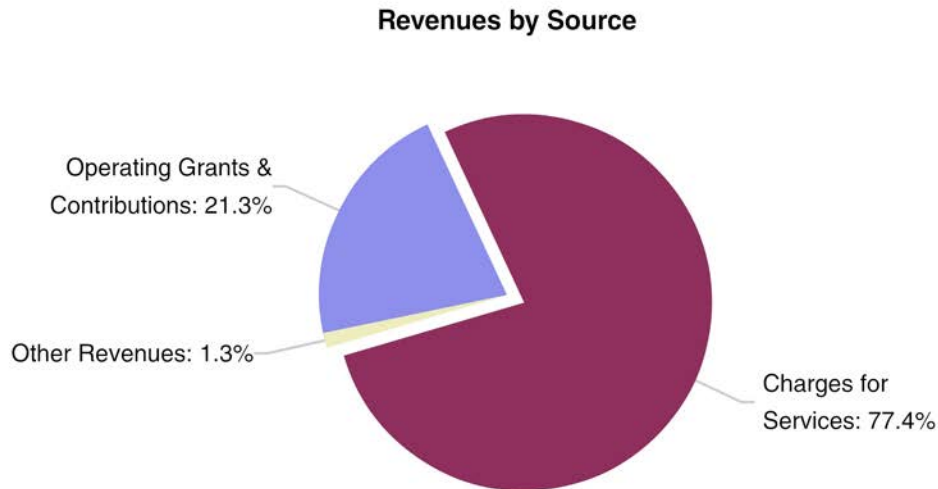
As shown in the Expenses by Function chart below, expenses for Human Services comprised the largest portion of total governmental activities expenses at 55.4%, followed by Education at 27.4%.



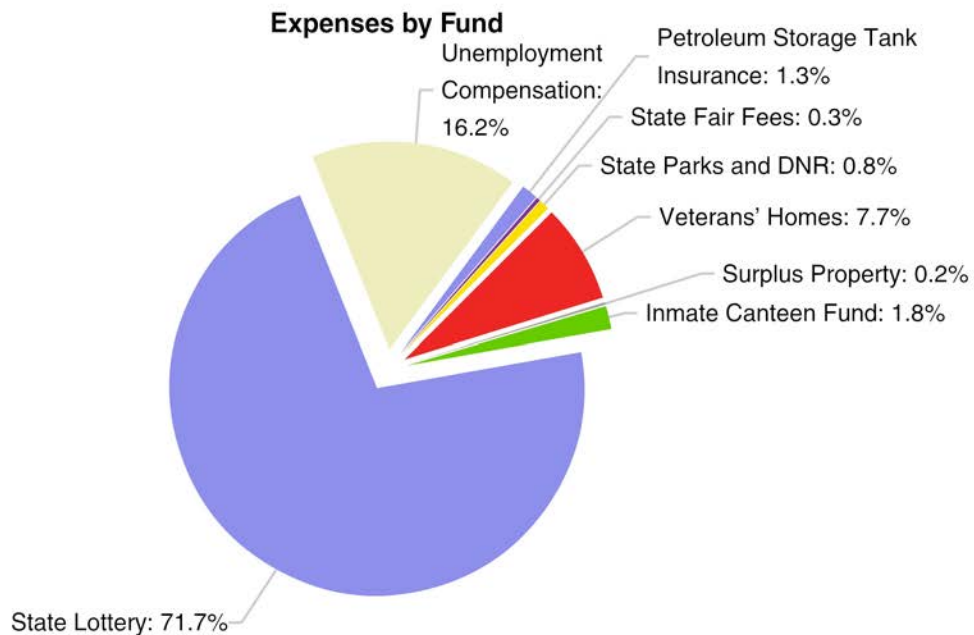
Business-Type Activities

Net position of the State's business-type activities increased \$97.8 million in fiscal year 2019, mainly due to an increase in cash in Unemployment Compensation. The increase was due to an improved economy and a low unemployment rate which is allowing excess cash to remain in the fund.

Revenues of business-type activities totaled \$2.0 billion. As shown in the Revenues by Source chart below, 77.4% of the revenues came from charges for services. Operating grants and contributions provided 21.3% of the total revenues and all other revenues provided 1.3%.



Expenses of business-type activities totaled \$1.6 billion. As shown in the Expenses by Fund chart below, State Lottery makes up the largest portion with 71.7% of total business-type expenses. Unemployment Compensation comes in second at 16.2%, followed by Veterans' Homes at 7.7%, Inmate Canteen at 1.8%, Petroleum Storage Tank Insurance at 1.3%, State Parks and DNR at 0.8%, State Fair Fees at 0.3%, and Surplus Property at 0.2%.



FINANCIAL ANALYSIS OF THE STATE'S INDIVIDUAL FUNDS

Governmental Funds:

At the end of fiscal year 2019, the State's governmental funds reported combined ending fund balances of \$5.8 billion. Approximately 63.9% is unrestricted and available for spending at the government's discretion. The remainder of fund balance is nonspendable and restricted to indicate that it is not available for new spending because it has already been allocated for: 1) inventories, 2) to pay debt service, 3) for loans receivable, and 4) for a variety of other purposes.

Fund balances (in thousands) for governmental funds are as follows:

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Total
Nonspendable	\$ 47,543	\$ 108	\$ 331	\$ 32,865	\$ 64,925	\$ 145,772
Restricted	555,916	244,432	144,637	644,615	354,036	1,943,636
Committed	655,262	1,843	1,765,893	—	31,696	2,454,694
Assigned	98,635	20,364	109,682	—	247,202	475,883
Unassigned	769,967	—	—	—	—	769,967
Total	\$ 2,127,323	\$ 266,747	\$ 2,020,543	\$ 677,480	\$ 697,859	\$ 5,789,952

The General Fund is the chief operating fund of the State. At the end of fiscal year 2019, the State's General Fund reported a total fund balance of \$2.1 billion, an increase of \$430.8 million from fiscal year 2018. Total revenues increased \$369.5 million. The increase was due primarily to an increase in taxes and an increase in funds received from the federal government for Medicaid and Other Assistance programs. Total expenditures went from \$18.9 billion to \$19.1 billion between fiscal years 2018 and 2019, an increase of \$223.4 million. The largest component of this increase was in education of \$115.5 million relating to the increase in appropriations to state public schools.

The Public Education Fund provides general and special education services to the children of the State and other related functions, such as library services and student loans. Total fund balance decreased from \$281.3 million last year to \$266.7 million this year, a decrease of \$14.6 million or 5.2%. This is mainly due to an increase of appropriations to educational institutions and to school districts.

The Conservation and Environmental Protection Fund provides the preservation of the State's wildlife and environment. At the end of fiscal year 2019, the fund balance was \$2.0 billion, an increase of \$25.3 million from fiscal year 2018. This increase is less than last year's increase of \$52.0 million, mainly due to a decrease in new loans issued by the State Revolving Fund loan program in fiscal year 2019 and to existing loans under that program being paid off.

The Missouri Road Fund accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Total fund balance decreased \$26.0 million from fiscal year 2018. Revenues totaled \$1.2 billion while expenditures totaled \$1.7 billion. Total revenues decreased by \$89.8 million from fiscal year 2018. The primary decrease is in capital grants and contributions, which was impacted by a reduction in contractor payments due to projects being delayed because of rain and flooding.

Proprietary Funds:

The State has three major proprietary funds: State Lottery, Unemployment Compensation, and the Petroleum Storage Tank Insurance Fund. The State Lottery Fund was established in 1986 to account for the sale of lottery tickets and lottery operations. Since 1992, public education has been the sole beneficiary of lottery proceeds. Unemployment Compensation accounts for contributions and payments collected from Missouri employers under the provision of the "Unemployment Compensation Law." This tax finances benefits for workers who become unemployed through no fault of their own. The Petroleum Storage Tank Insurance Fund accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks. The fund pays cleanup expenses for petroleum leaks or spills from underground storage tanks and certain above ground storage tanks as well as third party property damage or bodily injury resulting from such discharges. This fund is one of the largest insurers of storage tanks in the country.

The State Lottery Fund's net position increased by \$1.0 million in fiscal year 2019, due mainly to pension and OPEB. Those changes are the result of deferred outflows decreasing by \$0.5 million, and deferred inflows increasing by \$0.4 million, both due mainly to differences between projected and actual earnings on pension plan investments. Total operating revenues increased by 4.7%, while operating expenses increase by 7.5% in fiscal year 2019. Prize expense increased by \$75.6 million, while ticket sales increased by \$65.8 million. The sales increase was the result of an increase in Scratchers sales by \$7.7 million, or 0.9%, an increase in Draw Game sales by \$30.1 million, or 7.4%, and an increase in Pull-Tab sales by \$28.0 million, or 32.6%. The increase in Scratchers ticket sales can be attributed to increased sales of the \$20 and \$30 Scratchers games. Mega Millions sales were responsible for most of the increase in Draw Games sales.

The Unemployment Compensation Fund's net position increased by \$111.3 million during fiscal year 2019, which is mainly due to an increase in cash of \$126.1 million and a decrease in accounts receivables of \$7.5 million. The increase in cash is due to an improved economy and low unemployment rate, which allows excess cash to remain in the fund. During fiscal year 2019, the cash balance in the fund reached the statutorily established levels that trigger contribution rate reductions and decreases in the taxable wage base. The employer contribution rates decreased during fiscal year 2019, from 2.5% to 2.4%, and the taxable wage base decreased from \$12,500 to \$12,000, which were the main reasons for the accounts receivable decrease.

The Petroleum Storage Tank Insurance Fund's net position decreased by \$4.6 million in fiscal year 2019 versus \$7.8 million in fiscal year 2018, mainly due to a decrease in claims expenses of \$1 million and an increase in operating revenues of \$1.9 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget is the appropriated budget that is truly agreed to and finally passed by the legislature, and signed by the Governor at the beginning of the fiscal year. The final budget includes emergency and supplemental appropriations, reverted amounts, and increases to estimated appropriations, which occur during the fiscal year.

Budgeted charges to appropriations for fiscal year 2019 from the General Fund were \$27.7 billion original budget and \$28.1 billion final budget. Actual spending was \$25.3 billion. Reasons for the final budget variances include:

- Appropriation authority exceeded cash available for expenditures.
- Lapse of various appropriations.
- Multiple year grants are appropriated in one year, but the expenditures may occur over several years.
- Capital improvement appropriations were restricted during the budget process.

Budgeted revenues/transfers in for fiscal year 2019 for the General Fund were \$27.0 billion original budget and \$27.0 billion final budget. Actual revenue/transfers in was \$25.5 billion.

Refer to the *Notes to RSI*, Budgetary Reporting, on page 142 for more information on budgetary variances.

GOVERNMENT-WIDE CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets:

The State's investment in capital assets for its governmental and business-type activities as of June 30, 2019, was \$33.4 billion (net of accumulated depreciation/amortization). This investment in capital assets includes construction in progress, software in progress, infrastructure in progress, land, permanent easements, land improvements, temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure.

Capital Assets of the State include (in thousands):

	Governmental Activities	Business-Type Activities	Total
Construction in Progress	\$ 395,764	\$ 807	\$ 396,571
Software in Progress	82,763	22	82,785
Infrastructure in Progress	1,700,359	—	1,700,359
Land	3,087,175	32,647	3,119,822
Permanent Easements	4,420	—	4,420
Land Improvements	228,760	50,688	279,448
Temporary Easements	524	50	574
Buildings and Improvements	3,451,028	59,494	3,510,522
Equipment	1,375,450	55,023	1,430,473
Software	297,816	820	298,636
Trademarks	17	—	17
Infrastructure	51,366,457	—	51,366,457
<i>Subtotal</i>	<u>61,990,533</u>	<u>199,551</u>	<u>62,190,084</u>
Less Accumulated Depreciation/ Amortization	(28,718,412)	(74,196)	(28,792,608)
Total Capital Assets, Net	<u><u>\$ 33,272,121</u></u>	<u><u>\$ 125,355</u></u>	<u><u>\$ 33,397,476</u></u>

Additional information on capital assets can be found in *Note 5* of this report.

Debt Administration:

At the end of fiscal year 2019, the primary government had total general obligation and other bonded debt outstanding of \$2.6 billion. Of this amount, \$66.1 million comprises debt backed by the full faith and credit of the government. The State had an additional \$31.5 million of direct borrowing obligation outstanding.

Principal amounts retired or refunded in fiscal year 2019 were \$38.6 million for general obligation bonds, \$386.0 million for other bonds, and \$10.8 million for direct borrowings.

The State of Missouri is proud to have maintained a Triple-A credit rating since 1989 from all three major credit rating agencies (Moody's Investor Services, Inc., Standard and Poor's, and Fitch Ratings, Inc.) on the State's General Obligation Bonds.

Outstanding Bonds Payable Financed Purchase Obligation of the State include (in thousands):

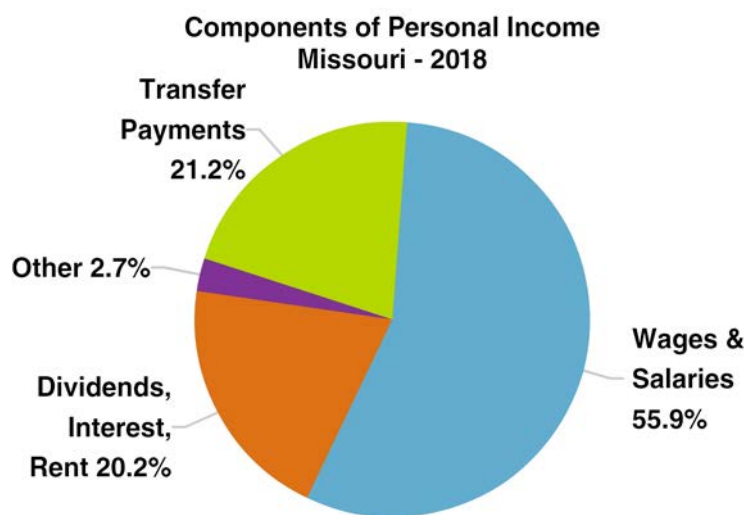
	Governmental Activities	Component Units	Total
General Obligation Bonds	\$ 66,120	\$ —	\$ 66,120
Other Bonds	2,523,955	1,937,564	4,461,519
Direct Placements	—	96,170	96,170
Financed Purchases from Direct Borrowings	31,525	74	31,599
Total	<u><u>\$ 2,621,600</u></u>	<u><u>\$ 2,033,808</u></u>	<u><u>\$ 4,655,408</u></u>

Additional information on long-term debt can be found in *Notes 11, 12, and 13* of this report.

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

As a major manufacturing, financial, and agricultural state, Missouri's economic health is tied closely to that of the nation. The expansion after the recession that ended in the summer of 2009 has continued, despite European fiscal and geopolitical troubles, volatile stock markets, and national policy uncertainty. Missouri's personal income, which directly impacts individual income tax and sales tax, increased 3.9% in 2018. Personal income growth began to accelerate in 2017, following a slight deceleration in 2016. Missouri's employment stood at 2.9 million in June 2019, about 1.0% above June 2018. The State's seasonally adjusted unemployment rate registered 3.3% in June 2019, compared to 3.1% one year earlier. The national rate was 3.7% in June 2019.

Since 2012, personal incomes have increased, on average, 2.5% annually for the State and 3.3% for the nation. The average income of Missouri citizen was \$46,635 in 2018, which was lower than the national average of \$53,712. Missouri's per capita personal income grew 3.6% compared to national growth in per capita income of 3.8% from 2017 to 2018. While the State's per capita income is lower than the national average, so is the cost of living. Missouri is among the most affordable states as it had the fourth lowest cost of living in the United States in the first quarter of 2019. The below graph depicts the components of personal income, with transfer payments (such as social security, Medicare, etc.) comprising 21.2% of the State's total personal income, due in part to the State's aging population.



Source: U.S. Bureau of Economic Analysis 2018

The State of Missouri's net general revenue collections in Fiscal Year 2019 were \$9.6 billion, a 1.0% increase from fiscal year 2018 collections.

The State's economic outlook for fiscal year 2020 anticipates continued improvement in employment and wages, with continued growth in state revenue collections. During the fiscal year 2020 budget process, staff from the House, Senate, the University of Missouri and the Division of Budget and Planning developed a revenue estimate of 1.7% growth for fiscal year 2019 and 2.0% growth for fiscal year 2020. The actual fiscal year 2019 revenue collections increased by 1.0% when compared to the fiscal year 2018 collections, slightly below forecast. However, because fiscal year 2018 ended significantly above forecast, net general revenue collections for fiscal year 2019 could have declined by 0.5% and still reached the original budgeted amount. Because of the conditions listed above, the Governor has begun fiscal year 2020 with no restrictions placed on general revenue spending. However, if necessary, the Governor may restrict spending at some point during the fiscal year.

The outlook for general revenue for fiscal year 2020 remains uncertain. Most economic forecasts are calling for moderate economic growth; however, escalating trade tensions and a slowing global economy may dampen Missouri growth. Equity markets are near record highs, but have been very volatile during the first half of 2019. While the number of jobs is steadily improving, the rate of growth has continued to slow as the labor market reaches full employment. Growth in sales tax is expected to be moderate, but much depends on the growth in energy prices and inflation which has been muted lately.

The General Assembly passed several tax-related bills during the 2019 legislative session. The combined impact to general revenue during fiscal year 2020 is estimated as a loss of \$9.4 million to \$59.6 million. Once fully implemented, the legislation could impact general revenue by an estimated loss of \$57.3 million to an estimated gain of \$4.3 million.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the State's finances for all those with an interest in the State's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of Administration, Division of Accounting, P.O. Box 809, Jefferson City, MO 65102.



*The **Basic Financial Statements** include the Government-Wide Financial Statements, the Governmental Fund Financial Statements, the Proprietary Fund Financial Statements, the Fiduciary Fund Financial Statements, the Component Unit Financial Statements, and the accompanying notes to the statements.*

STATE OF MISSOURI
STATEMENT OF NET POSITION
June 30, 2019
(In Thousands of Dollars)

	Primary Government			Component
	Governmental	Business-Type	Total	Units
	Activities	Activities		
Assets				
Cash and Cash Equivalents (Note 3)	\$ 1,518,879	\$ 1,112,990	\$ 2,631,869	\$ 542,706
Investments (Note 3)	2,756,135	76,776	2,832,911	3,044,952
Invested Securities Lending Collateral (Note 3)	—	—	—	3,616
Receivables, Net (Note 14)	4,547,125	162,491	4,709,616	889,120
Internal Balances	27,254	(27,254)	—	—
Inventories	70,245	4,843	75,088	54,416
Deposits and Prepaid Expenses	397	—	397	49,822
Restricted Assets:				
Cash and Cash Equivalents (Note 3)	5,964	—	5,964	253,080
Investments (Note 3)	13,982	32,444	46,426	1,604,985
Receivables, Net	—	—	—	45,514
Other Assets	—	—	—	20,167
Capital Assets (Note 5):				
Non-Depreciable	5,270,481	33,476	5,303,957	438,348
Depreciable, Net	28,001,640	91,879	28,093,519	5,083,689
Total Assets	42,212,102	1,487,645	43,699,747	12,030,415
Deferred Outflows of Resources (Note 15)	1,803,126	50,848	1,853,974	610,978
Liabilities				
Bank Overdraft (Notes 3 and 10)	2	—	2	—
Payables (Note 14)	1,530,359	35,897	1,566,256	975,807
Securities Lending Obligation (Note 3)	—	—	—	3,616
Unearned Revenue (Note 1)	103,063	1,215	104,278	165,360
Escheat/Unclaimed Property	117,792	—	117,792	—
Long-Term Liabilities (Note 11):				
Due Within One Year	657,622	106,208	763,830	659,437
Due in More Than One Year	14,161,975	299,786	14,461,761	4,247,451
Total Liabilities	16,570,813	443,106	17,013,919	6,051,671
Deferred Inflows of Resources (Note 15)	411,690	6,693	418,383	127,255
Net Position				
Net Investment in Capital Assets	30,849,210	125,355	30,974,565	3,154,813
Restricted for:				
Budget Reserve	652,096	—	652,096	—
Debt Service	432,574	—	432,574	—
Grants	552,475	—	552,475	—
Enabling Legislation (Note 1)	521,213	—	521,213	—
Loans Receivable	1,409,571	—	1,409,571	—
Permanent Trusts:				
Expendable	121	—	121	636,610
Non-Expendable	60,499	—	60,499	1,295,533
External Parties	759,058	6,798	765,856	101,816
Unrestricted	(8,204,092)	956,541	(7,247,551)	1,273,695
Total Net Position	\$ 27,032,725	\$ 1,088,694	\$ 28,121,419	\$ 6,462,467

The notes to the financial statements are an integral part of this statement.

**STATE OF MISSOURI
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government	\$ 1,336,971	\$ 682,173	\$ 80,481	\$ —
Education	7,142,264	45,789	1,124,547	—
Natural and Economic Resources	1,056,172	272,661	274,020	—
Transportation and Law Enforcement	1,997,540	215,099	211,971	948,717
Human Services	14,449,527	554,385	9,066,822	935
Interest on Debt (Excluding Direct Expense)	109,740	33,153	—	—
Total Governmental Activities	<u>26,092,214</u>	<u>1,803,260</u>	<u>10,757,841</u>	<u>949,652</u>
Business-Type Activities:				
State Lottery	1,168,030	1,484,529	—	—
Unemployment Compensation	264,370	—	355,758	—
Petroleum Storage Tank Insurance	20,346	14,798	—	—
State Fair Fees	4,531	5,022	176	—
State Parks and DNR	12,950	12,900	3,085	—
Historic Preservation	532	4	—	—
Missouri Veterans' Homes	125,213	22,047	72,590	—
Surplus Property	2,591	1,664	—	—
Revenue Information	9	704	—	—
Inmate Canteen Fund	28,526	29,551	—	—
Total Business-Type Activities	<u>1,627,098</u>	<u>1,571,219</u>	<u>431,609</u>	<u>—</u>
Total Primary Government	<u>\$ 27,719,312</u>	<u>\$ 3,374,479</u>	<u>\$ 11,189,450</u>	<u>\$ 949,652</u>
Component Units:				
College and Universities	\$ 4,963,524	\$ 3,306,922	\$ 1,472,965	\$ 86,049
Non-Major Component Units	10,796	8,199	—	—
Total Component Units	<u>\$ 4,974,320</u>	<u>\$ 3,315,121</u>	<u>\$ 1,472,965</u>	<u>\$ 86,049</u>

General Revenues:

Taxes:

Sales and Use

Individual Income

Corporate Income

County Foreign Insurance

Alcoholic Beverage

Corporate Franchise

Fuel

Miscellaneous Taxes

Grants and Contributions not Restricted to Specific Programs

Unrestricted Investment Earnings

Capital Contributions

Extraordinary Item

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total		
\$ (574,317)	\$ —	\$ (574,317)	\$ —	
(5,971,928)	—	(5,971,928)	—	
(509,491)	—	(509,491)	—	
(621,753)	—	(621,753)	—	
(4,827,385)	—	(4,827,385)	—	
(76,587)	—	(76,587)	—	
(12,581,461)	—	(12,581,461)	—	
—	316,499	316,499	—	
—	91,388	91,388	—	
—	(5,548)	(5,548)	—	
—	667	667	—	
—	3,035	3,035	—	
—	(528)	(528)	—	
—	(30,576)	(30,576)	—	
—	(927)	(927)	—	
—	695	695	—	
—	1,025	1,025	—	
—	375,730	375,730	—	
(12,581,461)	375,730	(12,205,731)	—	
—	—	—	(97,588)	
—	—	—	(2,597)	
—	—	—	(100,185)	
3,405,745	—	3,405,745	—	
6,991,197	—	6,991,197	—	
479,632	—	479,632	—	
268,100	—	268,100	—	
34,649	—	34,649	—	
1,475	—	1,475	—	
673,625	—	673,625	—	
688,972	—	688,972	—	
58,534	—	58,534	2,239	
79,604	26,449	106,053	228,731	
—	173	173	—	
—	—	—	(1,037)	
304,529	(304,529)	—	—	
12,986,062	(277,907)	12,708,155	229,933	
404,601	97,823	502,424	129,748	
26,628,124	990,871	27,618,995	6,332,719	
\$ 27,032,725	\$ 1,088,694	\$ 28,121,419	\$ 6,462,467	

The notes to the financial statements are an integral part of this statement.



*The **Governmental Funds** focus on current financial resources.*

Governmental Fund Financial Statements

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Major Special Revenue Funds:

Public Education - Provides general and special education needs of the State and other related areas such as library services and student loans.

Conservation and Environmental Protection - Provides for the preservation of the State's wildlife and environment.

Major Capital Projects Fund:

Missouri Road Fund - Accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system.

Non-Major Funds

Non-Major Governmental Funds are presented in the Combining and Individual Fund Statements for non-major funds as part of Supplementary Information.

**STATE OF MISSOURI
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019
(In Thousands of Dollars)**

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Totals June 30, 2019
ASSETS						
Cash and Cash Equivalents (Note 3)	\$ 793,483	\$ 65,514	\$ 204,821	\$ 171,429	\$ 191,207	\$ 1,426,454
Investments (Note 3)	1,196,112	74,008	416,032	480,919	399,016	2,566,087
Accounts Receivable, Net	2,535,369	159,639	56,400	112,569	179,684	3,043,661
Interest Receivable	7,836	1,588	3,690	2,586	1,611	17,311
Due from Other Funds (Note 16)	—	22,733	—	—	2,051	24,784
Due from Component Units (Note 16)	—	—	257	—	—	257
Inventories	22,727	108	331	32,865	4,426	60,457
Advance to Component Units (Note 16)	—	—	118	—	—	118
Loans Receivable	24,816	810	1,380,540	—	3,405	1,409,571
Restricted Assets:						
Cash and Cash Equivalents (Note 3)	—	—	—	4,877	—	4,877
Investments (Note 3)	—	—	—	13,682	—	13,682
Total Assets	<u>\$ 4,580,343</u>	<u>\$ 324,400</u>	<u>\$ 2,062,189</u>	<u>\$ 818,927</u>	<u>\$ 781,400</u>	<u>\$ 8,567,259</u>
LIABILITIES						
Accounts Payable	\$ 1,205,524	\$ 2,434	\$ 11,952	\$ 102,798	\$ 62,732	\$ 1,385,440
Accrued Payroll	61,518	51	5,142	17,619	12,260	96,590
Due to Other Funds (Note 16)	4,109	4	277	660	933	5,983
Unearned Revenue (Note 1)	69,581	—	128	4,848	—	74,557
Escheat/Unclaimed Property	117,792	—	—	—	—	117,792
Total Liabilities	<u>1,458,524</u>	<u>2,489</u>	<u>17,499</u>	<u>125,925</u>	<u>75,925</u>	<u>1,680,362</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)						
	<u>994,496</u>	<u>55,164</u>	<u>24,147</u>	<u>15,522</u>	<u>7,616</u>	<u>1,096,945</u>
FUND BALANCES (Note 4)						
Nonspendable	47,543	108	331	32,865	64,925	145,772
Restricted	555,916	244,432	144,637	644,615	354,036	1,943,636
Committed	655,262	1,843	1,765,893	—	31,696	2,454,694
Assigned	98,635	20,364	109,682	—	247,202	475,883
Unassigned	769,967	—	—	—	—	769,967
Total Fund Balances	<u>2,127,323</u>	<u>266,747</u>	<u>2,020,543</u>	<u>677,480</u>	<u>697,859</u>	<u>5,789,952</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,580,343</u>	<u>\$ 324,400</u>	<u>\$ 2,062,189</u>	<u>\$ 818,927</u>	<u>\$ 781,400</u>	<u>\$ 8,567,259</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2019
(In Thousands of Dollars)

Total Fund Balances - Governmental Funds \$ 5,789,952

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental funds are not financial resources and are not reported in the funds. These assets consist of (Note 5):

Construction in Progress	395,538	
Software in Progress	81,175	
Infrastructure in Progress	1,700,359	
Land	3,078,841	
Permanent Easements	4,420	
Land Improvements	225,168	
Temporary Easements	524	
Buildings and Improvements	2,957,216	
Equipment	1,241,030	
Software	257,760	
Trademarks	17	
Infrastructure	51,366,457	
Accumulated Depreciation/Amortization	(28,340,848)	32,967,657

Deferred inflows of resources related to the State's revenues that will be collected after year-end, but are not available soon enough to pay for the current period's expenditures are deferred in the funds. 1,096,945

Deferred outflows of resources related to pensions and OPEB (Other Postemployment Benefits) are applicable to future reporting periods and therefore, not reported in the funds. 1,719,003

Deferred outflows of resources related to asset retirement obligations are applicable to future reporting periods and therefore, not reported in the funds. 857

Deferred inflows of resources related to pensions and OPEB are applicable to future reporting periods and therefore, not reported in the funds. (404,486)

Deferred outflows of resources related to deferred charges or credits on debt refundings are applicable to future reporting periods and therefore, not reported in the funds. 42,158

Deferred inflows of resources related to deferred charges or credits on debt refundings are applicable to future reporting periods and therefore, not reported in the funds. (1,761)

Some liabilities are not due and payable in the current period and therefore, not reported in the funds. Those liabilities consist of (Note 11):

Due to Other Entities	(1,403)	
General Obligation and Other Bonds Payable	(2,590,075)	
Unamortized Bond Premium	(137,782)	
Accrued Interest on Bonds	(23,132)	
Obligation under Financed Purchases	(14,971)	
Obligation under Capital Lease	(11,453)	
Pollution Remediation	(48,805)	
Asset Retirement Obligations	(1,789)	
Compensated Absences	(171,928)	
Claims Liability	(29,640)	
Contingent Liabilities	(2,102,294)	
Net Other Postemployment Benefit Obligation	(2,900,752)	
Net Pension Liability	(6,446,534)	(14,480,558)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The assets and liabilities are included in governmental activities in the Statement of Net Position. 302,958

Net Position of Governmental Activities \$ 27,032,725

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Funds	Eliminations	Totals June 30, 2019
Revenues:							
Taxes	\$ 9,667,614	\$ 1,307,107	\$ 220,221	\$ 173,249	\$ 1,097,440	\$ —	\$ 12,465,631
Licenses, Fees, and Permits	95,606	2,779	83,373	105,978	423,040	—	710,776
Sales	486	—	6,792	—	1,309	—	8,587
Leases and Rentals	11	—	126	—	1	—	138
Services	120,150	—	—	—	1,099	—	121,249
Contributions and Intergovernmental	10,476,465	27,813	14,331	879,022	367,539	—	11,765,170
Investment Earnings:							
Net Increase (Decrease) in the Fair Value of Investments	7,339	534	3,756	(5,276)	3,413	—	9,766
Interest	37,913	4,011	14,636	25,653	10,916	—	93,129
Penalties and Unclaimed Properties	71,761	3,838	970	—	9,263	—	85,832
Cost Reimbursement/Miscellaneous	283,744	93,590	—	48,876	62,313	—	488,523
Total Revenues	20,761,089	1,439,672	344,205	1,227,502	1,976,333	—	25,748,801
Expenditures:							
Current:							
General Government	686,943	441	1,646	—	275,136	—	964,166
Education	4,378,190	2,729,389	—	—	9,470	—	7,117,049
Natural and Economic Resources	256,048	4,831	311,940	—	250,035	—	822,854
Transportation and Law Enforcement	299,866	225	893	811,353	342,853	—	1,455,190
Human Services	13,378,001	11,110	1,768	—	675,193	—	14,066,072
Capital Outlay:							
General Government	—	—	—	—	1,242	—	1,242
Education	—	—	—	—	12	—	12
Natural and Economic Resources	—	—	—	—	629	—	629
Transportation and Law Enforcement	—	—	—	834,922	69	—	834,991
Human Services	—	—	—	—	32,605	—	32,605
Debt Service:							
Principal	80,395	—	—	90,816	162,927	—	334,138
Interest	30,145	—	—	9,768	94,197	—	134,110
Bond Issuance Costs	—	—	—	370	—	—	370
Total Expenditures	19,109,588	2,745,996	316,247	1,747,229	1,844,368	—	25,763,428
Excess Revenues (Expenditures)	1,651,501	(1,306,324)	27,958	(519,727)	131,965	—	(14,627)
Other Financing Sources (Uses):							
Proceeds from Notes/Capital Leases/Financed Purchases	1,588	—	—	—	24	—	1,612
Proceeds From Bonds	—	—	—	102,705	—	—	102,705
Payments to Escrow Agent	—	—	—	(111,483)	—	—	(111,483)
Bond Premium (Note 11)	—	—	—	9,148	—	—	9,148
Proceeds from Sale of Capital Assets	932	—	14	5,307	9,047	—	15,300
Transfers In (Note 17)	54,564	1,325,758	1,924	488,052	282,816	(1,829,268)	323,846
Transfers Out (Note 17)	(1,277,478)	(34,010)	(4,592)	—	(529,729)	1,829,268	(16,541)
Total Other Financing Sources (Uses)	(1,220,394)	1,291,748	(2,654)	493,729	(237,842)	—	324,587
Net Change in Fund Balances	431,107	(14,576)	25,304	(25,998)	(105,877)	—	309,960
Fund Balances - Beginning (Note 18)	1,696,479	281,338	1,995,288	703,478	802,984	—	5,479,567
Increase (Decrease) in Reserve for Inventory	(263)	(15)	(49)	—	752	—	425
Fund Balances - Ending	\$ 2,127,323	\$ 266,747	\$ 2,020,543	\$ 677,480	\$ 697,859	\$ —	\$ 5,789,952

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES IN
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

Net Change in Fund Balances - Total Governmental Funds	\$ 309,960
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Amounts reported for governmental activities in the Statement of Activities are different because:

Inventories, which are recorded under the purchases method for governmental fund reporting, are reported under the consumption approach on the Statement of Activities. As a result of this change, the Increase in Reserve for Inventories on the fund statement has been reclassified as a functional expense on the government-wide statement.	425
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Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount that capital outlays of \$952,103 exceeds depreciation/amortization of \$691,796 in the current period.	260,307
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In the Statement of Activities only the gain/loss on the sale of assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus the change in net position differs from the change in governmental fund balance by the net book value of the assets sold.	(30,448)
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The net effect of the donation of capital assets increased net position.	873
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Deferred inflows do not provide current financial resources and are not recognized as revenues until available in governmental funds.	66,801
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Pension and OPEB (Other Postemployment Benefits) contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability and OPEB liability are measured a year before the report date. Pension expense and OPEB expense, which are the change in the net pension liability and the net change in OPEB liability, adjusted for changes in deferred outflows and inflows of resources related to pensions and OPEB, is reported in the Statement of Activities.

Pension Contributions	553,466
Pension Expense	(984,150)
OPEB Contributions	103,909
OPEB Expense	(167,149)

Deferred outflows of resources related to deferred charges on asset retirement obligations are applicable to future reporting periods and therefore, not reported in the funds.	(38)
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Proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. In governmental funds, repayment of principal is an expenditure, but the repayment reduces long-term liabilities in the Combined Statement of Net Position (Note 11):

Bonds Issued	(102,705)	
Bond Premiums and Refunding Costs	(8,966)	
Bonds Retired	424,565	
Financed Purchases Issued	(1,612)	
Financed Purchase Payments	5,346	
Capital Lease Payments	15,527	332,155

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore, not reported as expenditures in governmental funds (Note 11):

Amortization of Bond Premium and Refunding Costs	21,847	
Decrease in Accrued Interest	3,653	
Increase in Pollution Remediation	(2,562)	
Decrease in Due to Other Entities	17	
Increase in Compensated Absences	(3,871)	
Increase in Contingent Liabilities	(100,203)	
Decrease in Claims Liability	3,100	(78,019)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue and expense of internal service funds are reported with governmental activities.	36,509
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Change in Net Position of Governmental Activities	\$ 404,601
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The notes to the financial statements are an integral part of this statement.



*The **Proprietary Funds** focus on economic resources and are operated in a manner similar to private business enterprises.*

Proprietary Fund Financial Statements

Major Funds

State Lottery - Accounts for proceeds from the sale of lottery tickets and all other moneys credited or transferred to this fund. A minimum of 45% of the moneys are used for prizes.

Unemployment Compensation - Accounts for contributions and payments collected under the provisions of the “Unemployment Compensation Law” to pay benefits.

Petroleum Storage Tank Insurance - Accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks.

Non-Major Funds

Non-major enterprise funds and all internal service funds are presented in our combining non-major fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds						
	Major Funds					Totals	Governmental Activities Internal Service Funds
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Eliminations	June 30, 2019	
ASSETS							
Current Assets:							
Cash and Cash Equivalents (Note 3)	\$ 31,328	\$ 1,045,912	\$ 14,888	\$ 20,862	\$ —	\$ 1,112,990	\$ 92,425
Investments (Note 3)	34,001	—	23,124	19,651	—	76,776	69,465
Restricted:							
Investments (Note 3)	3,404	—	—	—	—	3,404	100
Accounts Receivable, Net	52,552	100,687	2,184	6,512	—	161,935	75,730
Interest Receivable	135	—	119	98	—	352	477
Due from Other Funds (Note 16)	—	—	—	202	(8)	194	6,122
Inventories	—	—	—	4,843	—	4,843	9,788
Prepaid Items	—	—	—	—	—	—	397
Loans Receivable	—	—	—	204	—	204	—
Total Current Assets	121,420	1,146,599	40,315	52,372	(8)	1,360,698	254,504
Non-Current Assets:							
Investments	—	—	—	—	—	—	120,583
Restricted:							
Cash and Cash Equivalents (Note 3)	—	—	—	—	—	—	1,087
Investments (Note 3)	29,040	—	—	—	—	29,040	200
Capital Assets (Note 5):							
Construction in Progress	—	—	—	807	—	807	226
Software in Progress	—	—	—	22	—	22	1,588
Land	353	—	—	32,294	—	32,647	8,334
Land Improvements	—	—	—	50,688	—	50,688	3,592
Temporary Easements	—	—	—	50	—	50	—
Buildings	5,270	—	—	54,224	—	59,494	493,812
Equipment	7,734	—	160	47,129	—	55,023	134,420
Software	462	—	—	358	—	820	40,056
Less Accumulated Depreciation/Amortization	(11,526)	—	(144)	(62,526)	—	(74,196)	(377,564)
Total Non-Current Assets	31,333	—	16	123,046	—	154,395	426,334
Total Assets	152,753	1,146,599	40,331	175,418	(8)	1,515,093	680,838
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	5,733	—	793	44,322	—	50,848	41,108
LIABILITIES							
Current Liabilities:							
Bank Overdraft (Note 3 and 10)	—	—	—	—	—	—	2
Accounts Payable	4,269	26,014	122	2,641	—	33,046	23,181
Accrued Payroll	289	—	33	2,529	—	2,851	2,016
Due to Other Funds (Note 16)	22,765	2,051	11	65	(8)	24,884	233
Unearned Revenue (Note 1)	631	—	508	76	—	1,215	28,506
Claims Liability (Note 11)	—	—	14,000	—	—	14,000	79,243
Grand Prize Winner Liability (Note 11)	87,697	—	—	—	—	87,697	—
Obligations under Financed Purchases (Note 11)	—	—	—	—	—	—	6,536
Obligations under Lease Purchase (Note 11)	—	—	—	—	—	—	1,933
Compensated Absences (Note 11)	652	—	73	3,786	—	4,511	3,795
Total Current Liabilities	116,303	28,065	14,747	9,097	(8)	168,204	145,445
Non-Current Liabilities:							
Claims Liability (Note 11)	—	—	68,438	—	—	68,438	51,352
Grand Prize Winner Liability (Note 11)	25,776	—	—	—	—	25,776	—
Obligations under Financed Purchases (Note 11)	—	—	—	—	—	—	10,018
Obligations under Lease Purchase (Note 11)	—	—	—	—	—	—	24,333
Compensated Absences (Note 11)	—	—	—	149	—	149	865
Asset Retirement Obligations (Note 11)	—	—	—	2	—	2	—
Net OPEB Liability (Note 11)	7,423	—	891	47,453	—	55,767	49,856
Net Pension Liability (Note 11)	19,389	—	2,514	127,751	—	149,654	134,240
Total Non-Current Liabilities	52,588	—	71,843	175,355	—	299,786	270,664
Total Liabilities	168,891	28,065	86,590	184,452	(8)	467,990	416,109
DEFERRED INFLOWS OF RESOURCES (Note 15)	754	—	103	5,836	—	6,693	5,443
NET POSITION							
Net Investment in Capital Assets	2,293	—	16	123,046	—	125,355	261,644
Restricted for:							
Other Purposes	3,194	3,604	—	—	—	6,798	1,359
Unrestricted	(16,646)	1,114,930	(45,585)	(93,594)	—	959,105	37,391
Total Net Position (Note 19)	\$ (11,159)	\$ 1,118,534	\$ (45,569)	\$ 29,452	\$ —	\$ 1,091,258	\$ 300,394
Total Net Position Reported Above						\$ 1,091,258	
Consolidation Adjustment of Internal Service Activities Related to Enterprise Funds						(2,564)	
Net Position of Business-Type Activities						\$ 1,088,694	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds					
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Totals June 30, 2019	Governmental Activities Internal Service Funds
Operating Revenues:						
Employer Contributions	\$ —	\$ 355,724	\$ —	\$ —	\$ 355,724	\$ 523,719
Employee Contributions	—	—	—	—	—	163,604
Federal Contracts	—	34	—	—	34	—
Medicare Part D Subsidy	—	—	—	—	—	7,184
Licenses, Fees, and Permits	—	—	14,797	10,444	25,241	19,661
Sales	1,484,388	—	—	33,515	1,517,903	29,820
Leases and Rentals	—	—	—	4,227	4,227	64,549
Charges for Services	—	—	—	21,662	21,662	139,239
Cost Reimbursement/Miscellaneous	141	—	1	98	240	46,955
Total Operating Revenues	1,484,529	355,758	14,798	69,946	1,925,031	994,731
Operating Expenses:						
Cost of Goods Sold	27,756	—	—	21,985	49,741	22,074
Personal Service	12,988	—	1,842	108,116	122,946	94,110
Operations	101,645	—	4,264	37,142	143,051	121,209
Prizes Expense	1,015,092	—	—	—	1,015,092	—
Specific Programs	—	—	14,240	1,558	15,798	10,257
Insurance Benefits	—	—	—	—	—	678,260
Unemployment Benefits	—	264,370	—	—	264,370	—
Depreciation/Amortization	1,004	—	3	5,237	6,244	22,912
Other Charges	9,618	—	—	1,108	10,726	12,008
Total Operating Expenses	1,168,103	264,370	20,349	175,146	1,627,968	960,830
Operating Income (Loss)	316,426	91,388	(5,551)	(105,200)	297,063	33,901
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	—	75,851	75,851	51
Interest Expense	—	—	—	—	—	(1,129)
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	1,362	—	177	104	1,643	3,343
Interest	933	22,536	787	550	24,806	4,983
Penalties and Unclaimed Properties	—	—	—	534	534	—
Disposal of Capital Assets	66	—	—	328	394	24
Total Non-Operating Revenues (Expenses)	2,361	22,536	964	77,367	103,228	7,272
Income (Loss) Before Transfers	318,787	113,924	(4,587)	(27,833)	400,291	41,173
Capital Contributions	—	—	—	173	173	—
Transfers In (Note 17)	33	—	—	16,565	16,598	57
Transfers Out (Note 17)	(317,783)	(2,602)	—	(742)	(321,127)	(2,833)
Change in Net Position	1,037	111,322	(4,587)	(11,837)	95,935	38,397
Total Net Position - Beginning (Note 18)	(12,196)	1,007,212	(40,982)	41,289	995,323	261,997
Total Net Position - Ending (Note 19)	\$ (11,159)	\$ 1,118,534	\$ (45,569)	\$ 29,452	\$ 1,091,258	\$ 300,394
Total Net Change in Net Assets Reported Above					\$ 95,935	
Consolidation Adjustment of Internal Services Activities Related to Enterprise Funds					1,888	
Change in Net Assets of Business-Type Activities					\$ 97,823	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Business-Type Activities - Enterprise Funds					
	Major Funds					
	State Lottery	Unemployment Compensation	Petroleum Storage Tank Insurance	Non-Major Funds	Totals June 30, 2019	Governmental Activities Internal Service Funds
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ —	\$ 1,724	\$ —	\$ 701	\$ 2,425	\$ 730,591
Receipts from External Customers and Users	1,485,239	361,567	14,274	68,875	1,929,955	201,035
Payments to Suppliers	(129,348)	—	(4,227)	(59,499)	(193,074)	(150,475)
Payments to Employees	(10,770)	—	(1,580)	(90,796)	(103,146)	(78,394)
Payments Made for Program Expense	(1,008,204)	(258,509)	(15,820)	(1,558)	(1,284,091)	(701,135)
Other Receipts	141	—	1	98	240	46,955
Other Payments	(9,618)	—	—	(1,108)	(10,726)	(12,008)
Net Cash Provided (Used) by Operating Activities	327,440	104,782	(7,352)	(83,287)	341,583	36,569
Cash Flows from Non-Capital Financing Activities:						
Loans Made to Outside Entities	—	—	—	18	18	—
Due to Other Funds	(5,242)	1,421	5	(22)	(3,838)	(45)
Due from Other Funds	—	—	—	178	178	895
Due from Component Units	—	—	—	—	—	2
Contributions and Intergovernmental	—	—	—	75,835	75,835	51
Transfers to Other Funds	(317,783)	(2,602)	—	(742)	(321,127)	(2,833)
Transfers from Other Funds	33	—	—	16,565	16,598	57
Net Cash Provided (Used) by Non-Capital Financing Activities	(322,992)	(1,181)	5	91,832	(232,336)	(1,873)
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	—	—	—	—	—	(1,129)
Purchases and Construction of Capital Assets	(703)	—	—	(3,574)	(4,277)	(5,951)
Capital Lease Downpayment/Obligations	—	—	—	—	—	(1,866)
Financed Purchase Downpayment/Obligations	—	—	—	—	—	(5,454)
Disposal of Capital Assets	66	—	(11)	105	160	21
Net Cash Provided (Used) by Capital and Related Financing Activities	(637)	—	(11)	(3,469)	(4,117)	(14,379)
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	—	—	5,084	552	5,636	1,229,107
Purchase of Investments	(4,387)	—	—	(3,678)	(8,065)	(1,222,670)
Interest and Dividends Received	908	22,536	780	521	24,745	5,060
Investment Fees	—	—	—	—	—	(133)
Penalties and Other Receipts	—	—	—	534	534	—
Net Cash Provided (Used) by Investing Activities	(3,479)	22,536	5,864	(2,071)	22,850	11,364
Net Increase (Decrease) in Cash	332	126,137	(1,494)	3,005	127,980	31,681
Cash and Cash Equivalents, Beginning of Year	30,996	919,775	16,382	17,857	985,010	61,829
Cash and Cash Equivalents, End of Year	\$ 31,328	\$ 1,045,912	\$ 14,888	\$ 20,862	\$ 1,112,990	\$ 93,510
Reconciliation of Operating Income (Loss) to Net Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 316,426	\$ 91,388	\$ (5,551)	\$ (105,200)	\$ 297,063	\$ 33,901
Depreciation/Amortization Expense	1,004	—	3	5,237	6,244	22,912
Changes in Assets and Liabilities:						
Accounts Receivable	744	7,533	(506)	256	8,027	(12,526)
Inventories	—	—	—	418	418	(619)
Deferred Outflows of Resources	468	—	54	4,073	4,595	2,769
Prepaid Items	—	—	—	—	—	(201)
Accounts Payable	53	5,861	37	(790)	5,161	(6,372)
Accrued Payroll	6	—	(11)	147	142	60
Unearned Revenue	107	—	(17)	(528)	(438)	(3,624)
Grand Prize Winner Liability	6,888	—	—	—	6,888	—
Claims Liability	—	—	(1,580)	—	(1,580)	(12,618)
Compensated Absences	3	—	(19)	37	21	(12)
Net OPEB Liability	(50)	—	(7)	(388)	(445)	(339)
Net Pension Liability	1,385	—	190	10,343	11,918	10,372
Deferred Inflows of Resources	406	—	55	3,108	3,569	2,866
Net Cash Provided (Used) by Operating Activities	\$ 327,440	\$ 104,782	\$ (7,352)	\$ (83,287)	\$ 341,583	\$ 36,569
Non-Cash Financing and Investing Activities:						
Capital Lease and Financed Purchase Issuance	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,865
Capital Asset Donations	—	—	—	189	189	—
Increase (Decrease) in Fair Value of Investments	1,362	—	177	104	1,643	3,343
Net Non-Cash Financing and Investing Activities	\$ 1,362	\$ —	\$ 177	\$ 293	\$ 1,832	\$ 19,208

The notes to the financial statements are an integral part of this statement.



*The **Fiduciary Funds** account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.*

Individual fund financial statements for pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds are presented as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Cash and Cash Equivalents (Note 3)	\$ 268,005	\$ 14,813	\$ 105,547
Investments at Fair Value (Note 3):			
U.S. Government Securities	6,249,670	689	601,651
U.S. Agency Sponsored Securities	—	15,813	4,066
Repurchase	1,380,452	—	—
Stocks	638,006	102	16
Bonds	1,356,603	—	—
International Equities	51,909	—	—
Mutual and Index Funds	1,374,422	—	—
Limited Partnership	3,994,127	—	—
Other Investments	1,326,971	7,141	1,836
Invested Securities Lending Collateral (Note 3)	104,247	—	—
Assets Held in Escheat	—	11,882	—
Receivables:			
Accounts Receivable	253,815	39	551,864
Interest Receivable	139,864	15	1,311
Inventories	—	1	—
Prepaid Expenses	472	—	—
Capital Assets:			
Software in Progress	2,140	—	—
Land	351	—	—
Buildings	4,662	—	—
Equipment	1,521	88	—
Software	4,031	100	—
Accumulated Depreciation/Amortization	(7,242)	(161)	—
Total Capital Assets, Net	5,463	27	—
Total Assets	17,144,026	50,522	\$ 1,266,291
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	776	487	\$ —
LIABILITIES			
Accounts Payable	214,793	1,064	\$ 34
Obligations under Repurchase Agreements	3,921,700	—	—
Accrued Payroll	—	23	—
Due to Other Entities	—	—	1,240,028
Due to Individuals	—	—	26,229
Securities Lending Obligation (Note 3)	110,925	—	—
Unearned Revenue (Note 1)	3,349	—	—
Claims Liability	5,899	—	—
Compensated Absences	640	45	—
Net OPEB Liability	9,205	545	—
Net Pension Liability	—	1,397	—
Total Liabilities	4,266,511	3,074	\$ 1,266,291
DEFERRED INFLOWS OF RESOURCES (Note 15)	609	64	\$ —
Net Position Restricted for Pension Benefits, OPEB, Deferred Compensation, and Other Purposes	\$ 12,877,682	\$ 47,871	

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds
Additions:		
Contributions:		
Employer	\$ 725,567	\$ —
Plan Member	148,353	—
Other	105,755	—
Total Contributions	979,675	—
Investment Earnings:		
Increase (Decrease) in Appreciation of Assets	146,483	267
Interest and Dividends	221,701	783
Securities Lending Income	942	—
Other Income	295,584	—
Total Investment Earnings	664,710	1,050
Less Investment Expenses:		
Investment Activity Expense	(84,233)	—
Securities Lending Expense	(776)	—
Total Investment Expense	(85,009)	—
Net Investment Earnings (Loss)	579,701	1,050
Unclaimed Property	—	44,192
Cost Reimbursement/Miscellaneous	3,685	11,488
Total Additions	1,563,061	56,730
Deductions:		
Benefits	1,363,203	—
Administrative Expenses	24,078	2,473
Program Distributions	97,728	54,658
Inactive-vested Buyout Payments	319	—
Service Transfer Payments	3,001	—
Depreciation/Amortization	304	36
Total Deductions	1,488,633	57,167
Change in Net Position	74,428	(437)
Net Position - Beginning of Year (Note 18)	12,803,254	48,308
Net Position - End of Year	\$ 12,877,682	\$ 47,871

The notes to the financial statements are an integral part of this statement.



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Component Unit Financial Statements

Major

College and Universities

Non-Major

Non-Major proprietary component unit statements are found in the combining fund financial statements as part of Supplementary Information.

STATE OF MISSOURI
STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2019
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2019
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 513,329	\$ 29,377	\$ 542,706
Investments	128,586	42,692	171,278
Invested Securities Lending Collateral	3,616	—	3,616
Receivables, Net	741,932	6,759	748,691
Inventories	54,415	1	54,416
Restricted Assets:			
Cash and Cash Equivalents	225,193	568	225,761
Investments	47,532	11,267	58,799
Receivables, Net	21,259	3,066	24,325
Deposits and Prepaid Expenses	49,418	404	49,822
Other Assets	912	—	912
Total Current Assets	<u>1,786,192</u>	<u>94,134</u>	<u>1,880,326</u>
Non-Current Assets:			
Investments	2,822,472	51,202	2,873,674
Receivables, Net	120,037	20,392	140,429
Restricted Assets:			
Cash and Cash Equivalents	24,816	2,503	27,319
Investments	1,536,160	10,026	1,546,186
Receivables, Net	1,380	19,809	21,189
Other Assets	19,255	—	19,255
Capital Assets, Net of Accumulated Depreciation/Amortization (Note 5)	5,457,495	64,542	5,522,037
Total Non-Current Assets	<u>9,981,615</u>	<u>168,474</u>	<u>10,150,089</u>
Total Assets	<u>11,767,807</u>	<u>262,608</u>	<u>12,030,415</u>
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	<u>609,440</u>	<u>1,538</u>	<u>610,978</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	808,134	231	808,365
Due to Primary Government (Note 16)	—	257	257
Securities Lending Obligation	3,616	—	3,616
Unearned Revenue (Note 1)	147,750	—	147,750
Deposits	98,456	—	98,456
Claims Liability (Note 22)	44,211	—	44,211
Compensated Absences	75,938	84	76,022
Capital Lease Obligations (Note 6)	5,399	—	5,399
Bonds/Notes/Financed Purchases Payable (Note 12)	533,573	232	533,805
Total Current Liabilities	<u>1,717,077</u>	<u>804</u>	<u>1,717,881</u>
Non-Current Liabilities:			
Accounts Payable and Accrued Liabilities	60,174	—	60,174
Advance from Primary Government (Note 16)	—	118	118
Unearned Revenue (Note 1)	16,867	743	17,610
Deposits and Reserves	447	7,990	8,437
Claims Liability (Note 22)	43,774	—	43,774
Compensated Absences	35,669	66	35,735
Capital Lease Obligations (Note 6)	31,078	—	31,078
Asset Retirement Obligation (Note 24)	62,433	—	62,433
Bonds/Notes/Financed Purchases Payable (Note 12)	1,832,848	13,572	1,846,420
Net OPEB Liability	474,622	825	475,447
Net Pension Liability	1,748,963	3,601	1,752,564
Total Non-Current Liabilities	<u>4,306,875</u>	<u>26,915</u>	<u>4,333,790</u>
Total Liabilities	<u>6,023,952</u>	<u>27,719</u>	<u>6,051,671</u>
DEFERRED INFLOWS OF RESOURCES (Note 15)	<u>126,909</u>	<u>346</u>	<u>127,255</u>
NET POSITION			
Net Investment in Capital Assets	3,104,120	50,693	3,154,813
Restricted for:			
Expendable	636,610	—	636,610
Non-Expendable	1,295,533	—	1,295,533
Other Purposes	—	101,816	101,816
Unrestricted	1,190,123	83,572	1,273,695
Total Net Position	<u>\$ 6,226,386</u>	<u>\$ 236,081</u>	<u>\$ 6,462,467</u>

The notes to the financial statements are an integral part of this statement.

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION/STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	College and Universities	Non-Major	Totals June 30, 2019	Adjustments	Statement of Activities
Revenues:					
Operating Revenues:					
Licenses, Fees, and Permits	\$ —	\$ 1,891	\$ 1,891	\$ —	\$ 1,891
Student Tuition and Fees (Net of Scholarship Allow.)	1,010,325	—	1,010,325	—	1,010,325
Sales and Services of Educational Departments	44,968	—	44,968	—	44,968
Auxiliary Enterprises	2,134,965	—	2,134,965	—	2,134,965
Leases and Rentals	—	6,092	6,092	—	6,092
Cost Reimbursement/Miscellaneous	106,223	216	106,439	10,441	116,880
Total Charges for Services					3,315,121
Federal Appropriations, Grants, and Contracts	201,562	—	201,562	203,390	404,952
State Grants and Contracts	88,936	—	88,936	740,252	829,188
Private Gifts, Grants, and Contracts	93,160	—	93,160	112,911	206,071
Additions to Endowments	1,160	—	1,160	31,594	32,754
Total Operating Grants and Contributions					1,472,965
Interest Revenue	—	1,704	1,704	(1,704)	
Total Operating Revenues	3,681,299	9,903	3,691,202	1,096,884	
Expenses:					
Operating Expenses:					
Personal Service	2,988,921	2,399	2,991,320	—	2,991,320
Operations	—	4,039	4,039	—	4,039
Specific Programs	—	1,448	1,448	—	1,448
Scholarships and Fellowships	147,528	—	147,528	—	147,528
Utilities	34,014	—	34,014	—	34,014
Supplies and Other Services	1,303,307	—	1,303,307	—	1,303,307
Contracted Services	33,247	—	33,247	—	33,247
Interest Expense	—	—	—	93,926	93,926
Depreciation/Amortization	325,984	2,149	328,133	—	328,133
Bad Debt Expense	—	6	6	—	6
Miscellaneous	36,456	92	36,548	804	37,352
Total Operating Expenses	4,869,457	10,133	4,879,590	94,730	4,974,320
Operating Income (Loss)	(1,188,158)	(230)	(1,188,388)	1,002,154	
Non-Operating Revenues (Expenses):					
Federal Appropriations, Grants, and Contracts	203,390	—	203,390	(203,390)	—
State Appropriations, Grants, and Contracts	740,252	—	740,252	(740,252)	—
Private Gifts, Grants, and Contracts	112,911	—	112,911	(112,911)	—
Contributions and Intergovernmental	—	2,239	2,239	—	2,239
Total Unrestricted Grants and Contributions					2,239
Investment Earnings:					
Increase (Decrease) in the Fair Value of Investments	(40)	1,292	1,252	—	1,252
Investment and Endowment Income (Loss)	224,041	—	224,041	—	224,041
Interest	—	2,513	2,513	1,704	4,217
Interest and Bond Related Expenses	(93,336)	(590)	(93,926)	93,926	—
Gain (Loss) on Sale of Capital Assets	(731)	—	(731)	731	—
Contributions to Others	—	(779)	(779)	—	(779)
Miscellaneous Revenues (Expenses)	10,441	(73)	10,368	(10,368)	—
Total Unrestricted Investment Earnings					228,731
Total Non-Operating Revenues (Expenses)	1,196,928	4,602	1,201,530	(970,560)	
Income Before Other Revenues (Expenses) Or Gains (Losses)	8,770	4,372	13,142	31,594	
State Capital Appropriations	86,049	—	86,049	—	86,049
Total Capital Grants and Contributions					86,049
Additions to Endowments	31,594	—	31,594	(31,594)	—
Extraordinary Item	(1,037)	—	(1,037)	—	(1,037)
Change in Net Position	125,376	4,372	129,748	—	129,748
Net Position - Beginning of Year (Note 18)	6,101,010	231,709	6,332,719	—	6,332,719
Net Position - End of Year	\$ 6,226,386	\$ 236,081	\$ 6,462,467	\$ —	\$ 6,462,467

The notes to the financial statements are an integral part of this statement.



The Notes to the Financial Statements provide a summary of significant accounting policies and other disclosures required for a fair presentation of the basic financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Index of Notes

Note 1 - Significant Accounting Policies	34
Note 2 - Reporting Changes and Classifications	49
Note 3 - Deposits and Investments	50
Note 4 - Governmental Fund Balance	65
Note 5 - Capital Assets	67
Note 6 - Leases	69
Note 7 - Retirement Systems	72
Note 8 - Other Postemployment Benefits	85
Note 9 - Deferred Compensation	95
Note 10 - Changes in Short-Term Liabilities	96
Note 11 - Changes in Long-Term Liabilities	97
Note 12 - Debt	98
Note 13 - Defeased Debt	108
Note 14 - Payables and Receivables	109
Note 15 - Deferred Inflows and Outflows	109
Note 16 - Interfund Assets and Liabilities	114
Note 17 - Interfund Transfers	115
Note 18 - Restatements	116
Note 19 - Fund Deficit	117
Note 20 - Tax Abatements	118
Note 21 - Commitments	124
Note 22 - Risk Management and Insurance	125
Note 23 - Pollution Remediation and Landfill Closure and Postclosure	129
Note 24 - Asset Retirement Obligation	131
Note 25 - Contingencies	131
Note 26 - Nonexchange Financial Guarantees	135
Note 27 - Joint Ventures	136
Note 28 - Endowments	137
Note 29 - Conduit Debt	137
Note 30 - Subsequent Events	137

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies

A. Financial Statements and Reporting Entity

The accompanying financial statements of the State of Missouri (primary government) and its component units have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB).

The financial statements include the departments, agencies, boards, commissions, and other organizational units over which the State has financial accountability. GASB set forth the following criteria in Statement No. 14, *The Financial Reporting Entity*, for determining financial accountability: appointment of a voting majority of an organization's governing body and either: 1) the ability to impose the State's will on the organization; or 2) the organization's ability to provide specific benefits to, or impose specific burdens on, the primary government. Where the State does not appoint a voting majority of the governing body, the entity would still be included if it is fiscally dependent on the State. Statement No. 39, *Determining Whether Certain Entities are Component Units*, added a requirement to include all entities whose relationship with the State would make it misleading to exclude it. Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, improves financial reporting by amending GASB Statement No. 14, *The Financial Reporting Entity*, and Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in blending component units: 1) if there is a financial benefit or burden relationship with the primary government; 2) management of the primary government has operational responsibility for the component unit's activities; and 3) if the total outstanding debt is expected to be repaid entirely or almost entirely with the resources of the primary government. GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, requires component units to be blended if they are incorporated as not-for-profit corporations and the primary government is the sole corporate member.

In addition to the legislative, executive, and judicial branches, the following organizations are included in these financial statements:

Component Units (Blended):

Blended component units are legally separate entities from the State, but are so intertwined with the State that they are, for all practical purposes, the same as the State. They are reported as part of the primary government and blended into the appropriate funds. The following component units are blended because they provide services entirely or almost entirely to the primary government:

Governmental Funds:

Board of Fund Commissioners – The Board was created by state law and is comprised of the Governor, Lieutenant Governor, Attorney General, State Treasurer, and the Commissioner of Administration. The Board's purpose is to issue, redeem, and cancel state general obligation bonds and perform other administrative activities related to state general obligation debt as assigned by law. Separate financial statements are not required or issued for the Board.

Board of Private Investigator and Private Fire Investigator Examiners – The Board was created by state law and is charged with the licensure and regulation of the practice of private investigators and private fire investigators in Missouri. The seven member board shall consist of three private investigators, two private fire investigators, and two public members, appointed by the Governor. The Board is appointed by the primary government. It is therefore considered a blended special revenue fund and shown in the financial statements as part of the primary government.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Coordinating Board for Early Childhood – The Board was created by state law within the Missouri Children's Services Commission. The Board's purpose is to develop a comprehensive statewide long-range strategic plan for a cohesive early childhood system, and to work with public and private entities for the purpose of promoting and improving the development of Missouri's children from birth through age five. The 17 member Board is composed of representatives from the Governor's Office; the following departments: Health and Senior Services, Mental Health, Social Services, and Elementary and Secondary Education; the judiciary; the Family and Community Trust Board; the Head Start Program; and nine members appointed by the Governor. The majority of the board members are appointed by the primary government and, therefore, separate financial statements are not required for the Board.

Missouri State Penitentiary Redevelopment Commission – The Commission was established to coordinate the planning and redevelopment of the old Jefferson City Correctional Center. The ten member commission consists of three members appointed by the Jefferson City mayor, three members appointed by the Cole County Commission, and four members appointed by the Governor. The majority of the board members are appointed by the primary government. Therefore, it is considered a blended special revenue fund and is shown in the financial statements as part of the primary government.

Internal Service Funds:

Board of Public Buildings – This is reported with the State Facility Maintenance and Operation Fund. The Board was created by state law and its governing body is made up of the Governor, the Lieutenant Governor, and the Attorney General. Its purpose is to provide state buildings by issuing revenue bonds and to supervise the operations of these facilities. All construction contracts must be approved by the Division of Facilities Management, Design and Construction, and its projects must be approved by the General Assembly. The Board can require state agencies to occupy its projects. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds and pay the costs of operations.

Conservation Employees' Insurance Plan – The Plan provides health and life insurance coverage to eligible employees and retirees of the Missouri Department of Conservation. The Plan is administered by a five member board of trustees made up of three members of the Plan appointed by the Conservation Commission which consist of two Conservation employees and Division Chief, the Chief Financial Officer, and the Human Resources Division Chief. Copies of the Plan's financial statements may be requested from:

Missouri Department of Conservation
P.O. Box 180
Jefferson City, Missouri 65102

Transportation Self-Insurance Plan – The Plan provides fleet vehicle liability, workers' compensation, and general liability insurance. The Plan is administered by the Missouri Department of Transportation. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri State Employee's Insurance Plan – The Plan was created to provide basic life insurance to eligible members and is administered through the Missouri State Employees' Retirement System (MOSERS). Death benefits, optional life insurance, and long-term disability benefits are also provided by the Plan for certain members. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

Missouri Consolidated Health Care Plan (MCHCP) – The Plan was created by state law to provide medical benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate; two members of the House; three members appointed by the Governor; the Director of the Department of Health and Senior Services; the Director of the Department of Insurance, Financial Institutions and Professional Registration; the Commissioner of Administration; two members of the system who are current employees; and one member of the system who is a retiree. The management of MCHCP is the responsibility of the Executive Director who is appointed by the Board. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

MoDOT/MSHP Medical and Life Insurance Plan – The Plan provides health and life insurance coverage to eligible employees, retirees, and their dependents of the Missouri Department of Transportation (MoDOT) and the Missouri State Highway Patrol (MSHP). The Plan is administered by a board of trustees consisting of four active MoDOT employees, one retired MoDOT employee appointed by the Director of MoDOT, two active MSHP employees, and one retired MSHP employee appointed by the Superintendent of MSHP. Additional information may be requested from:

Missouri Department of Transportation
Financial Services Division
P.O. Box 270
Jefferson City, Missouri 65102

Pension (and other employee benefit) trust funds:

Missouri State Employees' Retirement System (MOSERS) – The System was created by state law and provides retirement, survivor, and disability benefits to its members and is administered by a board of trustees. The Board consists of two members of the Senate, two members of the House, two members appointed by the Governor, three members elected by the System's members, the State Treasurer, and the Commissioner of Administration. The management of MOSERS is the responsibility of the Executive Director who is appointed by the Board. The MOSERS Board of Trustees also oversees the State's Deferred Compensation Plan which is administered by a third party. Copies of the System's financial statements may be requested from:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) – The System provides retirement, survivor, and disability benefits to qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff. The System is administered by a board of trustees consisting of three members of the Missouri Highways and Transportation Commission, the Director of the Missouri Department of Transportation, the Superintendent of the Missouri State Highway Patrol, one member of the Senate, one member of the House, one member elected by MoDOT employees, one member elected by the Missouri State Highway Patrol employees, one retired member elected by retired MoDOT employees, and one retired member elected by retired Missouri State Highway Patrol employees. Copies of the System's financial statements may be requested from:

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930

Missouri Consolidated Health Care Plan (MCHCP) State Retiree Welfare Benefit Trust – The Trust was established on June 27, 2008, to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements, except those covered by other State sponsored post-employment benefit plans. The Trust is administered by the MCHCP board of trustees, which also administers the benefits for the active participants of the Plan. The net position and activity related to active participants are reported in an internal service fund. Copies of the Plan's financial statements may be requested from:

Missouri Consolidated Health Care Plan
P.O. Box 104355
832 Weathered Rock Court
Jefferson City, Missouri 65110-4355

Missouri State Public Employees' Deferred Compensation Plan – The Missouri State Public Employees' Deferred Compensation Plan is administered by ICMA-RC and oversight of the Plan is provided by the MOSERS board of trustees. Under this Plan, employees are permitted to defer a portion of their current salary until future years. In addition, eligible employees have the opportunity to participate in the Missouri State Employees' Deferred Compensation Incentive Plan. Under this Plan, the State contributes \$25, \$30, or \$35 per month on behalf of any employee who contributes at least that amount to the Missouri State Public Employees' Deferred Compensation Plan and who has been an employee of the State for at least one year. However, due to budget constraints, the State's contribution amount was suspended in March 2010. Copies of financial statements for both Plans may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Component Units (Discretely Presented):

Discretely presented component units are legally separate entities for which the State is financially accountable. The financial data for these entities is reported separately from the financial data of the primary government.

Major

College and Universities - The Coordinating Board for Higher Education has certain responsibilities for these institutions and they receive State support. Following are the public college and universities included in the financial statements:

Harris-Stowe State University
3026 Laclede Avenue
St. Louis, Missouri 63103

Lincoln University
820 Chestnut Street
Jefferson City, Missouri 65102

Missouri Southern State University
3950 East Newman Road
Joplin, Missouri 64801-1595

Missouri State University
901 South National Avenue, Room 119
Springfield, Missouri 65897

Missouri Western State University
4525 Downs Drive
St. Joseph, Missouri 64507

Northwest Missouri State University
107 Administration Building
800 University Drive
Maryville, Missouri 64468-6001

Southeast Missouri State University
One University Plaza, Mail Stop 3200
Cape Girardeau, Missouri 63701

State Technical College of Missouri
One Technology Drive
Linn, Missouri 65051

Truman State University
Business Office
100 East Normal
Kirksville, Missouri 63501

University of Central Missouri
316 Administration Building
Warrensburg, Missouri 64093

University of Missouri System
118 University Hall
Columbia, Missouri 65211

Non-Major

Missouri Development Finance Board - The Board was created by state law as an independent, self-supporting, body corporate and politic to promote economic development of the State and was created within the Department of Economic Development. The Board is empowered to issue taxable, tax-exempt, and public purpose infrastructure industrial revenue bonds or notes; provide loans or loan guarantees to eligible businesses; provide loans and grants to political subdivisions to fund public infrastructure improvements; and issue tax credits against certain state income taxes in exchange for contributions made to the Board. The twelve member board is made up of the Lieutenant Governor and the Directors of the Department of Economic Development, the Department of Natural Resources, and the Department of Agriculture, who serve as ex-officio voting members, and eight members appointed by the Governor and confirmed by the Senate. Copies of the Board's financial statements may be requested from:

Missouri Development Finance Board
Governor Office Building
200 Madison Street, Suite 1000
Jefferson City, Missouri 65102

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri Agricultural and Small Business Development Authority - The Authority was created by state law and is authorized to issue bonds to finance agricultural and small business development loans for property acquisitions/renovations and pollution control facilities throughout the State. If for any reason, the Authority ceases to exist, all rights and properties of the Authority will pass to the State. Its governing body consists of seven members appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's financial statements may be requested from:

Missouri Agricultural and Small
Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

Missouri Transportation Finance Corporation - The Corporation is a not-for-profit corporation organized under the Missouri Nonprofit Corporation Law. The Corporation is financed by federal highway and transit dollars, plus state and local matching funds. It is authorized to issue revenue bonds. The Corporation provides loans to assist public and private entities to fund highway and transportation projects throughout the State. Missouri Transportation Finance Corporation's board determines which applicants are extended loans. Copies of the Corporation's financial statements may be requested from:

Missouri Transportation Finance
Corporation
P.O. Box 270
105 West Capitol Avenue
Jefferson City, Missouri 65102

Missouri Wine and Grape Board – The Board was created by state law to further growth and development of the grape growing industry in Missouri and foster the expansion of the grape market for Missouri grapes. The eleven member board consists of seven members representing the grape and wine industry, food service industry, or media marketing industry. The four other members include the director of the Department of Agriculture and the presidents of the Missouri Grape Growers Association, the Missouri Vintners Association, and the Missouri Wine Marketing and Research Council. Copies of the Board's annual report may be requested from:

Missouri Wine and Grape Board
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, Missouri 65102

State Environmental Improvement and Energy Resources Authority – The Authority was created by state law and is authorized to finance, acquire, construct, and equip projects to reduce, prevent, and control pollution and develop the energy resources of the State. The Authority is governed by a five-member board appointed by the Governor with the advice and consent of the Senate. Copies of the Authority's annual report may be requested from:

State Environmental Improvement and
Energy Resources Authority
425 Madison Street
Jefferson City, Missouri 65101

Related Organizations

Related organizations are excluded from the financial reporting entity because the State's accountability does not extend beyond appointing a voting majority of the organization's board members. Related organizations of the State of Missouri include:

Missouri Health and Educational Facilities Authority – finances health and educational facilities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Missouri Higher Education Loan Authority – provides a secondary market for loans made under the Federal Family Education Loan Program.

Missouri Housing Development Commission – finances the purchase, development or rehabilitation of affordable housing and funds housing assistance.

Missouri Technology Corporation – promotes the modernization of businesses through the development of science and technology applications.

Missouri Public Entity Risk Management Fund – provides liability protection to participating public entities, their officials, and employees.

Jackson County Sports Complex Authority – responsible for construction, operation, and financing of the Jackson County Sports Complex.

Kansas City Regional Sports Complex Authority – responsible for the study and review of all current major sports leagues, clubs, or franchises in Kansas City.

St. Charles County Convention and Sports Facility Authority – responsible for planning, constructing, and managing convention and sports facilities in the St. Charles area.

Missouri Cotton Growers' Organization – organized for boll weevil eradication.

Universal Service Board – organized to ensure just, reasonable, and affordable rates for comparable essential local telecommunication services throughout the State.

Interstate Commission for Adult Offender Supervision – responsible for promoting public safety and protecting the rights of victims through the control and regulation of the interstate movement of adults placed under community supervision.

Board of Trustees of the Missouri Mesothelioma Risk Management Fund – provides coverage of liabilities for participating employers relating to mesothelioma awards.

P-20 Council – organized to create a more efficient and effective education system that more adequately prepares students for the challenges of entering the workforce.

Missouri Propane Safety Commission – responsible for developing comprehensive plans and programs for the prevention, control, and abatement of propane-related accidents in Missouri.

Missouri Family Trust Board of Trustees – provides trust services for persons with disabilities.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements:

The government-wide financial statements focus on the government as a whole. The Statement of Net Position and Statement of Activities report information on all non-fiduciary activities of the primary government and its component units. Primary government activities are distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Governmental activities include governmental type funds and internal service funds. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services and consist of enterprise funds.

The Statement of Net Position presents the reporting entity's non-fiduciary assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Indirect costs, such as depreciation/amortization expense, are included in the direct expenses reported for individual functions. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenues.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recognized when incurred. Fiduciary funds have been excluded from the government-wide financial statements because, by definition, the resources of these funds cannot be used to support government operations. Generally, interfund transactions have also been eliminated. Some interfund transactions, such as the exchange of services, were not eliminated because doing so would mistakenly understate both expenses of the buyer and revenues of the seller.

Fund Financial Statements:

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide statements. For governmental and proprietary fund financial statements, the emphasis is on major individual governmental and enterprise funds, with each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Internal service funds are also aggregated and reported in a separate column on the proprietary fund financial statements.

The governmental fund financial statements are presented using the current financial resources measurement focus and modified accrual basis of accounting. With the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to pay current period liabilities. Operating statements of governmental funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance. Material revenues susceptible to accrual include federal grants and sales and income taxes. Expenditures are recognized when the related fund liability is incurred except for the following:

- Principal and interest on general long-term debt is recorded as an expenditure when due.
- Compensated absences (accumulated vacation and compensatory time) and sick pay are recorded as expenditures when paid.
- Inventories are reported as expenditures when purchased, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method.

The proprietary, pension (and other employee benefit) trust, and private-purpose trust fund financial statements are presented using the economic resources measurement focus and accrual basis of accounting. With the economic resources measurement focus, assets, deferred outflows, liabilities, and deferred inflows associated with the operation of these funds are included on the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized in the period earned and expenses are recognized in the period incurred. Proprietary fund-type operating statements present revenues and expenses in total net position. Operating revenues and expenses in proprietary funds are classified as those activities that make up the primary ongoing operations associated with those funds. Non-operating revenues and expenses in proprietary funds are classified as those activities that are deemed incidental or unusual for those funds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. The agency fund financial statements are presented on the accrual basis of accounting.

The discretely presented component unit financial statements are presented using the economic resources measurement focus and accrual basis of accounting with the following exception in regard to the college and universities. Revenues and related expenditures in connection with the summer sessions in progress at June 30 are deferred at that date.

The State reports the following major funds categories:

General Fund – accounts for all current financial resources not required by law or administrative action to be accounted for in another fund. Major revenues include contributions and taxes.

Public Education – provides general and special education needs of the State and other related areas such as library services and student loans. Major revenues include contributions and taxes.

Conservation and Environmental Protection – provides for the preservation of the State's wildlife and environment. Major revenues include contributions, taxes and licenses, fees, and permits.

Missouri Road Fund – accounts for revenues from highway users' fees, federal reimbursements for highway projects, and bond proceeds to be used for costs of constructing and maintaining an adequate state highway system. Major revenues are from contributions.

State Lottery – accounts for proceeds from the sale of lottery tickets and all other moneys credited to this fund. A minimum of 45% of the moneys are used for prizes. Major revenues are from sales of lottery tickets.

Unemployment Compensation – accounts for contributions, payments, and federal loans collected under the provisions of the Unemployment Compensation Law to pay benefits. Major revenues include federal and employer contributions.

Petroleum Storage Tank Insurance – accounts for moneys collected from transport load fees and participating owners of petroleum storage tanks for cleanup of contamination caused by releases from petroleum storage tanks. Major revenues are from fees.

C. Basis of Presentation

The State's financial practices are based upon fund accounting concepts. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and fund balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The accompanying financial statements are structured into three categories of funds and discretely presented component units:

Primary Government:

Governmental Funds include the General Fund, special revenue funds, debt service funds, capital projects funds, and permanent funds. These funds account for the revenues and expenditures, capital outlay, and certain debt service of the State.

Proprietary Funds include enterprise funds and internal service funds. These funds account for the cost of certain services provided by the State.

Fiduciary Funds include pension (and other employee benefit) trust funds, private-purpose trust funds, and agency funds. These funds account for assets held by the State in a trustee capacity or as an agent for individuals, other governments, and other entities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Discretely Presented Component Units:

Major

College and Universities account for moneys from student tuition and fees, federal and state grants, debt proceeds, gifts and contributions, state appropriations, investments, and endowments. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

Non-Major

Non-Major Component Units account for moneys from bond proceeds, loans, contributions, gifts, grants, and other revenue sources. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position are accounted for on the Statement of Net Position. Revenues, expenses, gains, and losses are reported on the Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities.

D. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include bank accounts, petty cash, and all investments with an original maturity of 92 days or less, such as certificates of deposit, money market certificates, and repurchase agreements. Cash and cash equivalents on the Proprietary Funds Statement of Cash Flows are also reported under this definition. This definition excludes Fiduciary funds. Cash balances of most state funds are pooled and invested by the State Treasurer (see *Note 3*).

E. Investments

These are long-term investments with an original maturity greater than 92 days which are expected to be held to maturity and redeemed at face value. The majority of investments are reported in pension (and other employee benefit) trust funds, however, investments are held in all fund types. Repurchase agreements held by the State Treasurer's Office are reported at amortized cost. The Missouri State Public Employees' Deferred Compensation Plan and the Missouri State Public Employees' Deferred Compensation Incentive Plan report their Stable Value Funds at contract value. The Missouri State Employees' Retirement System reports their cash equivalents at cost plus accrued interest. All other investments of the State are reported at fair value.

There are multiple funds that have income from investments which are directed to the General Fund. These funds consist of special revenue, enterprise, internal service, private-purpose, and agency funds.

F. Interfund Receivables/Payables

The State makes various transactions between funds or between the primary government and component units to distribute interest earnings, finance operations, provide services, and acquire capital assets. These receivables at June 30 are classified as "due from other funds" or "due from primary government/component units" on the Balance Sheet and Statement of Net Position. Payables are classified as "due to other funds" or "due to primary government/component units" on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are due within one year. Any receivables/payables that are due to and due from an enterprise fund are eliminated on the face of the Proprietary Funds Statement of Net Position. If any receivables/payables that remain after this elimination are both in the same activity (Governmental), they are eliminated at the Government-Wide Statement of Net Position. Interfund receivables/payables between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

G. Advances to/from Other Funds

Long-term interfund receivables are classified as “advances to other funds” or “advances to primary government/component units” on the Balance Sheet and Statement of Net Position. Long-term interfund payables are classified as “advances from other funds” or “advances from primary government/component units” on the Balance Sheet and Statement of Net Position (see *Note 16*). These receivables/payables are eliminated if both the receivable and payable are in the same activity (Governmental). Advances to/from that are between the primary government and the component units are reclassified as accounts receivable/payable at the government-wide level. Any remaining long-term interfund receivables/payables are reported as internal balances on the Government-Wide Statement of Net Position.

H. Inventories

Inventories in the governmental funds consist of expendable supplies held for consumption, the cost of which is recorded as an expenditure at the time of purchase, except for the Missouri Road Fund, which updates inventory perpetually under the consumption method. Inventory balances for governmental funds are shown in the nonspendable fund balance classification. Inventories in the proprietary funds consist of both expendable supplies held for consumption and the cost of goods held for resale, the cost of which is recorded as an expense as they are used. Inventories are valued at cost using various methods such as moving average; weighted average; and first-in, first-out.

I. Capital Assets

Capital assets, which include construction in progress, software in progress, infrastructure in progress, land, land improvements, permanent and temporary easements, buildings and improvements, equipment, software, trademarks, and infrastructure assets, are valued at historical cost or estimated historical cost if actual historical cost is not available. The estimate of historical cost was based on current appraised value indexed to the date of acquisition. Donated capital assets are reported at estimated acquisition value at the time received. Capital assets acquired through lease agreements and financed purchases are capitalized at the inception of the agreement (see *Notes 5, 6 and 12*).

Infrastructure assets (including highways, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items) are capitalized. Interest costs incurred during construction of capital assets are not capitalized.

The capitalization threshold for all capital assets is as follows: land improvements – \$15,000, buildings and improvements – \$15,000, software and trademarks – \$5,000, and equipment – \$1,000. No dollar threshold is set for land, easements, or infrastructure.

Capital assets are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 to 50 years, land improvements and building improvements – 15 to 20 years, temporary easements – term of easement, equipment – 2 to 5 years, software – 3 to 5 years, trademarks – 10 years, and infrastructure – 12 to 50 years. Construction in progress, software in progress, infrastructure in progress, land, and permanent easements are not depreciated/amortized.

Most works of art and historical treasures are not capitalized or depreciated/amortized. The State's non-capitalized collections include the historical artifacts at the various state museums and historical sites, monuments, and other art throughout the capitol grounds. Assets that were previously capitalized continue to be reported in the government-wide financial statements.

Component unit capital assets are stated at cost and are depreciated/amortized using the straight-line method of depreciation/amortization over the following useful lives: buildings – 40 years, land improvements and building improvements – 20 years, equipment – 5 to 15 years, and software – 3 to 5 years.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

J. Deferred Outflow of Resources and Deferred Inflow of Resources

In addition to assets, the Statement of Net Position/Balance Sheet may report a separate line item for deferred outflows of resources. Deferred outflows of resources consist of the decrease of net position by the State that is applicable to a future reporting period and will not be recognized as outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position/Balance Sheet may report a separate line item for deferred inflows of resources. Deferred inflows of resources consist of the increase of net position by the State that is applicable to a future reporting period and will not be recognized as inflow of resources (revenue) until then.

K. Unearned Revenues

Unearned revenues are amounts collected in advance of the year in which earned.

L. Long-Term Debt

Long-term liabilities that will be financed from governmental funds are not reported on the fund financial statements. However, the long-term liabilities are reported on the government-wide financial statements. The reconciliation between fund financial statements and government-wide financial statements includes a line item for the long-term liabilities of governmental funds. These long-term liabilities include the following:

1. Due to Other Entities includes outstanding principal on advances from other governments and contractual obligations to other governments. The expenditures are recorded in the appropriate governmental funds when the liability is paid (see *Note 11*).
2. Outstanding principal for general obligation debt. The expenditure for payment of principal and interest for general obligation debt is recorded in the debt service funds when paid (see *Note 12*).
3. Outstanding principal for bonds issued by the Board of Public Buildings, bonds issued by the Health and Educational Facilities Authority, the Regional Convention and Sports Complex Authority, the Missouri Development Finance Board, and the State Road Bonds issued by the Missouri Highways and Transportation Commission. The expenditure for payment of principal and interest for these bonds is recorded in the appropriate governmental funds when paid (see *Note 12*).
4. Bond premiums are deferred and amortized over the life of the bonds using the effective interest rate method in the government-wide financial statements. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums during the current period. Premiums on debt issuances are reported as other financing sources (see *Note 11*).

5. Obligations under leases and financed purchases reported include the present value of net minimum future lease payments, which will be paid from the General Fund, various special revenue funds, proprietary funds, and the Missouri Road Fund (see *Notes 6, 11, and 12*).
6. Pollution remediation liabilities are measured based on the pollution remediation outlays expected to be incurred to settle those liabilities. These liabilities include all remediation work that the State expects to perform, including work expected to be performed for other responsible parties or potentially responsible parties, whether or not the State is required to do that work. For goods or services used for pollution remediation activities, amounts that are normally expected to be liquidated with expendable available financial resources are recognized as liabilities upon receipt of those goods and services (see *Note 11 and 23*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

7. Asset Retirement Obligations are measured based on the best estimate of the current value of outlays expected to be incurred. These liabilities include all legally enforceable amounts associated with the future retirement of a tangible capital asset. Liabilities and expenditures are recognized for goods and services used for asset retirement activities upon receipt of those goods and services (see *Note 24*).
8. Compensated absences include accumulated unpaid vacation and compensatory time accruals and related employer payroll taxes. These amounts are not accrued in the governmental funds, but are recorded as expenditures when paid (see *Note 11*).

Vacation leave is accumulated at a rate of 10 to 14 hours per month depending on the number of years of employment. Accumulated vacation leave cannot exceed twice the number of vacation hours earned annually. Compensatory time is accumulated as earned by an individual employee.

Sick leave is accumulated at a rate of 10 hours per month with no limit to the amount which can be accumulated. Accumulated sick leave is not paid upon employee termination and does not represent a liability of the State. However, unused sick leave may be converted to additional credited service upon retirement (usable only for benefit computation, not eligibility).

9. Claims and contingent liabilities include estimates of the risk of loss related to tort liability, general liability, motor vehicle liability, contractor liability, and injuries to employees. These liabilities are reported when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. Expenditures are recorded in the fund from which the liability is paid (see *Notes 11, 22, and 25*).
10. The State provides postemployment health care (OPEB) and life insurance benefits to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the MoDOT/MSHP Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). MCHCP is a cost-sharing multiple-employer defined benefit plan, while MHPML and CEIP are single-employer defined benefit plans. Health care benefits and MOSERS life insurance benefits are funded through both employer and employee contributions. The University of Missouri's OPEB plan is a single-employer defined benefit plan for all qualified employees.

For the purposes of measuring the total/net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from have been recognized on the same basis as they are reported by the plans. Employer contributions are recognized as revenue and reported when due and payable. Benefits are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value (see *Note 8*).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

11. The State has two major retirement systems which cover substantially all State employees and a retirement plan for University of Missouri employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple employer defined benefit public employee retirement plan administered by MOSERS. MOSERS also administers the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employee retirement plan. The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value (see *Note 7*).

Long-term liabilities of all proprietary, pension (and other employee benefit) trust, and private-purpose trust funds are accounted for in the respective funds.

M. Net Position and Fund Balance

The difference between fund assets, deferred outflows, liabilities, and deferred inflows is reported as "Net Position" on the government-wide, proprietary, fiduciary, and component unit fund statements and "Fund Balance" on the governmental fund financial statements.

Net Position is reported in three categories:

Net Investment in Capital Assets – An account used to segregate the portion of net position attributable to capital assets and related debt. It consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributed to acquisition, construction, or improvement of those assets.

Restricted Net Position – An account used to segregate the portion of net position that have constraints on their use, which are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. At June 30, 2019, net position restricted by enabling legislation equaled \$521,213,000 for governmental activities.

Unrestricted Net Position – An account used to segregate the portion of net position that does not meet the definition of the two preceding categories.

When both restricted and unrestricted resources are available for use, generally the State uses restricted resources first, then unrestricted resources as they are needed. However, there may be instances in which restricted funds may only be spent in proportion to unrestricted funds spent.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

Governmental Fund Balance Classifications

The State's fund balances are classified as:

Nonspendable – Amounts that are not expected to be converted to cash or amounts that are legally or contractually required to be maintained intact.

Restricted – Amounts that are restricted for specific purpose due to constraints that are externally imposed by creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the legislature. Committed amounts cannot be used for other purposes unless the General Assembly passes legislation to remove the restraints.

Assigned – Amounts that are constrained by the legislature's intent to be used for a specific purpose, but do not meet the criteria for restricted or committed. The constraint for assigned fund balance is established by the Revised Statutes of the State of Missouri.

Unassigned – Amounts that do not meet the criteria of any of the classifications listed above.

Negative Fund Balance

A negative fund balance is prohibited in all fund balance classifications except Unassigned. When a negative fund balance exists, the shortfall would be covered by the next fund balance classification for that specific purpose.

N. Interfund Transactions

During the fiscal year, the State incurs various transactions between funds, including expenditures and transfers of resources to distribute interest earnings, finance operations, provide services, service debt, and acquire capital assets. Interfund transactions consist of these three types:

1. Transactions that would be treated as revenues or expenditures/expenses, if they involved organizations external to the State, are similarly treated when involving other funds of the State. Major transactions that fall into this category include payments to internal service funds from other funds for services rendered and to agency funds for contributions for employee benefits.
2. Transactions that reimburse another fund for an expense reduce the expenses of the fund that is being reimbursed and increase the expenses for the fund doing the reimbursement. Therefore, they are not shown on the face of the statements.
3. Operating subsidies and transfers from funds receiving revenues to funds through which the resources are to be expended are classified as transfers (see *Note 17*). These transactions are eliminated on the face of the financial statements if the transfer in and transfer out are either both in governmental funds or both in enterprise funds. Of the remaining transfers, any transfers in and transfers out that are within the governmental activities are eliminated at the Government-Wide Statement of Activities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 1 - Significant Accounting Policies (cont.)

O. Property Taxes

Presently there is a state property tax of three cents on each hundred dollars assessed valuation on all real estate and personal property. The tax collected is deposited into the Blind Pension Fund, which is a component of social assistance.

Property taxes in Missouri are levied by October 31 of each year on assessed valuation as of January 1 of that year. Property taxes are due and payable by December 31 and penalties on unpaid taxes are imposed after that date. Assessed values are established by each county assessor's office and are calculated as a percent of market value except for agricultural land which is calculated on productive capability. The percentage for real property varies according to use: residential at 19%, commercial at 32%, and agricultural at 12%. Personal property is assessed according to type with the majority at 33 1/3% of market value.

Note 2 - Reporting Changes and Classifications

The State of Missouri implemented the following new accounting standards issued by the Governmental Accounting Standards Board (GASB) for the fiscal year ending June 30, 2019:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*, which addresses accounting and financial reporting for any legally enforceable obligations required to retire tangible capital assets. It also requires disclosure of information about the nature of a government's asset retirement obligations, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The implementation of this statement is reflected in *Note 24 - Asset Retirement Obligations*.
- GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placement*, which requires additional information related to debt to be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. The implementation of this statement is reflected in *Note 6 - Leases and Note 12 - Debt*.

The State of Missouri reclassified one fund for the fiscal year ending June 30, 2019. The Inmate Canteen Fund was reclassified from an agency fund to a enterprise fund per House Bill No. 2009, 99th General Assembly, Second Regular Session, with its inclusion into the State Treasury.

The State Environmental Improvement and Energy Resources Authority was reclassified from a related organization to a discreetly presented component unit upon re-evaluation as this is a legally separate entity, body corporate and politic, with the board members appointed by the Governor and able to be removed by the Senate at will. The State does not have operational responsibility for the Authority and there is no financial benefit/burden relationship with the State. Debt obligations for the Authority are not an indebtedness of the State.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments

The State Treasurer's Office maintains a cash and short-term investment pool that is used by substantially all state funds of the primary government. These funds do not include accrued interest. Certain organizational units are authorized to administer assets designated to their organization in a manner similar to the deposit and investment activities of the State as a whole. Summarized on the following page is the portfolio that represents the "Cash and Cash Equivalents," "Investments," "Restricted Assets – Cash and Cash Equivalents," and "Restricted Assets – Investments" as reported at June 30, 2019.

A. Deposits

The State minimizes custodial credit risk by restrictions set forth in state law and stipulations in the State Treasurer's Office Investment Policy. Custodial credit risk is risk that, in the event of the failure of a depository financial institution, the State will not be able to recover deposits or will not be able to recover collateralized securities that are in the possession of an outside party. Statutes restrict the State Treasurer's Office to deposit funds in financial institutions that are physically located in Missouri, which are selected based on financial stability and community involvement. The financial institution's loan to deposit ratio must exceed 50% at the time of deposit and deposits must be collateralized at least 100% in excess of FDIC coverage with approved securities. Deposits must have a maturity of five years or less and earn interest at varying rates based on State law.

Primary Government

At June 30, 2019, the bank balance of the primary government's deposits was \$1,690,830,000. Of the bank amount, \$15,641,000 was exposed to custodial credit risk by being uninsured and collateralized with securities held by the pledging financial institutions, \$1,044,757,000 was held by the U.S. Treasury, and the remainder was not exposed to custodial risk.

Fiduciary

At June 30, 2019, the bank balance of the deposits of the fiduciary funds was \$112,316,000.

Component Units

Information on the component units' deposits is available within their individual financial statements.

B. Investments

Statutes authorize the State Treasurer's Office to invest in U.S. Treasury or Agency securities maturing within five years, commercial paper and banker's acceptances maturing within 180 days, or in repurchase agreements maturing within 90 days secured by U.S. Treasury, or Agency securities of any maturity. There have been no violations of these investment restrictions during fiscal year 2019.

The State Treasurer's Office minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, by establishing a pre-approved list of financial institutions and companies that will be used to purchase commercial paper. The State Treasurer's Office also conducts regular credit monitoring, pre-qualifies the financial institutions and brokers/dealers with which the State Treasurer's Office will do business for broker services and repurchase agreements, and diversifies the portfolio to reduce potential losses on individual securities.

Custodial credit risk is the risk that, in the event of failure of the counterparty to a transaction, the State will not be able to recover the value of their investment or collateral securities that are in the possession of an outside party. The State Treasurer's Office minimizes custodial credit risk by requiring that all securities be held in the State's name at the State's custodial bank, Wells Fargo Bank, National Association, or at one of the State Treasurer's Office approved collateral custodians.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Primary Government

At June 30, 2019, the reported amount of the primary government's investments was \$3,916,181,000. Of this amount, \$178,057,000 was exposed to custodial credit risk because it was uninsured and unregistered with securities held by the State's counterparty.

Fiduciary

At June 30, 2019, the reported amount of the fiduciary funds investments was \$17,016,216,000.

Component Units

Information on the component units investments is available within their individual financial statements.

The following table (in thousands of dollars) provides information about the interest rate risks associated with the State's investments. Statutes also authorize investment of funds not held by the State Treasurer's Office. The externally-held internal service funds, the agency and pension (and other employee benefit) trust funds, and the component units, in accordance with statutory authority, invest primarily in U.S. government securities, repurchase agreements, preferred and common stocks, bonds, real estate, fixed income securities, mutual funds, and investments in limited partnerships. The investments include certain short-term cash equivalents, various long-term items, and restricted assets by maturity, or in certain instances, a weighted average maturity in years. The State Treasurer's Office minimizes the risk of the market value of securities falling due to changes in interest rates by maintaining an effective duration of less than 2.5 years, and holding at least 25% of the portfolio's total market value in securities with a maturity of 12 months or less.

	Maturity in Years					Total Fair Value *
	Less than 1	1-5	6-10	More than 10	No Maturity	
All Fund Types except Fiduciary Funds and Component Units:						
U.S. Treasury Securities	\$ 111,340	\$ 33,472	\$ 10,864	\$ 5,981	\$ —	\$ 161,657
U.S. Agency Securities	541,351	1,771,552	—	—	—	2,312,903
U.S. Government Guaranteed Mortgages	9	2,299	—	—	—	2,308
Collateralized Mortgage Obligations	128	3,016	—	—	—	3,144
U.S. Agency-Sponsored Securities	26,705	120,564	—	—	—	147,269
Repurchase Agreements	1,276,455	—	—	—	—	1,276,455
Stocks	—	—	—	—	7,150	7,150
Bonds	407	100	285	594	—	1,386
Certificates of Deposit	774	—	—	—	—	774
Mutual Funds	—	—	—	—	3,135	3,135
Subtotal	1,957,169	1,931,003	11,149	6,575	10,285	3,916,181

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

	Maturity in Years					Total Fair Value *
	Less than 1	1-5	6-10	More Than 10	No Maturity	
Fiduciary Funds:						
U.S. Government Securities	—	16,483	8,203	62,687	—	87,373
U.S. Treasury Securities	753,250	3,023,162	—	2,484,968	—	6,261,380
U.S. Agency Securities	306,755	53,753	25,585	95,639	—	481,732
U.S. Government Mortgage-Backed Securities	181	18,872	1,490	25,196	—	45,739
Repurchase Agreements	1,397,836	—	—	—	—	1,397,836
Stocks	—	—	—	—	638,124	638,124
Bonds	1	1,171,533	43,562	141,070	437	1,356,603
International Equities	—	—	51,909	—	—	51,909
Mortgages/ Real Estate	15,502	8,570	—	23,700	105,505	153,277
Asset-Backed Securities	32	11,884	40,537	167,361	—	219,814
Short-Term Securities	794,126	—	—	—	—	794,126
Mutual Funds	—	—	—	—	1,374,422	1,374,422
Alternatives/ Limited Partnership	—	—	—	—	3,994,127	3,994,127
Absolute Return	—	—	—	—	126,821	126,821
Other	—	—	—	—	32,933	32,933
Subtotal	3,267,683	4,304,257	171,286	3,000,621	6,272,369	17,016,216
Total Investments	\$ 5,224,852	\$ 6,235,260	\$ 182,435	\$ 3,007,196	\$ 6,282,654	\$ 20,932,397

*The State Treasurer's Office reports their repurchase agreements in the amount of \$1,258,000 at amortized costs. The Missouri State Public Employees Deferred Compensation Plan and the Missouri State Public Employees Deferred Compensation Incentive Plan reports their Stable Value Funds in the amounts of \$473,000 and \$363,000 respectively, at contract value. The Missouri State Employees' Retirement System reports their cash equivalents in the amount of \$687,000, at cost plus accrued interest.

The State minimizes concentration of credit risk, the risk attributed to the magnitude of an investment in a single issuer. State statute prohibits the State Treasurer's Office from investing more than 10% of the total time deposits with any single financial institution. State investment policy limits investment in commercial paper to 5% of the total portfolio per issuer and no more than 15% of the total portfolio may be invested in repurchase agreements with a single counterparty. Addendum A to the investment policy limits the total amount of linked deposits a financial institution may receive to 20% of the statutory cap set forth in Section 30.753.1 RSMo. There are no restrictions in the amount that can be invested in U.S. securities. During fiscal year 2019, the State did not have any instances of noncompliance with these requirements and policies.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Fair Value Measurement

The State of Missouri categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurements and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are unobservable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lower level input that is significant to the valuation. The State's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The State Treasurer's Office uses the market approach for the determination of the fair value of investments, except for repurchase agreements, which are measured at amortized costs.

Debt, equities, and investment derivatives classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Debt securities and liabilities classified in level 2 have non-proprietary information that was readily available to market participants from multiple independent sources, which are known to be actively involved in the market. Pricing inputs may include market quotations, yields, maturities, call features, and ratings. A portion of the derivative securities classified in level 2 are securities whose values are derived daily from associated traded securities. Other investments listed as level 2 include debt securities where an independent pricing evaluator had direct observable information, including: trading volume, multiple sources of market data and benchmark spreads. FX forwards are included due to the valuation coming from observable forward rates on the underlying currencies. The equity index swap is included because valuation inputs include an observable interest rate and the underlying index.

Private equity securities classified at level 2 are valued at the price observed in subsequent market activity.

Investments listed as level 3 include debt securities where an independent pricing evaluator did not have direct observable information for comparable securities. Significant inputs used in the valuation are not available aside from the evaluator providing the price. Direct investments in private equity, real estate, credit, and real assets are included because the valuation techniques utilize discounted cash flows or other non-observable market information.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2019 for the Primary Government (in thousands):

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities				
Repurchase Agreements	\$ 28,200	\$ 6,647	\$ 21,553	\$ —
Stocks	7,150	7,150	—	—
Mutual Funds	3,135	3,135	—	—
Total Equity Securities	38,485	16,932	21,553	—
Debt Securities				
U.S. Treasury Securities	161,657	35,271	126,386	—
U.S. Agency Securities	2,312,903	—	2,312,903	—
U.S. Government Guaranteed Mortgages	2,308	—	2,308	—
Collateralized Mortgage Obligations	3,144	—	3,144	—
U.S. Agency- Sponsored Securities	147,269	—	147,269	—
Bonds	1,386	1,386	—	—
Certificates of Deposit	774	774	—	—
Total Debt Securities	2,629,441	37,431	2,592,010	—
Total Primary Government Investments	\$ 2,667,926	\$ 54,363	\$ 2,613,563	\$ —

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2019 for the Fiduciary funds (in thousands):

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short Term Securities	\$ 107,721	\$ 107,721	\$ —	\$ —
Equity Securities				
Stocks	330,689	329,010	1,679	—
Mutual Funds	436,689	436,689	—	—
Real Estate	105,505	105,505	—	—
Other Investments	45,933	45,933	—	—
Total Equity Securities	918,816	917,137	1,679	—
Debt Securities				
U.S. Treasury Securities	6,320,072	6,260,539	59,533	—
U.S. Agency Securities	486,328	—	486,328	—
Collateralized Debt Obligations	218,651	—	64,685	153,966
Repurchase Agreements	1,380,000	—	1,380,000	—
Bonds and Asset Backed Securities	514,236	—	415,445	98,791
Non U.S Sovereign	51,948	—	51,948	—
Mortgage Backed Securities	102,860	—	85,802	17,058
Total Debt Securities	9,074,095	6,260,539	2,543,741	269,815
Private Markets*				
Private Equity	371,305	—	—	371,305
Real Estate	137,091	19,448	—	117,643
Real Assets	320,540	—	—	320,540
Opportunistic Debt	208,668	—	—	208,668
Total Private Markets	1,037,604	19,448	—	1,018,156

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at Fair Value as of June 30, 2019 for the Fiduciary funds (in thousands) (cont.):

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment Derivative Instruments				
Future Contracts	\$ 24,687	\$ 24,687	\$ —	\$ —
Interest Rate Swap	44	—	44	—
Equity Swaps	3,157	—	3,157	—
FX Forwards	2,300	2,300	—	—
Total Investment Derivative Instruments	30,188	26,987	3,201	—
Total Investments by Fair Value Level	<u>\$ 11,168,424</u>	<u>\$ 7,331,832</u>	<u>\$ 2,548,621</u>	<u>\$ 1,287,971</u>

Investments Measured at the Net Asset Value (NAV):

	Total
Active Hedge Funds	\$ 1,630,421
Commingled international equity funds	1,119,333
MOSERS investment portfolio fund	3,470
Missouri target date funds	943,742
Private equity funds	549,054
Private real estate and timber funds	56,476
Total investments Measured at NAV	<u>\$ 4,302,496</u>
Total Investments Measured at Fair Value	<u>\$ 15,470,920</u>
Other Obligations	
Reverse Repurchase Agreements	\$ 3,921,701
Total Other Obligations	<u>\$ 3,921,701</u>
Other Investments	
Reported at Contract Value	\$ 835,881
Total Other Investments	<u>\$ 835,881</u>

*As of June 30, 2019, Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) has unfunded commitments in private markets investments consisting of \$134,194,000 in private equity, \$96,306,000 in real estate, \$141,505,000 in real assets, and \$131,469,000 in opportunistic debt.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Investments Measured at the Net Asset Value as of June 30, 2019, (in thousands):

Investments	Fair Value	Unfunded Commitments (U.S. Dollars)	Redemption Frequency (If currently eligible)	Redemption Notice Period (Days)
Active hedge funds				
Activist equity ¹	\$ 29,990	\$ —	Yearly, Every 3 Years	90
Equity long/short ²	123,427	—	Quarterly, Annually for MOSERS;	
Equity market neutral ³	87,891	—	Quarterly for MPERS	30-45
			Quarterly	90
Event driven ⁴	254,843	—	Semi-Annually for MOSERS;	
Fund-of-funds ⁵	216,254	—	Monthly for MPERS	60-90
Global asset allocation ⁶	32,486	—	Monthly	95
In liquidation ⁷	37,472	—	Monthly	5-60
Macro ⁸	183,388	—	N/A	N/A
Merger arbitrage ⁹	129,416	—	Monthly, Quarterly	30
Multi-strategies ¹⁰	21,270	—	Monthly	45
Risk parity ¹¹	213,627	—	Monthly	60-90
Risk premia ¹²	287,918	—	Monthly	15
Structured credit - relative value ¹³	12,439	—	Monthly	30
			Quarterly	60
Total active hedge funds	1,630,421	—		
Commingled international equity funds ¹⁴	1,119,333	—	Daily, Monthly	0-90
MOSERS investment portfolio fund ¹⁵	3,470	—	Monthly	None
Missouri target date funds ¹⁶	943,742	—	Daily	None
Private equity funds ¹⁷	549,054	229,224	N/A	N/A
Private real estate and timber funds ¹⁷	56,476	9,797	N/A	N/A
Total investments measured at NAV	\$ 4,302,496	\$ 239,021		

The following is a description of valuation methodologies used for assets recorded at fair value.

¹Activist equity – This value is 100% from MPERS. Consisting of two funds, this strategy focuses on obtaining publicly traded shares of companies and effecting changes within the companies that it owns whether that be value creation through operational, financial or corporate governance changes. One fund's focus is on North American companies and the other fund's focus is on European and Nordic companies. Due to contractual lock-up restrictions and the necessity for activist managers to retain capital in order to realize desired company changes, 50% of this strategy's investments are eligible for redemption on a rolling three-year basis. The remaining 50% are eligible for redemption on a rolling one-year basis.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

²Long/short equity hedge funds – This value is 90.0% from MOSERS and 10.0% from MPERS. Consisting of two funds for MOSERS and one fund for MPERS, this strategy invests both long and short in U.S. and global equity securities, with a goal of adding growth and minimizing market exposure. Due to contractual lock-up restrictions, these investments remain restricted ranging anywhere from 4 to 12 months for MOSERS and within 6 months for MPERS.

³Equity market neutral hedge fund – This value is 100% from MOSERS. This consists of one fund whereby the strategy invests both long and short in U.S. and global equity securities, with the goal of having little to no net market exposure. This investment is redeemable quarterly and is not subject to lockup restrictions.

⁴Event driven hedge funds – This value is 94.2% from MOSERS (with a redemption period of 60 days) and 5.8% from MPERS (with a redemption period of 90 days). Consisting of one fund for MOSERS and one fund for MPERS, this strategy seeks to gain an advantage from pricing inefficiencies that may occur in the onset or aftermath of a corporate action or related event. Due to contractual lock-up restrictions, (a) approximately 50% of the value of these investments is eligible for redemption semi-annually, the remaining 50% of the value of these investments remains restricted for 12 months for MOSERS and (b) the value of these investments is eligible for redemption in the next 4 months for MPERS.

⁵Fund-of-funds – This value is 100% from MOSERS. Consisting of one fund, this fund seeks to provide diversification by holding a number of funds within a single fund structure. This investment is redeemable monthly, and is not subject to lock-up restrictions.

⁶Global asset allocation – This value is 100% from MPERS. Consisting of one fund, this strategy is highly diversified and uses fundamental research to develop systematic rules for trading positions. Due to contractual lock-up restrictions, the value of these investments is eligible for redemption in the next 35 days.

⁷Pending liquidated hedge funds – This value is 98.5% from MOSERS and 1.5% from MPERS. MOSERS has 12 hedge funds that have been fully redeemed as of June 30, 2019, which are awaiting final distribution of the proceeds. MPERS has a small investment in two hedge funds that are in liquidation and have been closed, and MPERS is awaiting the sale of the final assets.

⁸Macro hedge funds – This value is 100% from MOSERS. Consisting of two funds, this strategy seeks to take advantage of macroeconomic dislocations between countries by trading a number of different markets and financial instruments. These investments are redeemable monthly and quarterly, and are not subject to lock-up restrictions.

⁹Merger arbitrage hedge fund – This value is 100% from MOSERS. Consisting of one fund, this strategy invests in the common stock of companies that are involved in publicly announced mergers and seeks to generate attractive returns while dampening volatility. This investment is redeemable monthly, and is not subject to lock-up restrictions.

¹⁰Multi-strategy hedge fund – This value is 100% from MPERS. Consisting of two funds, these investments aim to pursue varying strategies in order to diversify risks and reduce volatility. Due to contractual lock-up restrictions, the value of these investments are eligible for redemption in the next 6 months.

¹¹Risk parity funds – This value is 100% from MOSERS. Consisting of one fund, this strategy attempts to build a more efficient portfolio through an equal risk methodology. The fund takes long only positions across equity indices, developed nominal bonds, TIPS, commodities and credit. Diversification benefits decrease both the expected return and volatility, thus requiring leverage to maintain a similar return to a more conventional portfolio. This investment is redeemable monthly, and not subject to lock-up restrictions.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

¹²Risk premia hedge funds – This value is 100% from MOSERS. Consisting of one fund, this strategy seeks to capture hedge fund betas through the use of systematic, bottoms up security selection across major hedge fund strategies. Style premia such as value, momentum and carry help build the long/short portfolios. This investment is redeemable at least monthly, and is not subject to lock-up restrictions.

¹³Structured credit – relative value – This value is 100% from MPERS. Consisting of one fund, this strategy's main focus is to benefit from valuation discrepancies that may be present in related financial instruments by simultaneously purchasing or selling these instruments. Due to contractual lock-up restrictions, all funds are eligible for redemption within the next 6 months.

¹⁴Commingled international equity funds – This value is 69.5% from MOSERS (with a redemption period of 1-10 days) and 30.5% from MPERS (with a redemption period of 0-30 days and 90 days). These international equity funds (2 for MOSERS and 3 for MPERS) are considered to be commingled in nature. For MPERS, due to contractual lock-up restrictions, 70% of this capital is eligible for redemption in one month; the remaining 30% has daily liquidity.

¹⁵MOSERS Investment Portfolio (MIP) fund – This value is 85.9% from the Deferred Compensation Plan and 14.1% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur monthly. The significant investment strategies are designed to achieve long-term total returns, comprised of capital appreciation and income. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor do the Plans have any contractual obligations to further invest in any of these funds.

¹⁶Missouri target date funds – This value is 66.9% from Deferred Compensation Plan and 33.1% from the Deferred Compensation Incentive Plan. Participant transactions (purchases and sales) may occur daily. The significant investment strategies of the funds are to seek the highest total return over time, consistent with the fund's asset mix. The asset allocations within these target date funds adjust automatically over time. Each fund invests more aggressively in its early years and becomes more conservative as it reaches its time horizon. There are no unfunded commitments. There are generally no restrictions as to the redemption of these investments nor are there any contractual obligations to further invest in any of these funds.

¹⁷Private equity, real estate and timber funds – This value is 100% from MOSERS. MOSERS' private equity portfolio consists of 44 funds with exposure to buyout funds, distressed funds, infrastructure, energy, royalty funds, and special situations. The real estate portfolio, comprised of four funds, invests mainly in U.S. commercial real estate. The timber portfolio consists of one fund which invests in global timberland. The fair values of the majority of these funds has been determined using net assets valued one quarter in arrears plus current quarter cash flows. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which, on average, can occur over the span of 5 to 10 years.

The State Treasurer's Office requires investments in commercial paper and bankers' acceptances to have the highest letter and numerical ranking (such as A1/P1) as rated by at least two Nationally Recognized Statistical Rating Organizations (NRSROs). The Treasurer does not have any additional policies regarding credit ratings of investments.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

The following table (in thousands of dollars) provides information on the credit ratings associated with the State's investments in debt securities.

	Moody's	S & P	Fair Value
Primary Government/Fiduciary:			
U.S. Government Securities	NR	NR	\$ 87,346
U.S. Treasury	Aaa	AA+	127,472
	Aaa	NR	404,573
	NR	NR	32,444
U.S. Agencies	Aaa	NR	36,117
	NR	AA	111,163
	NR	NR	11,326
U.S. Government Mortgage-Backed Securities	NR	NR	27,468
Bonds	Aaa	NR	306
	Aa1	NR	391
	A	NR	13,271
	A3	NR	135
	NR	AAA	59,994
	NR	AA+	835,811
	NR	AA	119,014
	NR	A	129,130
	NR	BBB	166,919
	NR	BB	8,891
	NR	NR	34,092
Repurchase Agreements	Aaa	AA+	20,757
	Aaa	NR	6,647
	NR	NR	2,639,140
U.S. Agency-Sponsored Securities	Aaa	AA+	2,436,820
	Aaa	NR	1,511
	NR	NR	43,404

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

	Moody's	S & P	Fair Value
Asset-Backed Securities	NR	AAA	\$ 44,532
	NR	AA	44,153
	NR	A	12,142
	NR	BBB	3,120
	NR	BB	2,678
	NR	B	4,285
	NR	NR	108,905
Mutual Funds	3-STAR	NR	22,846
Certificates of Deposit	NR	NR	775
Pooled Investments	NR	AAA	30,033
Implicit U.S. Agencies	NR	AA	298,915
U.S. Agency Securities	Aaa	AA+	4,660
U.S Government			
Guaranteed Mortgages	Aaa	AA+	2,308
	Aaa	NR	18,271
Collateralized Mortgage			
Obligations	Aaa	AA+	3,144
	Aaa	NR	8,570
Equities	A	NR	18,170
Equity Funds	NR	NR	2,871
Fixed Income	NR	NR	264
Stocks	NR	NR	7,165
Other	NR	AAA	152
	NR	AA	16,787
	NR	A	12,453
	NR	BBB	25,596
	NR	BB	12,616
	NR	B	831
	NR	CCC	212
	NR	CC	161
	NR	D	804
	NR	NR	21,497
Total Rated Investments			<u>\$ 8,083,058</u>

NR = Not Rated.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The State Treasurer's Office does not have any deposits or investments in foreign currency and therefore does not have a policy regarding foreign currency risk. The Missouri State Employees' Retirement System and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System do have foreign currency deposits and investments which may be used for hedging purposes. The following table (in thousands of dollars) provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars.

Currency	Investment Type					Total
	Cash	Equities	Fixed Income	Alternatives	Real Estate	
Australian Dollar	\$ 5,329	\$ 1,384	\$ 544	\$ —	\$ —	\$ 7,257
Brazilian Real	—	7,018	5,142	—	—	12,160
British Pound Sterling	(1,553)	97,067	363	—	8,970	104,847
Canadian Dollar	3,450	10,873	400	—	—	14,723
Chilean Peso	—	710	2,309	—	—	3,019
Chinese Yuan Renminbi	—	547	—	—	—	547
Colombian Peso	—	255	4,139	—	—	4,394
Czech Koruna	2	143	1,166	—	—	1,311
Danish Krone	—	3,257	—	—	—	3,257
Egyptian Pound	—	106	—	—	—	106
Euro	926	105,589	2,155	634	20,972	130,276
Hong Kong Dollar	(4,347)	82,767	—	—	—	78,420
Hungarian Forint	—	260	—	—	—	260
Indian Rupee	—	8,245	—	—	—	8,245
Indonesian Rupiah	—	1,941	6,327	—	—	8,268
Japanese Yen	(1,647)	211,077	—	—	—	209,430
Kazakhstan Tenge	—	—	128	—	—	128
Malaysian Ringgit	—	1,981	1,644	—	—	3,625
Mexican Peso	—	3,795	6,770	—	—	10,565
Norwegian Krone	—	103	—	—	—	103
Pakistani Rupee	—	16	—	—	—	16
Peruvian Nuevo Sol	—	—	1,389	—	—	1,389
Philippine Peso	—	1,020	—	—	—	1,020
Polish Zloty	—	1,052	6,112	—	—	7,164
Qatari Riyal	—	907	—	—	—	907
Romanian New Leu	—	—	1,036	—	—	1,036
Russian Ruble	—	1,566	5,194	—	—	6,760
Saudi Riyal	—	1,247	—	—	—	1,247
Singapore Dollar	—	22,070	—	—	—	22,070
South African Rand	(994)	9,303	5,948	—	—	14,257
South Korean Won	(1,081)	28,028	569	—	—	27,516
Swedish Krona	—	525	—	—	—	525
Swiss Franc	—	63,964	—	—	—	63,964
Taiwan New Dollar	—	41,073	—	—	—	41,073
Thai Baht	10	13,831	3,193	—	—	17,034
Turkish Lira	—	6,702	1,877	—	—	8,579
United Arab Emirates Dirham	—	602	—	—	—	602
Uruguayan Peso	—	—	105	—	—	105
Total	\$ 95	\$ 729,024	\$ 56,510	\$ 634	\$ 29,942	\$ 816,205

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

C. Securities Lending Program

Missouri State Employees' Retirement System:

The Missouri State Employees' Retirement System's (MOSERS) board of trustees' investment policies permit the pension trust funds to participate in a securities lending program. Fixed income, international equity and domestic equity securities of the pension trust funds are loaned to participating brokers who provide collateral in the form of cash, U.S. Treasury or government agency securities, or letters of credit issued by approved banks. Collateral must be provided in the amount of 102% of market value for domestic loans and 105% of market value for international loans. MOSERS does not have the authority to pledge or sell collateral securities without borrower default.

MOSERS had no securities lending activity in fiscal year 2019.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

In accordance with the investment policies set by the board of trustees, the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS), lends its securities to broker-dealers and banks pursuant to a form of loan agreement. MPERS custodial bank, Northern Trust, is authorized to lend available securities to approved broker-dealers and banks subject to the receipt of acceptable collateral.

MPERS may lend securities and receive cash, securities insured or guaranteed by the U.S. government or its agencies, and irrevocable bank letters of credit as collateral. MPERS cannot pledge or sell non-cash collateral unless a borrower defaults. Borrowers are required to deliver collateral for each loan equal to: 1) 102% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities denominated in United States dollars or whose primary trading market is located in the United States, and 2) 105% of the fair value of the loaned securities plus any accrued interest in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States.

MPERS did not impose any restrictions during the fiscal year on the amount of the loans that the custodial bank made on its behalf. There were no known failures by any borrowers to return loaned securities or pay distributions thereon during the year.

MPERS and borrowers maintained the right to terminate all securities lending transactions on demand. At June 30, 2019, the cash collateral fund had a fair value of \$104,247,000.

At June 30, 2019 and June 30, 2018, MPERS had earned \$166,000 and \$193,000, respectively, on the securities lending program.

Component Units:

Information on the component units securities lending program is available within their individual financial statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

D. Derivatives

Missouri State Employees' Retirement System:

While the Board has no formal policy specific to derivatives, Missouri State Employees' Retirement System (MOSERS), through its external investment managers, holds investments in futures contracts, swap contracts and forward foreign currency exchange. MOSERS does not anticipate additional significant market risk from the derivative arrangements. The forward foreign currency exchange contracts are used primarily to hedge against changes in exchange rates related to foreign equities. For the year ended June 30, 2019, the change in fair value of the foreign exchange contracts resulted in \$700,000 of investment loss. MOSERS could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. MOSERS anticipates that the counterparties will be able to satisfy their obligation as credit evaluations and credit limits are monitored by the investment managers. At June 30, 2019, MOSERS Foreign Currency Forward Contracts had a pending receivable of \$18,770,000 and a pending payable of \$18,694,000 resulting in a final asset of \$76,000.

The following table (in thousands of dollars) summarizes the various contracts in MOSERS portfolio as of June 30, 2019. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Futures Contracts:

Notional Amount	Exposure
\$428,722	\$24,687

Swap Contracts:

Notional Amount	Counterparty Exposure
\$2,727,586	\$66,167

Foreign Currency
Forward Contracts:

Notional Amount	Exposure
\$76	\$76

Missouri Department of Transportation and Highway Patrol Employees' Retirement System:

MPERS has an investment policy which holds investments in future contracts, swap contracts, options contracts, and forward foreign currency exchange contracts. Derivative financial instruments involve credit risk and market risk. The notional value related to these derivative instruments are generally not recorded on the financial statements; however, the change in fair value of these instruments is incorporated in performance.

The following table (in thousands of dollars) summarizes the various contracts in MPERS portfolio as of June 30, 2019. The investments are reported at fair value and are included on the Statement of Fiduciary Net Position of the pension (and other employee benefit) trust funds.

Type	Notional/Fair Value	Unrealized Gain (Loss)
Futures Contracts	\$ 287,227	\$ 35,430
Swap Contracts	89,635	10,407
Total	\$ 376,862	\$ 45,837

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 3 - Deposits and Investments (cont.)

Through the use of derivatives, MPERS is exposed to risk that the counterparties involved in the contracts are unable to meet the term of their obligation. MPERS investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures. MPERS anticipates the counterparties will be able to satisfy their obligations under the contracts. The associated counterparty's credit rating is an A+.

Component Units:

Information on the component units derivatives is available within their individual financial statements.

E. Assets Held in Escheat

The Unclaimed Property Division of the Missouri State Treasurer's Office holds unclaimed stocks, bonds, mutual fund positions, and other securities that have been turned over by their holders on behalf of the securities' owners. The State takes custody of these securities until the owner claims them or if unclaimed, liquidates them after 18 to 24 months. The State holds the securities in order to return them to their owners. The State does not report these securities as investments because they do not meet the Governmental Accounting Standards Board's definition of "investments." This is because the State does not hold the securities for income or profit, nor do the securities have a present service capacity for the State. A total of \$11,882,000 of these unclaimed securities is shown as "Assets Held in Escheat" on the private-purpose trust funds combining statement of fiduciary net position in Unclaimed Property.

Note 4 - Governmental Fund Balance

Fund Balance Classifications by Purpose – In the basic financial statements, the fund balance classifications are presented in the aggregate. The following displays the fund balances by major purpose (in thousands of dollars):

	Nonspendable	Restricted	Committed	Assigned
General Fund				
Inventories	\$ 22,727	\$ —	\$ —	\$ —
Loans Receivable	24,816	—	—	—
Consumer Protection	—	—	—	28,030
Budget Reserve	—	—	652,096	—
Education	—	2,689	2,867	20,829
Energy Programs	—	—	—	31,088
Forfeited Financial Instruments	—	—	—	1,450
Federal Government	—	552,475	—	—
Taxes	—	—	—	3,939
Other	—	752	299	13,299
Total	<u>\$ 47,543</u>	<u>\$ 555,916</u>	<u>\$ 655,262</u>	<u>\$ 98,635</u>
Public Education				
Inventories	\$ 108	\$ —	\$ —	\$ —
Loans Receivable	—	—	—	810
Education	—	244,432	1,843	19,554
Total	<u>\$ 108</u>	<u>\$ 244,432</u>	<u>\$ 1,843</u>	<u>\$ 20,364</u>
Conservation and Environmental Protection				
Inventories	\$ 331	\$ —	\$ —	\$ —
Loans Receivable	—	1,421	1,370,018	9,101
Conservation Commission	—	92,233	—	—
Environmental Conservation	—	31,202	395,875	99,529
State Parks	—	19,781	—	—
Forfeited Financial Instruments	—	—	—	1,052
Total	<u>\$ 331</u>	<u>\$ 144,637</u>	<u>\$ 1,765,893</u>	<u>\$ 109,682</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 4 - Governmental Fund Balance (cont.)

	Nonspendable	Restricted	Committed	Assigned
Missouri Road Fund				
Inventories	\$ 32,865	\$ —	\$ —	\$ —
Highways and Transportation	—	644,615	—	—
Total	<u>\$ 32,865</u>	<u>\$ 644,615</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Special Revenue Funds				
Inventories	\$ 4,426	\$ —	\$ —	\$ —
Loans Receivable	—	—	—	3,405
Professional Boards and Licensure	—	—	16,035	34,936
Legal Assistance	—	25,042	1,000	7,176
Agriculture	—	4,030	564	6,899
Medical and Other Assistance	—	20,499	4,851	3,844
Transportation	—	25,582	—	154,500
Highway Patrol and Water Patrol	—	5,600	862	13,658
Workers' Compensation and				
Unemployment Compensation	—	66,646	—	—
Veterans' Homes	—	39,947	—	—
Other	—	13,034	8,384	22,663
Total	<u>\$ 4,426</u>	<u>\$ 200,380</u>	<u>\$ 31,696</u>	<u>\$ 247,081</u>
Non-Major Debt Service Funds				
General Obligation Bonds	\$ —	\$ 24,704	\$ —	\$ —
Fulton State Hospital	—	12,617	—	—
Missouri Road Bond	—	55,905	—	—
Total	<u>\$ —</u>	<u>\$ 93,226</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Capital Projects Funds				
Board of Public Buildings-Education	\$ —	\$ 3,693	\$ —	\$ —
Board of Public Buildings-State Capitol	—	37,051	—	—
Board of Public Buildings-State Facility	—	6,273	—	—
Fulton State Hospital	—	6,315	—	—
State Historical Society	—	7,098	—	—
Total	<u>\$ —</u>	<u>\$ 60,430</u>	<u>\$ —</u>	<u>\$ —</u>
Non-Major Permanent Funds				
Arrow Rock State Historic Site Endowment	\$ 30	\$ —	\$ —	\$ —
Confederate Memorial Park	75	—	—	109
State Public School	60,029	—	—	—
Smith Memorial Endowment Trust	365	—	—	12
Total	<u>\$ 60,499</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 121</u>

A. Budget Reserve Fund

The Budget Reserve Fund is established in Article IV, Section 27(a) of the Missouri Constitution. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund to any other fund when necessary to meet the cash requirements of the State. However, the Budget Reserve Fund must be paid back with interest prior to May 16th of the fiscal year in which the transfer was made.

Budget stabilization expenditures may occur in a fiscal year in which the Governor reduces the expenditures of the State or any of its agencies below their appropriation or in which there is a budget need due to a natural disaster as proclaimed by the Governor to be an emergency. An appropriation from the Budget Reserve Fund may be granted by a two-thirds vote of the members elected to each House. The maximum amount which may be appropriated at any one time for budget stabilization purposes is one-half the sum of the balance of the Budget Reserve Fund and any amounts appropriated or otherwise owed to the fund, less all amounts owed to the fund for budget stabilization purposes but not yet appropriated for repayment to the fund. One-third of the amount expended or transferred from the Budget Reserve Fund for budget stabilization purposes plus interest shall stand appropriated to the Budget Reserve Fund during each of the next three fiscal years from the fund which received the budget stabilization appropriation. The balance of the Budget Reserve Fund at June 30, 2019, was \$652,096,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows (in thousands of dollars):

	*Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	\$ 413,325	\$ 124,252	\$ (141,813)	\$ 395,764
Software in Progress	96,383	19,518	(33,138)	82,763
Infrastructure in Progress	1,550,464	783,730	(633,835)	1,700,359
Land	3,093,739	4,516	(11,080)	3,087,175
Permanent Easements	4,091	329	—	4,420
Total Capital Assets not being Depreciated/Amortized ..	5,158,002	932,345	(819,866)	5,270,481
Capital Assets being Depreciated/Amortized:				
Land Improvements	221,320	8,197	(757)	228,760
Temporary Easements	1,496	—	(972)	524
Buildings and Improvements	3,414,794	64,771	(28,537)	3,451,028
Equipment	1,351,713	95,111	(71,374)	1,375,450
Software	247,909	54,275	(4,368)	297,816
Trademarks	17	—	—	17
Infrastructure	50,808,507	633,835	(75,885)	51,366,457
Total Capital Assets being Depreciated/Amortized	56,045,756	856,189	(181,893)	56,720,052
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(123,775)	(4,819)	548	(128,046)
Temporary Easements	(726)	(497)	972	(251)
Buildings and Improvements	(1,912,985)	(102,148)	23,271	(1,991,862)
Equipment	(984,006)	(86,473)	64,640	(1,005,839)
Software	(178,357)	(18,911)	492	(196,776)
Trademarks	(14)	(2)	—	(16)
Infrastructure	(24,961,413)	(501,858)	67,649	(25,395,622)
Total Accumulated Depreciation/Amortization	(28,161,276)	(714,708)	157,572	(28,718,412)
Total Capital Assets being Depreciated/Amortized, Net	27,884,480	141,481	(24,321)	28,001,640
Governmental Activities Capital Assets, Net	\$ 33,042,482	\$ 1,073,826	\$ (844,187)	\$ 33,272,121
Business-Type Activities:				
Capital Assets not being Depreciated/Amortized:				
Construction in Progress	\$ 15,449	\$ 159	\$ (14,801)	\$ 807
Software in Progress	189	22	(189)	22
Land	32,602	45	—	32,647
Total Capital Assets not being Depreciated/Amortized ..	48,240	226	(14,990)	33,476
Capital Assets being Depreciated/Amortized:				
Land Improvements	38,541	12,147	—	50,688
Temporary Easements	50	—	—	50
Buildings and Improvements	56,779	2,721	(6)	59,494
Equipment	52,668	4,509	(2,154)	55,023
Software	631	189	—	820
Total Capital Assets being Depreciated/Amortized	148,669	19,566	(2,160)	166,075
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(9,164)	(797)	—	(9,961)
Temporary Easements	(26)	(2)	—	(28)
Buildings and Improvements	(24,427)	(1,325)	—	(25,752)
Equipment	(35,868)	(4,072)	2,058	(37,882)
Software	(525)	(48)	—	(573)
Total Accumulated Depreciation/Amortization	(70,010)	(6,244)	2,058	(74,196)
Total Capital Assets being Depreciated/Amortized, Net	78,659	13,322	(102)	91,879
Business-Type Activities Capital Assets, Net	\$ 126,899	\$ 13,548	\$ (15,092)	\$ 125,355

*Beginning balances as of July 1, 2018 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 5 - Capital Assets (cont.)

Depreciation/amortization expense of governmental activities was charged to functions as follows (in thousands of dollars):

General Government	\$ 43,524
Education	2,597
Natural and Economic Resources	23,204
Transportation and Law Enforcement	584,722
Human Services	60,661
Total	<u>\$ 714,708</u>

Discretely Presented Component Units

The following table summarizes net capital assets reported by the discretely presented component units (in thousands of dollars):

	College and Universities	Non-Major Component Units	Total
Capital Assets not being Depreciated/Amortized:			
Construction in Progress	\$ 221,416	\$ 357	\$ 221,773
Land	185,256	7,220	192,476
Other Non-Depreciable/Amortizable Assets	24,099	—	24,099
Total Capital Assets not being Depreciated/Amortized	<u>430,771</u>	<u>7,577</u>	<u>438,348</u>
Capital Assets being Depreciated/Amortized:			
Land Improvements	37,398	—	37,398
Buildings and Improvements	7,349,482	79,706	7,429,188
Equipment, Fixtures, and Books	1,603,218	836	1,604,054
Software	78,528	26	78,554
Infrastructure	820,686	—	820,686
Total Capital Assets being Depreciated/Amortized	<u>9,889,312</u>	<u>80,568</u>	<u>9,969,880</u>
Less Total Accumulated Depreciation/Amortization	<u>(4,862,588)</u>	<u>(23,603)</u>	<u>(4,886,191)</u>
Total Capital Assets being Depreciated/Amortized, Net	<u>5,026,724</u>	<u>56,965</u>	<u>5,083,689</u>
Discretely Presented Component Units – Capital Assets, Net ...	<u>\$ 5,457,495</u>	<u>\$ 64,542</u>	<u>\$ 5,522,037</u>

Capital Asset Impairment

In fiscal year 2018, there was significant damage to the Oak Place Apartment buildings, owned by the University of Missouri, which resulted in an impairment amount of \$17,908,000 which was reported as an extraordinary item in the Component Units Statement of Revenues, Expenses, and Changes in Net Position/Statement of Activities that fiscal year. Insurance proceeds of \$11,757,000 were received in fiscal year 2019.

An impairment loss of \$1,037,000 was recognized in fiscal year 2019 due to damage to the residence of the President of Lincoln University. This was caused by a tornado in May 2019 and is reported as an extraordinary item on the statements of revenues, expenses and changes in net position. The loss was determined based on the deflated depreciation replacement cost approach.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases

Capital

The State has entered into various agreements to lease land, buildings, and equipment. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, requires a lease that transfers substantially all of the benefits and risks of ownership to the lessee to be accounted for as the acquisition of a capital asset and the incurrence of an obligation by the lessee (a capital lease liability).

Capital leases for the internal service funds, enterprise funds, and college and universities are reported as a long-term obligation in those funds along with the related assets. Capital leases and the related assets are not reported on the fund financial statements of governmental type funds. However, the capital leases and related assets of governmental funds are included on the government-wide financial statements and they are shown on the reconciliation between fund financial statements and government-wide statements.

Following is a summary of the future minimum lease payments for capital leases (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Internal Service Funds	College and Universities
2020	\$ 1,821	\$ 320	\$ 6,483
2021	1,820	320	6,098
2022	1,820	319	5,857
2023	1,401	319	5,834
2024	1,401	319	5,797
2025-2029	3,745	604	9,879
2030-2031	749	121	535
Total Minimum Lease Payments	12,757	2,322	40,483
Less Amount Representing Interest	(1,304)	(226)	(4,006)
Present Value of Net Minimum Lease Payments	\$ 11,453	\$ 2,096	\$ 36,477

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases (cont.)

The State has entered into a lease with the Missouri Development Finance Board. The State's obligation under this lease does not constitute a general obligation or other indebtedness of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the Leasehold Revenue Bonds issued by the Board. In November 2005, the Board issued \$28,995,000 of Leasehold Revenue Bonds Series 2005 for the purpose of purchasing buildings in Florissant, St. Louis, and Jennings. In May 2006, the Board issued \$9,865,000 of Leasehold Revenue Bonds Series 2006 for the purpose of purchasing one building in St. Louis. In June 2013, the Board issued \$21,820,000 of Leasehold Revenue Refunding Bonds Series A 2013 and \$7,450,000 of Leasehold Revenue Refunding Bonds Series B 2013 for the purpose of refunding \$20,805,000 of Leasehold Revenue Bonds Series 2005 and \$7,100,000 of Leasehold Revenue Bonds Series 2006, respectively. The payments on these leases are subject to annual appropriation by the State legislature.

Following is a summary of the future minimum lease payments to pay interest and principal of the Leasehold Revenue Bonds (in thousands of dollars):

Fiscal Year Ending June 30	Internal Service Funds
2020	\$ 2,412
2021	2,414
2022	2,413
2023	2,409
2024	2,407
2025-2029	12,037
2030-2031	4,810
Total Minimum Lease Payments	28,902
Less Amount Representing Interest	(4,732)
Present Value of Net Minimum Lease Payments	<u>\$ 24,170</u>

Assets acquired through these capital lease agreements are recorded as capital assets at the lower of the present value of the minimum lease payments or the fair value at the time of acquisition. The following is the value of the property under capital lease by asset category as of June 30, 2019 (in thousands of dollars):

	Governmental Funds	Internal Service Funds	College and Universities
Land	\$ —	\$ —	\$ 519
Buildings	21,964	39,135	64,685
Equipment	42	—	17,998
	<u>\$ 22,006</u>	<u>\$ 39,135</u>	<u>\$ 83,202</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases (cont.)

Operating

The State has entered into various operating leases for land, buildings, and equipment. Most of these leases are classified as operating because the lease period is one year with multiple renewal options. The Department of Natural Resources (DNR) has a yearly obligation of \$10,000 for leased property for the Katy Trail easement which is paid out of governmental funds. The obligation will continue in perpetuity. The contract conditions and amount for the easement can change with the sale of the property requiring the easement. If the property requiring the easement is sold, a new contract would be negotiated with the new property owners. Future minimum commitments due under operating leases as of June 30, 2019, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Governmental Funds	Enterprise Funds	Component Units
2020	\$ 24,119	\$ 1,467	\$ 19,709
2021	1,999	755	10,763
2022	2,041	388	8,616
2023	1,740	388	7,672
2024	2,759	388	12,464
2025-2029	3	262	11,277
2030-2034	2	—	4,788
Total Minimum Commitments	<u>\$ 32,663</u>	<u>\$ 3,648</u>	<u>\$ 75,289</u>

Expenditures for rent under operating leases for the years ended June 30, 2019 and June 30, 2018, were \$24,434,000 and \$23,048,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 6 - Leases (cont.)

Rental Revenue

The State leases certain state owned facilities to entities outside the State. These lessor arrangements are generally long-term commitments which either generate revenue from otherwise idle property or better serve Missouri's citizens by providing convenient access to products and services. The total asset value of the leased facilities and land is \$121.5 million less accumulated depreciation of \$34.3 million for component units. The Department of Natural Resources (DNR) has \$75,000 in income from easements on DNR property. This income will be received in perpetuity. The contract conditions and amount for each individual easement can change with the sale of the property requiring the easement. If the property requiring the easement is sold, new contracts will be negotiated with the new property owners. Future minimum receivables, payable from lessor arrangements as of June 30, 2019, were as follows (in thousands of dollars):

Fiscal Year Ending June 30	Component Units
2020	\$ 6,853
2021	4,789
2022	4,447
2023	4,068
2024	3,818
2025-2029	17,929
2030-2034	17,454
2035-2039	17,403
2040-2044	11,987
2045-2049	6,250
2050-2054	2,132
2055-2059	2,132
2060-2064	1,403
2065-2069	500
2070-2074	500
2075-2079	500
2080-2084	500
2085-2089	500
2090-2094	350
Total Minimum Receivables	<u>\$ 103,515</u>

Note 7 - Retirement Systems

The State has two major retirement systems which cover substantially all State employees. These systems are the Missouri State Employees' Retirement System (MOSERS) and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS). MOSERS is comprised of the Missouri State Employees' Plan (MSEP), a cost-sharing multiple-employer, defined benefit public employee retirement plan and the Judicial Plan, a single-employer defined benefit public employee retirement plan. MPERS is a single-employer defined benefit public employees' retirement plan.

Plan Descriptions

The Missouri State Employees' Plan (MSEP) is a cost-sharing multiple-employer, defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 104.010 and 104.312-104.1215, RSMo.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

The MSEP has three benefit structures known as MSEP (closed plan), MSEP 2000, and MSEP 2011. The MSEP covers all full-time employees hired before July 1, 2000, who are not covered under another state-sponsored retirement plan. MSEP 2000 covers all full-time employees hired on or after July 1, 2000 and before January 1, 2011. MSEP 2011 covers all full-time employees first hired on or after January 1, 2011. Members of the closed plan have the option at retirement to choose between the benefit structure of the MSEP or MSEP 2000.

The Judicial Plan is a single-employer, defined benefit public employee retirement plan administered by MOSERS. The Plan is administered in accordance with Sections 476.445 - 476.690, RSMo. The Judicial Plan covers eligible members appointed/elected before January 1, 2011. The Judicial Plan 2011 covers eligible members appointed/elected for the first time on or after January 1, 2011.

MOSERS provides retirement, survivor, and disability benefits to its members. General employees are fully vested after 5 years of creditable service if covered by the MSEP, MSEP 2000, and MSEP 2011 plans. Elected officials are fully vested after 4 years of creditable service and Members of the General Assembly are fully vested after 6 years of creditable service. The base retirement benefits are calculated by multiplying the employee's final average pay by a specific factor multiplied by the years of credited service. The retirement eligibility requirements are as follows for general employees:

MSEP

Age 65 and active with 4 years of service
Age 65 with 5 years of service
Age 60 with 15 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 55 with at least 10 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.6% multiplied by the final average pay multiplied by years of credited service.

MSEP 2000

Age 62 with 5 years of service
Age 48 with age and service equaling 80 or more (Rule of 80)
Employees may retire early at age 57 with at least 5 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

MSEP 2011

Age 67 with 5 years of service
Age 55 with age and service equaling 90 or more (Rule of 90)
Employees may retire early at age 62 with at least 5 years of service with reduced benefits.
The base benefit in the general employee plan is equal to 1.7% multiplied by the final average pay multiplied by years of credited service.

Judicial Plan

Age 62 with 12 years of service
Age 60 with 15 years of service
Age 55 with 20 years of service
Employees may retire early at age 62 with less than 12 years of service or age 60 with less than 15 years of service with a reduced benefit that is based upon years of service relative to 12 or 15 years.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

Judicial Plan 2011

Age 67 with 12 years of service
Age 62 with 20 years of service
Employees may retire early at age 67 with less than 12 years of service with reduced benefits or age 62 with less than 20 years of service with a reduced benefit based on years of service.
The base benefit for members with 12 or more years of service is equivalent to 50% of compensation on the highest court served.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

For members hired prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the percentage increase in the average Consumer Price Index (CPI) from one year to the next, with a minimum rate of 4% and a maximum rate of 5%, until the cumulative amount of COLAs equals 65% of the original benefit, thereafter the 4% minimum rate is eliminated. For members hired on or after August 28, 1997, COLAs are provided annually based on 80% of the percentage increase in the average CPI from one year to the next, up to a maximum rate of 5%. Qualified, terminated-vested members of MSEP and the Judicial Plan may make a one-time election to receive the present value of their future benefit in a lump sum payment. To qualify, a member must have left state employment on or after October 1, 1984 and prior to September 1, 2002, have less than 10 years of service, not be within 5 years of retirement eligibility, meet age requirements, and have a benefit present value of less than \$10,000.

The Missouri Department of Transportation and Highway Patrol Employees' Retirement System (MPERS) is a single-employer, defined benefit public employee retirement plan administered in accordance with Sections 104.010-104.1093, RSMo.

MPERS is considered a single-employer plan because its membership is composed of qualified employees of the Missouri Department of Transportation, uniformed and non-uniformed members of the Missouri State Highway Patrol, and MPERS staff.

MPERS provides retirement, survivor, and disability benefits to its members. The MPERS has three benefit structures known as the Closed Plan, the Year 2000 Plan, and the Year 2000 Plan-2011 Tier. Generally, the Closed Plan covers employees hired before July 1, 2000. The Year 2000 Plan generally covers employees hired on or after July 1, 2000 and before January 1, 2011. The Year 2000 Plan-2011 Tier covers employees hired on or after January 1, 2011. Employees covered by the Closed Plan and the Year 2000 Plan are fully vested after 5 years of creditable service. Employees covered by the 2011 Tier are fully vested after 5 years of creditable service if they were active on or after January 1, 2018.

The retirement eligibility requirements are as follows:

Closed Plan

MoDOT and non-uniformed patrol members:

Age 65 and active with 4 or more years
of service
Age 65 with 5 or more years of service
Age 60 with 15 or more years of service
Age 48 with sum of age and service
equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 55 and active with 4 or more years
of service
Age 55 with 5 or more years of service
Age 48 with sum of age and service
equaling 80 or more (Rule of 80)
Mandatory retirement at age 60

All non-uniformed members may retire early, with reduced benefits, at age 55 with at least 10 years of service.

The base benefit in the Closed Plan is equal to 1.6% multiplied by the final average pay multiplied by years of creditable service. For members of the uniformed patrol, the base benefit is calculated by applying the same formula, then multiplying the product by 1.33%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

For members employed prior to August 28, 1997, cost of living adjustments (COLAs) are provided annually based on 80% of the increase in the Consumer Price Index for all urban consumers for the United States (CPI-U). The minimum rate is 4% and the maximum rate is 5%, until the cumulative amount of COLAs equals 65% of the original benefit. Thereafter, the 4% minimum rate is eliminated and the annual COLA rate will be equal to 80% of the increase in the CPI-U (annual maximum of 5%). For members employed on or after August 28, 1997, COLAs are provided annually based on 80% of the increase in the CPI-U, up to a maximum rate of 5%.

Year 2000 Plan

MoDOT and non-uniformed patrol members:

Age 62 with 5 or more years of service
Age 48 with sum of age and service
equaling 80 or more (Rule of 80)

Uniformed patrol members:

Age 48 with sum of age and service
equaling 80 or more (Rule of 80)
Mandatory retirement at age 60 with
5 or more years of service

All members may retire early with reduced benefits at age 57 with at least 5 years of service.

The base benefit in the Year 2000 Plan is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 80, and uniform patrol members retiring at the mandatory retirement age (currently 60), receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80% of the change in the CPI-U, up to a maximum rate of 5%.

Year 2000 Plan-2011 Tier

MoDOT and non-uniformed patrol members:

Age 67 with 5 or more years of service
Age 55 and active with sum of age and service
equaling 90 or more (Rule of 90)

Uniformed patrol members:

Age 55 and active with 5 or more years
of service
Mandatory retirement at age 60 with no
minimum service amount, active only.

Active MoDOT and non-uniformed patrol members may retire early with reduced benefits at age 62 with at least 5 years of service. Terminated and vested uniformed patrol members may retire at age 67 with 5 or more years of service.

The base benefit in the 2011 Tier is equal to 1.7% multiplied by the final average pay multiplied by years of creditable service. Members retiring under the Rule of 90, and uniform patrol members retiring at the mandatory retirement age (currently 60) or at age 55 with 5 years of creditable service, receive an additional temporary benefit until age 62. The temporary benefit is equivalent to 0.8% multiplied by final average pay multiplied by years of creditable service. COLAs are provided annually based on 80% of the change in the CPI-U, up to a maximum rate of 5%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Single-Employer Plans:

Employees Covered by Benefit Terms – Single-Employers Only

As of June 30, 2018 valuation, membership consisted of the following:

	<u>Judicial Plan</u>	<u>MPERS</u>
Retirees, beneficiaries, and the disabled currently receiving benefits	569	8,916
Terminated employees entitled to, but not yet receiving benefits	26	1,980
Active		
Vested	415	5,233
Nonvested	—	2,158
Total Membership	<u>1,010</u>	<u>18,287</u>

Contributions

Per Chapter 104.436, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board. Employees in the MSEP 2011 Plan are required to contribute 4.00% of their annual pay. The State's required contribution rates for the MSEP and the Judicial Plan for the year ended June 30, 2018, were 19.45% and 62.09% of annual payroll, respectively. The contribution rates as a percentage of covered payroll for the MSEP and the Judicial Plan for the year ended June 30, 2018, were 19.45% and 62.11%, respectively. Contributions to the pension plan from the MSEP Plan and the Judicial Plan were \$313,167,000 and \$36,895,000 respectively, for the year ended June 30, 2018.

Per Chapter 104.070, RSMo, contribution requirements of the active employees and the participating employers are established and may be amended by the MPERS Board of Trustees. Beginning January 1, 2011, employee contributions of 4.00% of gross pay are required for those covered by the Year 2000 Plan-2011 Tier. Employer contributions are determined through annual actuarial valuations. Administrative expenses are financed through contributions from participating employers and investment earnings. The state's required contribution rate, as adopted by the MPERS Board of Trustees, for the year ended June 30, 2018, was to be at least 58.00%. The contribution rate as a percentage of covered payroll for the MPERS plan year ended June 30, 2018, was 58.00%. Contributions to the pension plan from the MPERS plan were \$204,955,000.

For the portion of the MSEP Plan relating to the State's component units, the required contribution rate for the year ended June 30, 2018, was 19.45%. The contribution rates as a percentage of covered payroll for the year ended June 30, 2018, was 19.45%. Contributions to the pension plan were \$63,594,000 for the year ended June 30, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Cost-Sharing Multiple Employer Plan:

At June 30, 2019, a liability was reported for the State's proportionate share of the net pension liability for the MSEP and the MSEP-CU plans based on an actuarial valuation as of June 30, 2018. The State's proportionate share of the net pension liability was based on the State's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for plan year ended June 30, 2018.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

The State reported the following proportionate share of the net pension liability and the pension expense for the fiscal year ended June 30, 2019 (in thousands of dollars):

	MSEP	MSEP-CU
Pension Expense	\$ 829,386	\$ 162,166
Proportionate share:		
2019	82.84%	16.82%
Net Pension Liability	\$4,620,928	\$ 938,355

Single-Employer Plans:

The State's net pension liability and related information for the Judicial and MPERS plans for the fiscal year ended June 30, 2019 (in thousands of dollars):

	Judicial Plan Increase (Decrease)			MPERS Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) – (b)
Balances at June 30, 2018	\$ 564,418	\$ 137,635	\$ 426,783	\$3,802,444	\$ 2,169,775	\$ 1,632,669
Changes for the year:						
Service Cost	12,997	—	12,997	46,621	—	46,621
Interest	41,019	—	41,019	286,457	—	286,457
Changes of Benefit Terms	—	—	—	(7)	—	(7)
Differences between expected and actual experience	(1,320)	—	(1,320)	(37,173)	—	(37,173)
Changes of Assumptions	12,332	—	12,332	142,556	—	142,556
Contributions – Employer	—	36,892	(36,892)	—	204,955	(204,955)
Contributions – Employee	—	902	(902)	—	5,001	(5,001)
Net Income Investment	—	10,678	(10,678)	—	197,620	(197,620)
Benefit payments, including refunds of employee contributions	(35,657)	(35,657)	—	(254,634)	(254,634)	—
Disability Premiums	—	—	—	(1,602)	(1,602)	—
Administrative Expense	—	(181)	181	—	(4,693)	4,693
Net Transfers to Other Retirement Systems	—	—	—	(2,823)	(956)	(1,867)
Other	—	(69)	69	—	(936)	936
Net Changes	29,371	12,565	16,806	179,395	144,755	34,640
Balances at June 30, 2019	<u>\$ 593,789</u>	<u>\$ 150,200</u>	<u>\$ 443,589</u>	<u>\$3,981,839</u>	<u>\$ 2,314,530</u>	<u>\$ 1,667,309</u>

For the year ended June 30, 2019, the Judicial Plan and MPERS recognized pension expense of \$62,264,000 and \$147,661,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU	MSEP	Judicial	MPERS	MSEP-CU
Difference between expected and actual experience	\$ 10,516	\$ —	\$ —	\$ 2,136	\$ 109,401	\$ 7,155	\$ 62,156	\$ 22,216
Changes of assumptions	398,247	24,519	109,950	80,871	—	—	—	—
Net difference between projected and actual earnings on pension plan investments	543,479	9,980	—	110,362	—	—	1,136	—
Changes in proportion and differences between pension plan contributions and proportionate share of contributions	18,557	—	—	3,660	795	—	—	20,998
Contributions subsequent to the measurement date	326,951	38,555	210,167	64,224	—	—	—	—
Total	<u>\$ 1,297,750</u>	<u>\$ 73,054</u>	<u>\$ 320,117</u>	<u>\$ 261,253</u>	<u>\$ 110,196</u>	<u>\$ 7,155</u>	<u>\$ 63,292</u>	<u>\$ 43,214</u>

Amount reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement period of the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MSEP	Judicial	MPERS	MSEP-CU
2020	\$ 529,891	\$ 18,542	\$ 23,743	\$ 99,677
2021	241,150	5,315	19,036	40,653
2022	89,267	3,544	1,214	13,425
2023	295	(57)	2,665	60
Totals	<u>\$ 860,603</u>	<u>\$ 27,344</u>	<u>\$ 46,658</u>	<u>\$ 153,815</u>

Actuarial Assumptions

The total pension liability at June 30, 2019, is based upon the June 30, 2018 actuarial valuation for MOSERS and MPERS using the entry age normal actuarial cost method. Significant actuarial assumptions used in the June 30, 2018, actuarial valuations are the following:

	MSEP and MSEP-CU	Judicial	MPERS
Price Inflation	2.5%	2.5%	3.0%
Salary Increases	3.0-8.5%	2.75-4.95%	3.0-12.45%
Investment Rate of Return	7.25%	7.25%	7.00%

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015, for MOSERS. In addition, the investment return assumption was reduced from 7.50% to 7.25% for the June 30, 2018 valuation. Other assumption changes were decreases in the payroll and wage growth assumptions. MOSERS mortality rates were based on the RP-2014 Healthy Annuitant Mortality Table, projected to 2026 with scale MP-2015 and scaled by 120%. The pre-retirement mortality table used is the RP-2014 Employee Mortality Table, projected to 2026 with scale MP-2015 and scaled by 95% for males and 90% for females.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Amounts reported in the June 30, 2018, actuarial report are assumptions reflecting adjustments to expected rates of withdrawal, disability, normal and early retirement, mortality, and merit and seniority pay for MPERS. The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2012, through June 30, 2017. Mortality rates, for post-retirement mortality, used in evaluating allowances to be paid to non-disabled pensioners were the RP-2014 Healthy Mortality Tables projected to 2022 using projection scale MP-2017. Pre-retirement mortality used were the RP-2014 Employee Mortality Table projected to 2022 using projection scale MP-2017 and multiplied by a factor of 65%. Disabled pension mortality was based on RP-2014 Disabled Retiree Annuitant Mortality Tables projected to 2022 using projection scale MP-2017.

The long-term (30 year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for the MSEP and Judicial Plan and arithmetic real rates of return for MPERS for each major asset class included in the target allocation are summarized in the table below:

Asset Class	MSEP and MSEP-CU		Judicial		MPERS	
	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	38.0%	5.5%	38.0%	5.5%	30.0%	4.75%
Private Equity					15.0%	6.50%
Fixed Income					20.0%	0.25%
Real Assets					7.5%	4.75%
Real Estate					10.0%	2.75%
Hedge Funds					10.0%	2.75%
Opportunistic Debt					7.5%	4.00%
Nominal Bonds	44.0%	1.0%	44.0%	1.0%		
Commodities	20.0%	4.5%	20.0%	4.5%		
Inflation-linked Bonds	39.0%	0.8%	39.0%	0.8%		
Alternative Beta	31.0%	4.5%	31.0%	4.5%		
	<u>172.0%</u>		<u>172.0%</u>		<u>100.0%</u>	

Discount Rate

A single discount rate based on the expected rate of return on pension investments of 7.25%, 7.25%, and 7.00% was used to measure the total pension liability for MSEP, Judicial Plan, and MPERS, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate for MPERS. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined for MOSERS. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.25%	7.25%	8.25%
MSEP Net Pension Liability	\$5,902,862	\$4,620,928	\$3,542,967
	6.25%	7.25%	8.25%
Judicial Plan Net Pension Liability	\$504,646	\$443,589	\$391,378
	6.00%	7.00%	8.00%
MPERS Net Pension Liability	\$2,140,629	\$1,667,309	\$1,272,455
	6.25%	7.25%	8.25%
MSEP-CU Net Pension Liability	\$1,198,672	\$938,355	\$719,457

Payables to the Pension Plan

As of June 30, 2019, the State had payables of \$16,004,000 to MOSERS for the outstanding amount of contributions to the pension plan, relating to a two week lag in payroll.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separate financial reports issued by MOSERS and MPERS:

Missouri State Employees' Retirement System
P.O. Box 209
Jefferson City, Missouri 65102-0209
www.mosers.org

Missouri Department of Transportation and
Highway Patrol Employees' Retirement System
P.O. Box 1930
Jefferson City, Missouri 65102-1930
www.mpers.org

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

University of Missouri Retirement System

Plan Description

The University of Missouri Retirement, Disability, and Death Benefit Plan is a single-employer defined benefit plan for all qualified employees. As authorized by Section 172.300, RSMo, the University's Board of Curators administers the Retirement Plan and establishes its terms.

Full-time employees vest in the Retirement Plan after five years of credited service and become eligible for benefits based on age and years of service. A vested employee who retires at age 65 or older is eligible for a lifetime annuity calculated at a certain rate times the credited service years times the compensation base (average consumption for the five highest consecutive salary years). The rate is 2.2% if the employee was hired before October 1, 2012, or 1.0% if the employee was hired after September 30, 2012. Academic members who provide summer teaching and research service receive additional summer service credit. The Board of Curators may periodically approve increases to the benefits paid to existing pensioners. However, vested members who leave the University prior to eligibility for retirement are not eligible for these pension increases. Vested employees who are at least age 55 and have ten years or more of credited service, or age 60 with at least five years of credited service may choose early retirement with a reduced benefit. However, if the employee retires at age 62 and has at least 25 years of credited service, the benefit is not reduced. Up to 30% of the retirement annuity can be taken in a lump sum payment. In addition the standard annuity can be exchanged for an actuarially-equivalent annuity selected from an array of options with joint and survivor, period certain, and guaranteed annual increase features.

As of June 30, 2019, membership consisted of the following:

Vested members	18,102
Inactive vested members	4,817
Pensioners and beneficiaries	10,316
Total Membership	<u>33,235</u>

In April 2019, the University's Board of Curators approved a new retirement plan for newly hired or rehired employees starting October 1, 2019. Employees starting on or after that date, will be enrolled in a defined contribution plan and the defined benefit plan of the University will be closed to new entrants. Rehires on or after October 1, 2019 will also be enrolled into the new defined contribution plan regardless of their vested status in the defined benefit plan. Vested defined benefit employees that are rehired on or after October 1, 2019 will no longer receive creditable service credit within the defined benefit plan.

Contributions

The University's contributions to the Retirement Plan are equal to the actuarially determined contribution requirement (ADC). The ADC for those employees hired before October 1, 2012 averaged 11.2% of covered payroll for the year ending June 30, 2019. The ADC for those employees hired after September 30, 2012, averaged 7.5% of covered payroll for the year ended June 30, 2019. Employees are required to contribute 1% of their salary up to \$50,000 in a calendar year and 2% of their salary in excess of \$50,000. An actuarial valuation of the Plan is performed annually and the University's contribution rate is updated on July 1, to reflect the actuarially determined funding requirement from the most recent valuation, as of the preceding October 1. This actuarial valuation reflects the adoption of any Retirement Plan amendments during the previous fiscal year. The University contributed \$115,980,000 during the fiscal year ended June 30, 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Employees hired after September 30, 2012, participate in a single employer, defined contribution plan. Each year the University contributes 2% of each employee's eligible salary to a 401(a) plan. Employees are able to contribute to a 457(b) and 403(b) plan. The University will match up to 3% of the employee's contribution to the 457(b) plan with the University's match funds going into the 401(a) plan. Employees are immediately 100% vested in their contributions. The University's base contributions and matching contributions vest following three years of consecutive or nonconsecutive service. The defined contribution plan recognized \$19,212,000 of pension expense net of \$3,994,000 of forfeitures for the year ended June 30, 2019.

Employees hired or rehired beginning October 1, 2019, will participate in a single employer, defined contribution plan. Employees will be automatically enrolled in the plan to contribute 8% of eligible salary into a 457(b) plan. Each year the University will match up to 8% of each employee's eligible salary to a 401(a) plan. Employees are immediately 100% vested in their contributions. The University's matching contributions vest following three years of consecutive or nonconsecutive service.

Net Pension Liability

The Retirement Plan's net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2018. Roll-forward procedures were used to measure the Retirement Plan's net pension liability as of June 30, 2019. For the year ended June 30, 2019, fiduciary net position as a percentage of the total pension liability amounted to 82.19%.

Changes in net pension liability (in thousands of dollars):

	Total Pension Liability (TPL)	Fiduciary Net Pension (FNP)	Net Pension Liability (NPL)
Balances at June 30, 2018	\$ 4,413,831	\$ 3,682,638	\$ 731,193
Changes for the year:			
Service Cost	62,845	—	62,845
Interest	312,921	—	312,921
Differences between expected and actual experience	23,046	—	23,046
Contributions – Employer	—	115,980	(115,980)
Contributions – Employee	—	15,989	(15,989)
Net Income Investment	—	183,826	(183,826)
Benefit payments, including refunds of employee contributions	(241,020)	(241,020)	—
Net Changes	157,792	74,775	83,017
Balances at June 30, 2019	\$ 4,571,623	\$ 3,757,413	\$ 814,210

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Pension Expense

Annual pension expense consists of service cost and interest on the pension liability less employee contributions and projected earnings on pension plan investments. The difference between actual and expected earnings is recorded as a deferred outflow/inflow of resources and recognized in pension expense over a five year period.

For the year ended June 30, 2019, the Retirement Plan recognized pension expense of \$217,961,000. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to pensions were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 28,810	\$ 24,985
Changes in assumptions	163,698	—
Net difference between projected and actual earnings on pension plan investments	27,965	—
Total	<u>\$ 220,473</u>	<u>\$ 24,985</u>

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of these items:

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources
	Recognition
2020	\$ 74,495
2021	23,789
2022	52,202
2023	43,287
2024	1,715
Totals	<u>\$ 195,488</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Actuarial Assumptions

The October 1, 2018 actuarial valuation utilized the entry age actuarial cost method. During fiscal year 2018, the Board of Curators approved a change in the discount rate from 7.75% to 7.20%. The change resulted in an increase in the Net Pension Liability of \$257,616,000 and will be recognized in pension expense over the average expected remaining service lives of employees or 5.5 years. The total deferred outflow of resources resulting from the change in the discount rate will be fully recognized through pension expense by fiscal year 2023. Actuarial assumptions included:

Inflation	2.20%
Salary Increases	3.6% - 4.5%
Investment Rate of Return	7.20%

For purposes of determining actuarially required contributions, the actuarial value of assets was determined using techniques that spread effects of short-term volatility in the market value of investments over a five-year period. The underfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis over 25 from the October 1, 2018 valuation date. Mortality rates were based on the RP-2014 Combined Health Mortality Table projected using Scale MP-2017 and RP-2000 Combined Health Mortality Table projected to 2023 using Scale BB for the October 1, 2018 valuation date.

The actuarial assumptions used in the October 1, 2018 valuation were based on the results the most recent quinquennial study of the University's own experience covering 2012 to 2016.

The annual money-weighted rate of return is calculated as the internal rate of return on pension investments, net of pension plan investment expense. The money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested. The annual money-weighted rate of return on pension plan investments for the year ended June 30, 2019 was 5.2%. The following table provides long-term expected rates of real return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity	32.0%	5.2%
Private equity	10.0%	5.7%
Sovereign bonds	15.0%	1.0%
Inflation linked bonds	17.0%	0.8%
Private debt	3.0%	4.4%
Risk balanced	10.0%	7.6%
Commodities	5.0%	2.2%
Real estate	8.0%	4.5%
	<u>100.0%</u>	

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 7 - Retirement Systems (cont.)

Discount Rate

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the University contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate, as well as, what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	6.20%	7.20%	8.20%
MU Net Pension Liability	\$1,387,128	\$814,210	\$330,738

Separate financial statements are not prepared for the Plan.

Detailed information concerning the Plan is presented in the University's 2019 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211
www.umsystem.edu

Note 8 - Other Postemployment Benefits

In addition to the retirement benefits described in Note 7, the State provides postemployment health care and life insurance benefits, in accordance with State statutes, to the majority of employees who either retire from the State or receive long-term disability benefits. These benefits are administered by the Missouri Consolidated Health Care Plan (MCHCP), the Missouri State Employees' Retirement System (MOSERS), the Missouri Department of Transportation and Highway Patrol Employees' Medical and Life Insurance Plan (MHPML), and the Conservation Employees' Insurance Plan (CEIP). MCHCP is a cost-sharing multiple-employer, defined benefit other postemployment benefits plan, MOSERS is an insured, defined benefit insurance plan, and MHPML and CEIP are single-employer defined benefit public employees' other postemployment benefits plans.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Plan Descriptions

Missouri Consolidated Health Care Plan (MCHCP) operates a cost-sharing multiple-employer, defined benefit Other Postemployment Benefits Plan (OPEB), the State Retiree Welfare Benefit Trust (SRWBT). Employees may participate at retirement, if eligible to receive a monthly retirement benefit from either Missouri Employees' Retirement System (MOSERS) or another retirement system whose members grandfathered for coverage under the MCHCP by law. The terms and conditions governing postemployment benefits, are vested with the MCHCP Board of Trustees within the authority granted under sections 103.003 - 103.178, RSMo. MCHCP provides medical, dental, and vision benefits, and the Strive Employee Life & Family program for the exclusive benefit of current and future retired employees of the state and their dependents who meet eligibility requirements, except those retired members covered by other OPEB plans of the state. Covered categories include active employees, participants and spouses in payment status, participants with a deferred benefit, and disabled participants.

The Missouri Department of Transportation and Highway Patrol Employees' Medical and Life Insurance Plan (MHPML) is a single-employer, defined benefit OPEB plan administered in accordance with Section 104.270, RSMo. MHPML is not a separate legal entity and is self insured. The plan does not maintain assets in a trust and pays expenses on a pay-as-you-go basis. The plan assets are neither legally protected from creditors nor are they dedicated to providing OPEB benefits. The State has no legal obligation to pay the benefits. MHPML provides healthcare insurance benefits to employees who retired from the Department who participated in the Medical and Life Insurance Plan when they were an active employee and had a minimum of five years creditable service. Coverage categories include retirees, certain disabled employees, spouses, certain dependents and survivors of deceased employees and retirees. At June 30, 2017, the number of participants covered by the plan included 6,211 retirees or beneficiaries currently receiving benefits, 90 retirees entitled to but not yet receiving benefits, and 7,558 active employees.

The Conservation Employees' Benefits Plan (CEIP) is a single-employer defined benefit OPEB plan administered by the Conservation Employees' Benefits Plan Board of Trustees in accordance with Article IV, Section 42 of the Missouri Constitution. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The benefit plan for the Department of Conservation is not irrevocable.

CEIP provides for the continuation of medical insurance benefits for retirees and their dependents. Coverage categories include active employees, retirees and surviving spouses, and spouses of current retirees. At June 30, 2017, 1,301 active employees, 714 retirees and surviving spouses, and 404 spouses of current employees were participating in the plan.

Contributions

Contributions are established and may be amended by the MCHCP Board of Trustees with the authority granted under sections 103.003 - 103.178, RSMo. Contributions to MCHCP by the State are not legally or contractually required. For the fiscal year end June 30, 2018, employers contributed 4.29% for the period July 1, 2017 through December 31, 2017, and 4.24% for the period January 1, 2018, through June 30, 2018, of covered payroll. Retiree contribution rates are established based on projected claims experience and funding provided by employer contributions. Contributions to the OPEB plan for MCHCP and MCHCP-CU was \$68,619,000 and \$32,000, respectively for the year ended June 30, 2019.

The contribution requirements for MHPML are recommended by the Medical and Life Insurance Plan's Board of Trustees and are approved by the Missouri Highways and Transportation Commission. The Commission contributes a percentage of medical premiums for retirees. For those who retired prior to January 1, 2015, an amount ranging from 40.0% to 57.0% of the premium is contributed, dependent on the level of coverage. Medical premiums, for employees who retire on or after January 1, 2015, are based on total years of service, with the Commission contributing 2.0% per year of service, not to exceed 50.0% of the total premium, with the retiree responsible for the remaining balance of the premiums. Benefit projections for financial reporting purposes are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the historical pattern of cost sharing between employer and the plan members to that point. Contributions to the Plan for the year ended June 30, 2019 was \$23,024,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

The contribution requirements for CEIP are established by a trust agreement between the Conservation Commission and the Conservation Employees' Benefits Plan Board of Trustees, which grants the authority to establish and amend benefit terms and financing requirements to the Board of Trustees. The Commission contribution toward retiree medical premium is based on tenure or years of service with the State. At the time of retirement, employees who have 25+ years of service receive a 35% contribution, 20-24 years of service receive a 30% contribution, 15-19 years of service receive a 25% contribution, vested status up to 14 years of service receive a 20% contribution, and employees who retired prior to January 1, 2013 continue to receive a 35% contribution towards their premium. Benefit projections for financial reporting purposes are based on an established policy of the retiree's paying the premium amount less any direct subsidy paid by the Commission based on years of service and date of retirement. Contributions to the Plan for the year ended June 30, 2018 was \$3,375,000.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Cost-Sharing Multiple Employer Plan:

At June 30, 2019, a liability was reported for the State's proportionate share of the collective net OPEB liability for the MCHCP and the MCHCP-CU plans based on an actuarial valuation as of June 30, 2018. The State's proportionate share of the collective net OPEB liability was calculated by dividing the State's contribution to the SRWBT by the total contributions from all applicable employers during the measurement period. From the previous valuation, the discount rate changed from 5.71% to 5.90%.

The State reported the following proportionate share of the collective net OPEB liability and the OPEB expense for the fiscal year ended June 30, 2019 (in thousands of dollars):

	<u>MCHCP</u>	<u>MCHCP-CU</u>
OPEB Expense	\$ 123,105	\$ 51
Proportionate share: 2019	99.59%	0.05%
Net OPEB Liability	\$ 1,745,034	\$ 825

Single-Employer Plans:

The State's total OPEB liability and related information for the MHPML and CEIP plans for the fiscal year ended June 30, 2019 (in thousands of dollars):

	<u>MHPML</u>	<u>CEIP</u>
	<u>Total</u>	<u>Total</u>
	<u>OPEB</u>	<u>OPEB</u>
	<u>Liability</u>	<u>Liability</u>
Balances at June 30, 2018	\$ 1,121,399	\$ 134,757
Changes for the year:		
Service Cost	40,070	2,926
Interest	39,737	5,264
Differences between expected and actual experience	(1,907)	—
Changes of assumptions or other inputs	(54,900)	10,144
Benefit payments	(23,024)	(3,375)
Net Changes	(24)	14,959
Balances at June 30, 2019	<u>\$ 1,121,375</u>	<u>\$ 149,716</u>

For the year ended June 30, 2019, the MHPML and CEIP recognized OPEB expense of \$43,590,000 and \$8,692,000, respectively.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to OPEBs were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	MCHCP	MHPML	CEIP	MCHCP-CU	MCHCP	MHPML	CEIP	MCHCP-CU
Difference between expected and actual experience	\$ —	\$ —	\$ —	\$ —	\$ (26,887)	\$ (1,597)	\$ —	\$ (12)
Changes of assumptions	—	—	8,401	—	(45,872)	(157,061)	(5,184)	(22)
Net difference between projected and actual earnings on plan investments	2,635	—	—	1	—	—	—	—
Changes in proportion and differences between employer contributions and proportionate share of contributions	577	—	—	28	(51)	—	—	(85)
Contributions subsequent to the measurement date	82,173	23,684	3,831	35	—	—	—	—
Total	<u>\$ 85,385</u>	<u>\$ 23,684</u>	<u>\$ 12,232</u>	<u>\$ 64</u>	<u>\$ (72,810)</u>	<u>\$ (158,658)</u>	<u>\$ (5,184)</u>	<u>\$ (119)</u>

Amount reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the measurement period of the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources			
	MCHCP	MHPML	CEIP	MCHCP-CU
2020	\$ (8,014)	\$ (36,219)	\$ 503	\$ (11)
2021	(8,014)	(36,219)	503	(11)
2022	(8,014)	(36,219)	503	(11)
2023	(7,972)	(36,218)	502	(11)
2024	(8,662)	(12,488)	1,206	(11)
Thereafter	(28,922)	(1,295)	—	(35)
Totals	<u>\$ (69,598)</u>	<u>\$ (158,658)</u>	<u>\$ 3,217</u>	<u>\$ (90)</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Actuarial Assumptions

The total OPEB liability at June 30, 2019, is based upon the June 30, 2018, actuarial valuation date for MCHCP and CEIP, and July 1, 2017 for MHPML, using the entry age normal actuarial cost method. Significant actuarial assumptions used in the actuarial valuations are the following:

MCHCP and MCHCP-CU	
Price Inflation	3.0%
Salary Increases	4.0%
Investment Rate of Return	5.90%
Healthcare Cost Trend Rate	Non-Medicare is 6.25% for fiscal year 2018; the rate decreases by 0.25% per year to an ultimate rate of 5.0% in fiscal year 2023 and later. Medicare is 7.25% for fiscal year 2018; the rate decreases by 0.25% per year to an ultimate of 5.0% in fiscal year 2027 and after.
MHPML	
Price Inflation	2.0%
Salary Increases	2.5%
Investment Rate of Return	3.87%
Healthcare Cost Trend Rate	7.7% for 2018, decreasing to 4.6% for 2025 and later years.
CEIP	
Price Inflation	2.3%
Salary Increases	4.0%
Investment Rate of Return	3.50%
Healthcare Cost Trend Rate	Pre-65 rate of 5.9% for 2018, gradually decreasing to an ultimate rate of 4.1% for 2084 and beyond. Post-65 trend rate of 5.9% for 2018, gradually decreasing to an ultimate rate of 4.3% for 2090 and beyond.

MCHCP's actuarial assumptions used in the June 30, 2018 valuation for SRWBT involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The valuation to determine the SRWBT's total OPEB liability is required to be performed at least every two years, but is performed annually. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. The collective total OPEB liability for June 30, 2018 measurement date was determined by an actuarial valuation as of January 1, 2018, with updated procedures used to roll forward the total OPEB liability to June 30, 2018. The cost method utilized for the valuation year June 30, 2018, was the entry age normal, level percentage of payroll. Mortality rates were based on RP-2016 for Employees/Annuitants without collar adjustments using Scale MP-2016. The last experience study was conducted for the period July 1, 2008 through June 30, 2012. The last independent actuarial review of the reasonableness and accuracy of actuarial assumptions, actuarial cost methods, and valuations was conducted as of June 30, 2018.

MHPML's actuarial assumptions used in the June 30, 2018 valuation were determined using a measurement date of July 1, 2018. The inflation rate was based on the actuary's long-term estimate of inflation as of July 1, 2016 and July 1, 2017. The salary increases were based on projected salaries, which include COLA's. The discount rate was based on Bond Buyer General Obligation 20-Bond Municipal Bond Index. Mortality rates were based on the 2018 Pub-2010 Public Retirement Plans Safety Employees Mortality Table weighted by Headcount project by MP-2018 and the RP 2014 Employees and Health Annuitants Mortality table, headcount weighted, fully generational projected by Scale MP-2016 for July 1, 2018. The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2018. From the previous valuation, the discount rate changed from 3.58% to 3.87%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

CEIP's actuarial assumptions used in the June 30, 2017 valuation were determined using a measurement date of June 30, 2019. The discount rate was based on the 20-year Bond General Obligation Index. Mortality rates were based on RP-2014 Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2017. The plan has not had a formal actuarial experience study performed. From the previous valuation, the discount rate changed from 3.87% to 3.50%.

For MCHCP, the long-term expected rate of return on OPEB plan investments was determined as a blend of the plan sponsor's best estimate on the expected return on plan assets and the 20-year high quality municipal bond rate as of the measurement date. The target asset allocation and best estimates of arithmetic real rate of returns for each major asset class are listed below.

Asset Class	MCHCP and MCHCP-CU	
	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Stocks	20.0%	5.7%
Mid Cap Stocks	10.0%	6.0%
Small Cap Stocks	10.0%	6.0%
High-Yield Bonds	10.0%	2.9%
BarCap Aggregate Bonds	20.0%	1.4%
Long Government/Credit	25.0%	1.6%
Cash Equivalants	5.0%	0.3%
	100.0%	

Discount Rate

A single discount rate based on the expected rate of return on OPEB investments of 5.90%, 3.87%, and 3.50% was used to measure the total OPEB liability for MCHCP, MHPML, and CEIP, respectively. For MCHCP, the projection of cash flows used to determine the discount rate assumed that employee contributions at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. For years where the expected benefit payments can be covered by projected trust assets, expected returns are used. For years where payments are not expected to be covered by trust assets, the municipal Bond Buyer 20-Bond General Obligation Index rate is utilized.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the net OPEB liability for MCHCP and total OPEB liability for MHPML and CEIP, to changes in the single discount rate, the following presents the State's liability, calculated using a single discount rate, as well as, what the plan's liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
MCHCP Net OPEB Liability	4.90% \$2,052,644	5.90% \$1,745,034	6.90% \$1,500,710
MHPML Total OPEB Liability	2.87% \$1,348,274	3.87% \$1,121,375	4.87% \$947,704
CEIP Total OPEB Liability	2.50% \$182,900	3.50% \$149,716	4.50% \$124,440
MCHCP-CU Net OPEB Liability	4.90% \$971	5.90% \$825	6.90% \$710

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Regarding the sensitivity of the net OPEB liability for MCHCP and the total OPEB liability for MHPML and CEIP, to changes in healthcare cost trend rates, the following presents the plan's liability, calculated using healthcare cost trend rates, as well as, what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
MCHCP Net OPEB Liability	\$1,493,667	\$1,745,034	\$2,061,988
MHPML Total OPEB Liability	\$939,200	\$1,121,375	\$1,396,849
CEIP Total OPEB Liability	\$123,534	\$149,716	\$184,669
MCHCP-CU Net OPEB Liability	\$706	\$825	\$975

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separate financial reports issued by MCHCP:

Missouri Consolidated Health Care Plan
P.O. Box 104355
Jefferson City, Missouri 65110-4355
www.mchcp.org

Missouri State Insured Defined Benefit Insurance Plan

The Missouri State Insured Defined Benefit Insurance Plan is administered through The Standard, which is a third party administrator with oversight by Missouri State Employees Retirement System (MOSERS). In the event that the Standard becomes insolvent, the Missouri Guarantee Association will work with the Standard to see what assets are available to handle their liabilities and the MO Guarantee Association would handle the open and unpaid claims up to the maximum outlined in Section 376.717, RSMo.

Retiree Life Insurance

Members who retire on or after October 1, 1985, or retirees of the Department of Labor and Industrial Relations (DOLIR) who retire on or after January 1, 1996, are eligible for \$5,000 of state-sponsored basic life insurance coverage if they retire directly from active employment. This group plan is financed on a percentage of payroll and is purchased as a group policy through competitive bids. Premiums are contributed as provided by Section 104.515, RSMo. Retirees of the DOLIR who retire prior to January 1, 1996, are eligible for state-sponsored insured defined benefit coverage in the same amount of coverage they were receiving through the DOLIR. The coverage for this closed group is purchased as a group policy at a current cost of \$2.07 per thousand dollars of coverage, per month as provided by Section 288.225, RSMo. The cost for fiscal year 2019 was \$1,896,000.

Long-Term Disability Insurance (LTD)

MOSERS provides LTD coverage for eligible members and generally includes those active members of MOSERS' retirement plans who do not have other disability coverage and are not yet eligible to receive normal (unreduced) retirement benefits. There were 32,431 members covered under the program as of June 30, 2019. This insured defined-benefit coverage is billed on percentage of covered payroll (0.55%). Purchased as group policy through competitive bids, LTD is administered by The Standard Insurance Company. The cost for the year ended June 30, 2019, was \$8,227,000. Premiums are contributed by the State and its component employers as provided for by Section 104.515, RSMo.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

University of Missouri System

Plan Description

In addition to the retirement benefits described in Note 7, the University of Missouri operates a single-employer, defined benefit Other Postemployment Benefits (OPEB) Plan. The assets of the OPEB Trust Fund are irrevocable and legally protected from creditors and dedicated to providing postemployment benefits in accordance with the plan. The OPEB plan provides postemployment medical, dental, and life insurance benefits to employees who retire from the University after attaining age 55 and before reaching age 60 with ten or more years of service, or after attaining age 60 with five or more years of service. As of January 1, 2018, employees must be 60 years old and have 20 years of service at the date of retirement to access the same percentage subsidy as retirees prior to January 1, 2018. Employees with age plus years of service less than 80, but with more than 5 years of service as of January 1, 2018, will receive a subsidy of \$100 per year of service up to a maximum of \$2,500 annually. Employees with less than 5 years of service as of January 1, 2018, will not receive an insurance subsidy or be eligible to participate in the University's plans.

As of June 30, 2019, 9,208 retirees were receiving benefits, and an estimated 9,720 active University employees may become eligible to receive benefits under the plan. Post-employment medical, dental and life insurance benefits are also provided to long-term disability claimants who were vested in the University's Retirement Plan at the date the disability began, provided the onset date of the disability was on or after September 1, 1990. As of June 30, 2019, 123 long-term disability claimants met those eligibility requirements. The terms and conditions governing the postemployment benefits to which employees are entitled are at the sole authority and discretion of the University's Board of Curators. The OPEB plan does not issue a separate financial report.

Contributions

Postemployment benefits are funded through both employer and employee contributions. Contribution requirements of employees and the University are established and may be amended by the University's Board of Curators. For employees retiring prior to September 1, 1990, the University contributes 2/3 of the medical benefits premium and 1/2 of the dental plan premium. For employees who retire on or after September 1, 1990, the University contributes towards premiums based on the employee's length of service and age at retirement.

The University makes available two group term life insurance options. Option A coverage is equal to the retiree's salary at the date of retirement, while Option B is equal to two times the amount. For each Option, graded decreases in coverage are made when the retiree attains specific age levels. The University pays the full cost of Option A and approximately 91% of Option B coverage. Coverage for group term life insurance ends on January 1 following the retiree's 70th birthday.

For the year ended June 30, 2019, participant contributions were \$17,378,000 or approximately 50.8% , of the total premiums through their required contributions, which vary depending on the plan and coverage selection. In fiscal year 2019, the contribution rate as a percentage of covered payroll was 3.45% and the University contributed \$23,363,000.

The University also makes available two long-term disability options to its employees. Option A coverage is equal to 60% of the employee's salary on the date the disability began, when integrated with benefits from all other sources. Option B coverage is equal to 66-2/3% of the employee's salary, integrated so that benefits from all sources will not exceed 85% of the employee's salary. Both options have a 149-day waiting period and provide benefits until age 65. The University pays the full cost of the Option A premium, while employees enrolled in Option B pay the additional cost over the Optional A premium.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2019, the net OPEB liability for the University was based on an actuarial valuation as of June 30, 2019 and measured as of that date. For the year ended June 30, 2019, fiduciary net position as a percentage of the net OPEB liability amounted to 7.81%.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Changes in net OPEB liability (in thousands of dollars):

	Total OPEB Liability (TOL)	Fiduciary Net Position (FNP)	Net OPEB Liability (NOL)
Balances at June 30, 2018	\$ 479,006	\$ 36,801	\$ 442,205
Changes for the year:			
Service Cost	4,124	—	4,124
Interest	18,248	—	18,248
Differences between expected and actual experience	31,459	—	31,459
Changes in assumptions	(17,565)	—	(17,565)
Contributions – Employer	—	23,363	(23,363)
Contributions – Employee	—	17,378	(17,378)
Net Investment Income	—	1,469	(1,469)
Benefit payments, including refunds of employee contributions	(23,206)	(40,584)	17,378
Administrative Expenses	—	(1)	1
Net Changes	13,060	1,625	11,435
Balances at June 30, 2019	\$ 492,066	\$ 38,426	\$ 453,640

For the year ended June 30, 2019, the University recognized OPEB expense of \$17,476,000. At June 30, 2019, deferred outflows of resources and deferred inflows of resources related to OPEBs were reported from the following sources (in thousands of dollars):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 27,214	\$ —
Changes in assumptions	—	42,853
Net difference between projected and actual earnings on OPEB plan investments	—	2,014
Total	\$ 27,214	\$ 44,867

The University recognizes differences between actual and expected investment performance included in deferred outflows/inflows of resources on a straight-line basis over five years. Differences between expected and actual experience on actuarial assumptions are amortized over the average expected remaining service life of the University's employees. The following table summarizes the future recognition of those items (in thousands of dollars):

Fiscal Year Ended June 30	Net Deferred Outflows/Inflows of Resources
	Recognition
2020	\$ (4,897)
2021	(4,897)
2022	(4,714)
2023	(4,396)
2024	(1,069)
Thereafter	2,320
Totals	\$ (17,653)

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Actuarial Assumptions

The total OPEB liability at June 30, 2019, is based upon the June 30, 2019 actuarial valuation, using the entry age normal, as a level percentage of pay, actuarial cost method. Significant actuarial assumptions used in the actuarial valuations are the following:

Price Inflation	2.2%
Salary Increases	Varies based on age: 0.1% to 6.0% (including inflation) for academic and administrative; 0.1% to 3.0% (including inflation) for clerical and service
Investment Rate of Return	3.50%
Retiree Health PPO Plan, Healthy Savings, and Rx Healthcare Cost Trend Rate	8.50% decreasing by 0.25% per year until ultimate trend of 4.5% is reached.
Pre-65 Rx trend rate	9.50% decreasing by 0.25% per year until ultimate trend of 4.5% is reached.
Medicare Advantage Plans medical trend rate	Premium rates are guaranteed through 2022. Thereafter, trend rates are 7.00% decreasing by 0.25% per year until an ultimate trend of 4.50% is reached
EWP Rx trend rate	8.50% decreasing by 0.25% per year until an ultimate trend of 4.5% is reached
Dental trend rates	3.0% all years.

The University's actuarial assumptions used in the June 30, 2019 valuation involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Benefit projections for financial reporting purposes are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the historical pattern of cost sharing between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. For healthy retiree mortality rates, the RP-2014 Healthy Employee/Annuitant Mortality Table projected generationally using Scale MP-2017 was used. For disabled retiree mortality rates, the RP-2014 Disabled Annuitant Mortality Table projected generationally using Scale MP-2017 was used.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50% for the year ended June 30, 2019. The projection of cash flows used to determine the discount rate assumed that the University would not make additional contributions to the OPEB Trust and would continue to fund the plan on a pay-as-you-go basis, therefore the University's investments related to OPEB are considered cash and cash equivalents. For the June 30, 2019 actuarial valuation, 3.50% was used as the long-term expected rate of return. Based on these assumptions, the OPEB Plan's fiduciary net position was not projected to cover a full year of projected future benefit payments. Therefore, all future benefit payments are discounted at the current index rate for 20 year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

Regarding the sensitivity of the net OPEB liability for the University, to changes in the single discount rate, the following presents the University's liability, calculated using a single discount rate, as well as, what the plan's liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Single Discount Rate Assumption	1% Increase
	2.50%	3.50%	4.50%
Net OPEB Liability	\$523,380	\$453,640	\$396,499

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 8 - Other Postemployment Benefits (cont.)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

Regarding the sensitivity of the net OPEB liability for the University, to changes in healthcare cost trend rates, the following presents the University's liability, calculated using healthcare cost trend rates, as well as, what the plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher (in thousands of dollars):

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Net OPEB Liability	\$405,788	\$453,640	\$511,283

Detailed information concerning the Plan is presented in the University's 2019 financial report, which is publicly available. Copies of this report may be requested from:

University of Missouri System
118 University Hall
Columbia, Missouri 65211
www.umsystem.edu

Note 9 - Deferred Compensation

Missouri State Public Employees' Deferred Compensation Plan:

In accordance with Internal Revenue Code Section 457, the State offers all employees the opportunity to participate in the Missouri State Public Employees' Deferred Compensation Plan. Under the Plan, employees are permitted to defer a portion of their current salary until future years.

All amounts of compensation deferred under the Plan must be held in a trust, custodial account, or annuity contract for the exclusive benefit of Plan participants and their beneficiaries. Investments are managed by the Plan's trustee under one of several investment options, or a combination thereof. The choice between the investment option(s) available by the Plan is made by the participants.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 9 - Deferred Compensation (cont.)

Missouri State Public Employees' Deferred Compensation Plan:

The Plan was established by the Missouri State Public Employees' Deferred Compensation Commission in July 1995 pursuant to Section 401(a) of the Internal Revenue Code.

Under the Plan provisions, any employee of the State is eligible to participate in the Plan if he/she has been an employee of the State for at least 12 consecutive months preceding any employer contributions to the Plan, and is making continuous monthly deferrals of at least \$25 to the Missouri State Public Employees' Deferred Compensation Plan. As of March 2010, employer incentive (match) associated with the State of Missouri Deferred Compensation Plan was suspended. Participating employees are 100% vested.

The first employer contributions to the Plan were made in January 1996. The Plan receives contributions from employers as well as rollovers from other qualified plans. During fiscal year 2019, net rollovers and contributions to ICMA-RC were \$56,545,000.

Copies of the Plan's financial statements may be requested from:

Plan Administrator
c/o MOSERS
P.O. Box 209
907 Wildwood Drive
Jefferson City, Missouri 65102-0209

Note 10 - Changes in Short-Term Liabilities

The State uses a bank overdraft line of credit to compensate for timing in cash payments and receipts.

The following is a summary of the changes in short-term liabilities for the year ended June 30, 2019 (in thousands of dollars):

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Bank Overdraft	\$ 2	\$ 1,260,066	\$ (1,260,066)	\$ 2

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 11 - Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2019 (in thousands of dollars):

	*Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Due to Other Entities	\$ 1,420	\$ —	\$ (17)	\$ 1,403	\$ —
General Obligation Bonds Payable	104,695	—	(38,575)	66,120	21,590
Other Bonds Payable	2,807,240	102,705	(385,990)	2,523,955	236,760
Unamortized Bond Premium	166,876	7,550	(36,644)	137,782	—
Obligations under Financed Purchase	24,848	17,477	(10,800)	31,525	11,800
Obligations under Lease Purchase	55,112	—	(17,393)	37,719	3,452
Pollution Remediation	46,243	7,079	(4,517)	48,805	2,207
Asset Retirement Obligations	1,789	—	—	1,789	—
Compensated Absences	172,729	219,346	(215,487)	176,588	155,279
Claims Liability	175,953	671,133	(686,851)	160,235	108,883
Contingent Liabilities	48,923	13,628	(32,146)	30,405	23,352
2 nd Injury Fund Contingent Liabilities	1,953,168	213,020	(94,299)	2,071,889	94,299
Net Other Postemployment Benefit Obligation	2,947,364	234,145	(230,901)	2,950,608	—
Net Pension Liability	6,199,831	1,702,642	(1,321,699)	6,580,774	—
Total Governmental-Type Activities	<u>\$ 14,706,191</u>	<u>\$ 3,188,725</u>	<u>\$ (3,075,319)</u>	<u>\$ 14,819,597</u>	<u>\$ 657,622</u>
Business-Type Activities:					
Claims Liability	\$ 84,018	\$ 14,240	\$ (15,820)	\$ 82,438	\$ 14,000
Grand Prize Winner Liability	106,585	86,120	(79,232)	113,473	87,697
Asset Retirement Obligations	2	—	—	2	—
Compensated Absences	4,639	8,050	(8,029)	4,660	4,511
Net Other Postemployment Benefit Obligation	56,212	5,178	(5,623)	55,767	—
Net Pension Liability	137,736	53,268	(41,350)	149,654	—
Total Business-Type Activities	<u>\$ 389,192</u>	<u>\$ 166,856</u>	<u>\$ (150,054)</u>	<u>\$ 405,994</u>	<u>\$ 106,208</u>

*Beginning balances as of June 30, 2018 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt

Bonds:

Bonds are long-term liabilities and are reconciling items from governmental fund financial statements to government-wide financial statements. On the Government-Wide Statement of Net Position, the long-term liabilities are shown as the amounts due within one year from the date of the statement and the amounts due in more than one year from the date of the statement.

General Obligation Bonds:

The Board of Fund Commissioners of the State of Missouri, upon voter approval and subsequent authorization of the General Assembly, issues general obligation bonds that are secured by a pledge of the full faith, credit, and resources of the State. The principal and interest amounts are transferred one year in advance from the General Fund or other funds to the debt service funds from which principal and interest payments are made. Three types of general obligation bonds are currently outstanding. Proceeds from the Water Pollution Control Bonds were used to provide funds for the protection of the environment through the control of water pollution. Proceeds from the Fourth State Building Bonds were used to provide funds for improvements of buildings and property of higher education institutions, Department of Corrections, and the Division of Youth Services. Proceeds from the Stormwater Control Bonds were used to provide funds to protect the environment through the control of stormwater.

To take advantage of lower interest rates, the Board of Fund Commissioners has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Water Pollution Control Bonds:				
Series A 2010-Refunding	7/27/10	\$ 81,450	A 2001	\$ 15,030
			A 2002	20,225
			B 2002-Refunding	12,990
			A 2005-Refunding	8,595
			A 2007	31,385
Series A 2012-Refunding	9/27/12	62,460	A 2002	3,225
			B 2002-Refunding	64,080
Fourth State Building Bonds:				
Series A 2010-Refunding	7/27/10	9,060	A 2002-Refunding	8,970
			A 2005-Refunding	1,470
Series A 2012-Refunding	9/27/12	100,395	A 2002-Refunding	110,535
Stormwater Control Bonds:				
Series A 2010-Refunding	7/27/10	15,150	A 2001	7,320
			A 2002	8,475
			A 2005-Refunding	905

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2019, \$594,494,240 of the Water Pollution Control Bonds; \$250,000,000 of the Fourth State Building Bonds; and \$45,000,000 of the Stormwater Control Bonds have been issued. The remaining authorization for the Water Pollution Control Bonds is \$130,505,760 and for Stormwater Control Bonds is \$155,000,000. There is no remaining authorization for the Fourth State Buildings Bonds.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

General obligation bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Water Pollution Control Bonds:						
Series A 2007	4.0 - 5.0%	6/1; 12/1	11/07	12/1/21	\$ 50,000	\$ 5,700
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	81,450	34,700
Series A 2012-Refunding	3.0 - 4.0%	10/1; 4/1	9/12	10/1/19	62,460	775
Fourth State Building Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	9,060	3,855
Series A 2012-Refunding	2.0 - 4.0%	10/1; 4/1	9/12	10/1/21	100,395	14,640
Stormwater Control Bonds:						
Series A 2010-Refunding	4.0 - 5.0%	12/1; 6/1	7/10	12/1/22	15,150	6,450
Total General Obligation Bonds					<u>\$ 318,515</u>	<u>\$ 66,120</u>
Less: Amount in Sinking Fund for payment of Principal						(24,704)
						<u>\$ 41,416</u>

As of June 30, 2019, general obligation debt service requirements for principal and interest in future years were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 21,590	\$ 2,445	\$ 24,035
2021	15,880	1,666	17,546
2022	16,560	964	17,524
2023	12,090	302	12,392
Totals	<u>\$ 66,120</u>	<u>\$ 5,377</u>	<u>\$ 71,497</u>

Other Bonds:

The Board of Public Buildings of the State of Missouri, upon the approval of the General Assembly, issues revenue bonds for building projects and commits state agencies to lease space in these buildings. The General Assembly appropriates to the Board, on behalf of the state agencies, amounts sufficient to pay the principal and interest on the bonds, maintain certain required reserves, and to pay the costs of operations. The total amount authorized for the Board equals \$1,545,000,000.

To take advantage of lower interest rates, the Board of Public Buildings has issued bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Board (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Board of Public Buildings:				
Series A 2011-Refunding	09/27/11	\$ 143,020	A 2001	\$ 126,850
			A 2003	12,620
			A 2006	3,175
Series A 2012-Refunding	08/23/12	278,835	A 2003	285,340
Series A 2013-Refunding	10/11/13	29,370	A 2003	30,195
Series A 2014-Refunding	08/19/14	88,680	A 2006	87,225
Series A 2015-Refunding	04/01/15	20,250	A 2011-Refunding	21,380

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

The additional principal amount of the refunding bonds does not decrease the amount of the authorization.

As of June 30, 2019, the Board of Public Buildings Bonds had issued \$1,192,915,000 of the bond authorization. The remaining authorization is \$352,085,000.

The Board of Public Buildings Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Board of Public Buildings:						
Series A 2011-Refunding	1.0 - 5.0%	4/1; 10/1	9/11	10/1/28	\$ 143,020	\$ 74,355
Series A 2012-Refunding	2.0 - 5.0%	4/1; 10/1	8/12	10/1/28	278,835	203,075
Series A 2013-Refunding	2.0 - 5.0%	4/1; 10/1	10/13	10/1/28	29,370	21,415
Series A 2014-Refunding	1.0 - 5.0%	4/1; 10/1	8/14	10/1/30	88,680	75,980
Series A 2015-Refunding	5.0%	4/1; 10/1	4/15	10/1/24	20,250	20,250
Series A 2015	3.0 - 5.0%	4/1; 10/1	4/15	10/1/39	36,805	33,215
Series B 2015	3.0 - 5.0%	4/1; 10/1	9/15	4/1/30	60,000	45,735
Series A 2016	3.0 - 4.0%	4/1; 10/1	5/16	4/1/36	100,000	82,065
Series A 2017	2.0 - 5.0%	4/1; 10/1	9/17	4/1/32	77,165	68,445
Series A 2018	3.0 - 5.0%	4/1; 10/1	5/18	4/1/38	47,740	45,215
Total Board of Public Buildings Bonds					<u>\$ 881,865</u>	<u>\$ 669,750</u>

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Board of Public Buildings Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 50,595	\$ 23,645	\$ 74,240
2021	52,880	21,267	74,147
2022	55,220	18,828	74,048
2023	57,480	16,573	74,053
2024	59,220	14,243	73,463
2025-2029	301,505	38,273	339,778
2030-2034	67,915	8,431	76,346
2035-2039	22,740	2,151	24,891
2040	2,195	38	2,233
Totals	<u>\$ 669,750</u>	<u>\$ 143,449</u>	<u>\$ 813,199</u>

The Missouri Health and Educational Facilities Authority (MOHEFA) issued \$35,000,000 of Educational Facilities Revenue Bonds (University of Missouri-Columbia Arena Project) Series 2001, dated November 1, 2001, to fund the design, acquisition, construction, furnishing, and equipping of a sports arena facility and related facilities on the University of Missouri-Columbia campus. MOHEFA issued \$20,125,000 of Educational Facilities Refunding Revenue Bonds Series 2011, dated November 17, 2011. The Refunding Educational Facilities Revenue bonds refunded \$22,770,000 of Educational Facilities Revenue Bonds Series 2001. These bonds are special, limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

The Educational Facilities Revenue Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Educational Facilities Revenue Bonds:						
Series 2011-Refunding	2.0 - 5.0%	4/1; 10/1	11/11	10/1/21	<u>\$ 20,125</u>	<u>\$ 7,030</u>

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Educational Facilities Revenue Bonds (based on the financing agreement between the State and the Authority) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 2,225	\$ 296	\$ 2,521
2021	2,340	182	2,522
2022	<u>2,465</u>	<u>62</u>	<u>2,527</u>
Totals	<u>\$ 7,030</u>	<u>\$ 540</u>	<u>\$ 7,570</u>

The Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project Bonds Series A 1991, dated August 15, 1991, to finance the costs of acquiring land and constructing a multi-purpose convention and indoor sports facility in downtown St. Louis, Missouri. On December 15, 1993, the Authority issued \$121,705,000 of Convention and Sports Facility Project Refunding Bonds Series A 1993 for the purpose of refunding the callable portions of the outstanding bonds issued in August 1991 and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$101,410,000. On August 1, 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project Refunding Bonds Series A 2003 for the purpose of refunding Convention and Sports Facility Project Bonds Series A 1991 and Series A 1993 refunding bonds and to pay the costs of additions and enhancements to the project. The outstanding principal amount refunded was \$2,845,000 for the Series A 1991 bonds and \$113,170,000 for the Series A 1993 refunding bonds. On August 20, 2013, the Authority issued \$65,195,000 of Convention and Sports Facility Project Refunding Bonds Series A 2013 for the purpose of refunding Convention and Sports Facility Project Refunding Bonds Series A 2003. The principal amount refunded was \$64,385,000. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the State.

The Convention and Sports Facility Project Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Convention and Sports Facility Project Bonds:						
Series A 2013-Refunding	2.0 - 5.0%	2/15; 8/15	8/13	8/15/21	<u>\$ 65,195</u>	<u>\$ 27,225</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, the debt service requirements for the principal and interest in future years for the Convention and Sports Facility Project Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 8,635	\$ 1,145	\$ 9,780
2021	9,070	703	9,773
2022	9,520	238	9,758
Totals	<u>\$ 27,225</u>	<u>\$ 2,086</u>	<u>\$ 29,311</u>

Under a financing agreement dated August 1, 1991, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount of \$10,000,000 for principal and interest and \$2,000,000 for maintenance each year. Future payments to the Authority related to the bond repayment were as follows (in thousands of dollars):

Fiscal Year Ended June 30	State Debt Service Payments
2020	\$ 10,000
2021	10,000
2022	5,000
Total	<u>\$ 25,000</u>

The Missouri Development Finance Board (MDFB) issued \$92,660,000 of Series 2014 Bonds dated December 10, 2014 and \$97,225,000 of Series 2016 Bonds dated December 15, 2016, to fund the replacement of the Fulton State Hospital. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – Fulton State Hospital Project Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Fulton State Hospital Project Bonds:						
Series 2014	2.125 - 5.0%	4/1; 10/1	12/14	10/1/39	\$ 92,660	\$ 83,135
Series 2016	4.0 - 5.0%	4/1; 10/1	12/16	10/1/39	97,225	92,280
Total Fulton State Hospital Bonds					<u>\$ 189,885</u>	<u>\$ 175,415</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Fulton State Hospital Project Bonds (based on the financing agreement between the State and the Board) were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 5,355	\$ 6,991	\$ 12,346
2021	5,625	6,717	12,342
2022	5,910	6,428	12,338
2023	6,210	6,125	12,335
2024	6,475	5,855	12,330
2025-2029	36,310	25,271	61,581
2030-2034	44,070	17,420	61,490
2035-2039	53,425	8,022	61,447
2040	12,035	245	12,280
Totals	<u>\$ 175,415</u>	<u>\$ 83,074</u>	<u>\$ 258,489</u>

The Missouri Development Finance Board (MDFB) issued \$33,800,000 of Series A 2016 Bonds dated March 11, 2016, to fund the State Historical Society project. These bonds are special, limited obligations of the Board and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement, the Office of Administration will request that the Governor's annual budget request to the General Assembly include the State's financing amount for principal and interest each year.

The MDFB – State Historical Society Project Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
State Historical Society Project Bonds:						
Series A 2016	2.0 - 5.0%	4/1; 10/1	3/16	10/1/35	<u>\$ 33,800</u>	<u>\$ 30,115</u>

As of June 30, 2019, the debt service requirement of the State for principal and interest in future years for the State Historical Society Project were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 1,350	\$ 973	\$ 2,323
2021	1,415	903	2,318
2022	1,480	831	2,311
2023	1,530	779	2,309
2024	1,555	748	2,303
2025-2029	8,550	2,891	11,441
2030-2034	9,885	1,432	11,317
2035-2036	4,350	135	4,485
Totals	<u>\$ 30,115</u>	<u>\$ 8,692</u>	<u>\$ 38,807</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

State Road Bonds:

The Missouri Highways and Transportation Commission authorized by Article IV, Section 29-34 of the Missouri Constitution and Section 226.133 of the State Highway Act, issues bonds for highway construction and repairs. Under the Missouri Constitution, the principal and interest of the State Road Bonds are payable solely from the revenues of the Missouri Road Fund. State Road Bonds have the following levels of priority: Senior Bonds, First Lien Bonds, Second Lien Bonds, and Third Lien Bonds. Proceeds from State Road Bonds are used for the purpose of constructing and maintaining the State's highways. As of June 30, 2019, the Missouri Highways and Transportation Commission had issued \$3,812,195,000.

To take advantage of lower interest rates, the Missouri Highways and Transportation Commission has issued Bonds to refund various outstanding bond issues. The following indicates the refunding bonds issued by the Commission (in thousands of dollars):

	Date Issued	Amount Issued	Series Refunded	Amount Refunded
Senior Lien State Road Bonds:				
Series C 2010-Refunding	11/10/10	\$ 130,390	A 2001	\$ 11,135
			A 2002	18,405
			A 2003	111,760
Series A 2014-Refunding	6/3/14	589,015	A 2006	149,150
			B 2006	503,330
Series B 2014-Refunding	6/3/14	311,975	2007	325,290
Series A 2019-Refunding	5/13/19	102,705	A 2008	68,605
			A 2009	42,695

The State Road Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Highways and Transportation Commission:						
State Road Bonds						
Series B 2009	4.802 - 5.252%	5/1; 11/1	9/09	5/1/33	\$ 404,375	\$ 404,375
Series C 2009-Third Lien	4.313 - 5.213%	5/1; 11/1	11/09	5/1/29	300,000	241,145
Series A 2010	1.50 - 5.00%	5/1; 11/1	3/10	5/1/22	128,865	29,505
Series B 2010	4.72 - 5.02%	5/1; 11/1	3/10	5/1/25	56,135	56,135
Series C 2010-Refunding	3.00 - 5.00%	2/1; 8/1	11/10	2/1/23	130,390	65,770
Series A 2014-Refunding	2.00 - 5.00%	5/1; 11/1	6/14	5/1/26	589,015	529,265
Series B 2014-Refunding	3.00 - 5.00%	5/1; 11/1	6/14	5/1/25	311,975	185,520
Series A 2019-Refunding	5.00%	5/1; 11/1	5/19	5/1/25	102,705	102,705
Total Missouri Highways and Transportation Commission					<u>\$ 2,023,460</u>	<u>\$ 1,614,420</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, debt service requirements for principal and interest in future years for the Missouri Highways and Transportation Commission were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 168,600	\$ 81,887	\$ 250,487
2021	181,465	73,935	255,400
2022	195,215	64,942	260,157
2023	198,550	55,358	253,908
2024	173,200	45,513	218,713
2025-2029	533,090	112,840	645,930
2030-2033	164,300	22,756	187,056
Totals	<u>\$ 1,614,420</u>	<u>\$ 457,231</u>	<u>\$ 2,071,651</u>

Component Units' Bonds and Direct Placements - The following bonds are included in the balance sheet of the college and universities and the non-major component units.

Major

College and Universities:

The college and universities of the State issue revenue bonds for various projects on each respective campus. Bonds are payable, both principal and interest, only out of net income and revenues arising from operations of facilities funded by the bonds. As of June 30, 2019, debt service requirements for principal and interest for the college and universities were as follows (in thousands of dollars):

<u>Fiscal Year Ended June 30</u>	<u>Bonds from Direct Placements</u>		<u>Other Bonds</u>		<u>Totals</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2020	\$ 9,405	\$ 2,682	\$ 181,744	\$ 84,560	\$ 278,391
2021	9,410	2,445	55,025	80,026	146,906
2022	9,655	2,181	55,450	77,814	145,100
2023	9,935	1,910	60,053	75,477	147,375
2024	9,745	1,632	61,601	72,945	145,923
2025-2029	20,655	5,848	369,709	318,880	715,092
2030-2034	21,485	2,719	306,989	246,431	577,624
2035-2039	5,880	250	231,403	181,695	419,228
2040-2044	—	—	450,191	89,723	539,914
2045-2049	—	—	1,595	31,823	33,418
2050-2054	—	—	—	31,778	31,778
2055-2057	—	—	150,000	3,178	153,178
Totals ⁽¹⁾	<u>\$ 96,170</u>	<u>\$ 19,667</u>	<u>\$ 1,923,760</u>	<u>\$ 1,294,330</u>	<u>\$ 3,333,927</u>

⁽¹⁾The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

Non-Major

Missouri Development Finance Board:

In December 2000, the Board issued \$6,500,000 in St. Louis Convention Center Hotel Series 2000B, taxable infrastructure facilities revenue bonds and \$14,600,000 in St. Louis Convention Center Hotel Series 2000C, tax-exempt infrastructure facilities revenue bonds, respectively for the purpose of paying the costs of acquiring land and constructing a parking garage. Bonds are payable, both principal and interest, out of revenues derived from the operation of the parking garage.

In April 2010, the Board issued \$9,000,000 in Seventh Street Garage Series 2010A, tax exempt infrastructure facilities revenue bonds.

The Missouri Development Finance Board Revenue Bonds issued and outstanding as of June 30, 2019, were as follows (in thousands of dollars):

	Interest Rates	Payment Dates	Issue Date	Final Maturity Date	Issued	Outstanding
Missouri Development Finance Board:						
Revenue Bonds						
Series 2000B	Variable	12/1	12/00	12/1/20	\$ 6,500	\$ 3,910
Series 2000C	Variable	12/1	12/00	12/1/20	14,600	5,410
Series 2010A	Variable	monthly	4/10	5/1/40	9,000	4,484
Total Missouri Development Finance Board Revenue Bonds					<u>\$ 30,100</u>	<u>\$ 13,804</u>

As of June 30, 2019, the debt service requirements for principal and interest in future years for the Missouri Development Finance Board Revenue Bonds were as follows (in thousands of dollars):

Fiscal Year Ended June 30	Principal	Interest	Totals
2020	\$ 232	\$ 360	\$ 592
2021	9,562	350	9,912
2022	252	166	418
2023	264	155	419
2024	275	143	418
2025-2029	1,567	532	2,099
2030-2034	1,652	159	1,811
Totals ⁽¹⁾	<u>\$ 13,804</u>	<u>\$ 1,865</u>	<u>\$ 15,669</u>

⁽¹⁾The bond schedule does not include notes payable, therefore, it differs from the bonds and notes payable amount reported in the statements.

The annual debt service schedule assumes an interest rate of 0.098%, representing the interest rate at June 30, 2019, for the Series 2000B and Series 2000C bonds. The annual debt service also assumes an interest rate of 4.25%, representing the interest rate as of June 30, 2019, for the Seventh Street Garage Series 2010A bonds. As of June 28, 2012 through April 30, 2015, the Board entered into an interest deferral agreement whereby the bond interest rate for the Seventh Street Garage Series 2010A bonds is the lesser of the modified pay rate or 4.25% annually.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

Bond Transactions of the State of Missouri - The following schedule is a summary of bond activity for the fiscal year ended June 30, 2019 (in thousands of dollars):

	Governmental Funds		Component Units		
	General Obligation Bonds	Other Bonds	Bonds from Direct Placements	Other Revenue Bonds	Totals
Bonds Payable at July 1, 2018	\$ 104,695	\$ 2,807,240	\$ —	\$ —	\$ 2,911,935
Bond Issuance	—	102,705	—	—	102,705
Bonds Retired	(38,575)	(385,990)	—	—	(424,565)
Subtotal	66,120	2,523,955	—	—	2,590,075
College and Universities ⁽¹⁾	—	—	96,170	1,923,760	2,019,930
Missouri Development Finance	—	—	—	13,804	13,804
Bonds Payable at June 30, 2019	\$ 66,120	\$ 2,523,955	\$ 96,170	\$ 1,937,564	\$ 4,623,809

⁽¹⁾ Detailed information for college and universities are not shown.

Financed Purchases from Direct Borrowings:

The State has entered into various agreements for financed purchases from direct borrowings for buildings, equipment, and software. Through contracts with Central Bank, the State has a \$16.5 million obligation outstanding as of June 30, 2019, for governmental activities. These financed purchases are secured with collateral of capital assets in the amount of \$22.0 million. In the event of default, the lease shall be terminated and the resulting property returned to the lessor. If the termination is the result of non-appropriation, the State shall deliver the property to the lessor within 10 business days after the termination of the lease schedule. If the property is not delivered within 10 business days, then the State shall also be responsible for the payment of damages in an amount equal to the amount of the lease payments that would have thereafter come due on the lease schedule had it not been terminated. The State had an unused line of credit in the amount of \$21.5 million at the end of fiscal year 2019.

The State has entered into an agreement for financed purchases from direct borrowings for energy star equipment through a contract with Bank of America. These purchases are secured with capital assets as collateral with a value of \$44.2 million. The State has a \$10.7 million obligation outstanding as of June 30, 2019, for governmental activities. In the event of default, the lease shall be terminated and the resulting property returned to the lessor. If the termination is the result of non-appropriation, the State shall deliver the property to the lessor within 10 business days after the termination of the lease schedule. If the property is not delivered within 10 business days, then the State shall also be responsible for the payment of damages in an amount equal to the amount of the lease payments that would have thereafter come due on the lease schedule had it not been terminated. The State had no available line of credit at the end of fiscal year 2019.

Through a contract with IBM, the State has \$4.3 million of financed purchases from direct borrowings outstanding as of June 30, 2019, for governmental activities. These financed purchases are secured with capital assets in the amount of \$6.3 million. The State of Missouri can terminate the agreement with written notice prior to 90 days of each starting anniversary. Upon termination, the State will pay to IBM all amounts due and payable including cross-band allotment offerings, deferred payment settlement amounts for the listed software products, termination and/or financing prepayments and applicable taxes on or before the termination. The deferred payments settlement amount represents the non-financed amounts. The deferred payments are \$6.6 million if terminated on July 1, 2019, and \$1.3 million if terminated on July 1, 2020. The State of Missouri may elect to cancel the fixed term license program under the agreement by giving IBM 30 day's written notice and may receive a prorated credit for a prepaid term. The prorated credit may be used to purchase IBM programs prior to the end date or termination of the remaining agreement. The credits are not transferable, cannot be converted to cash, and upon expiration eligible credit will be forfeited. The State had no available line of credit at the end of fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 12 - Debt (cont.)

As of June 30, 2019, debt service requirements for principal and interest in future years for direct borrowings were as follows (in thousands of dollars):

Fiscal Year Ending	Financed Purchases from Direct Borrowings					
	Governmental Funds		Internal Service Funds		College and Universities	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 5,265	\$ 325	\$ 6,535	\$ 416	\$ 15	\$ 6
2021	4,860	190	5,751	216	17	4
2022	3,217	84	3,555	73	18	3
2023	1,440	22	707	11	19	1
2024	190	2	5	—	5	—
Total	<u>\$ 14,972</u>	<u>\$ 623</u>	<u>\$ 16,553</u>	<u>\$ 716</u>	<u>\$ 74</u>	<u>\$ 14</u>

Note 13 - Defeased Debt

A. Current Year Debt Defeasance

On May 13, 2019, the Missouri Highways and Transportation Commission issued Series A 2019 Federal Reimbursement State Road bonds in the amount of \$102,705,000, with an interest rate of 5.00%, to refund \$68,605,000 of Series A 2008 Federal Reimbursement State Road bonds and \$42,695,000 of Series A 2009 Federal Reimbursement State Road bonds. As a result, the bonds are considered to be defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the funding, the Board reduced its total debt service payments by \$8.6 million to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$9.5 million.

On September 12, 2018, the University of Central Missouri issued the Missouri Health and Educational Facilities Authority Educational Facilities Revenue bonds, Series B 2018, in the amount of \$3,670,000, with interest rates ranging from 3.25% to 4.0%, to refund \$3,770,000 of the Educational Facilities Revenues bond, Series 2013 B-2. As a result, this bond is considered defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the University reduced its total debt service payments by \$467,949 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$358,890.

On October 1, 2018, Missouri Western State University issued Series 2018 Auxiliary Revenue Refunding bonds, in the amount of \$3,765,000, with an average interest rate of 3.53%, to refund \$4,420,000 of the Series 2008 Auxiliary Revenue bonds. As a result, this bond is considered defeased and the liabilities for the bonds have been removed from the financial statements. As a result of the refunding, the University reduced its total debt service payments by \$1,327,992 to obtain an economic gain (difference between the present values of the old and the new debt service payments) of \$273,848.

B. Cumulative Debt Defeasances

Various bond issues have been defeased by the advance refunding of bonds. Irrevocable escrow accounts, containing proceeds of the refunding bond issues in the form of cash and U.S. government securities, are used to pay principal, interest, or redemption prices of the defeased bonds as and when due.

For financial reporting purposes, the following debt has been defeased and therefore removed as a liability from the governmental activities and college and universities Statement of Net Position.

Governmental Activities - As of June 30, 2019, bonds outstanding of \$132,680,000 are defeased.

College and Universities - As of June 30, 2019, bonds outstanding of \$280,545,000 are defeased.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 14 - Payables and Receivables

A summary of accounts payable and accounts receivable at June 30, 2019, is shown below (in thousands of dollars):

	Governmental Activities	Business-Type Activities	Balance June 30, 2019
Accounts Payable:			
Taxpayers	\$ 164,578	\$ 122	\$ 164,700
Other Governments	104,588	1	104,589
Vendors	1,065,532	32,243	1,097,775
Employees	122,981	3,527	126,508
Other	72,680	4	72,684
Total Accounts Payable	<u>\$ 1,530,359</u>	<u>\$ 35,897</u>	<u>\$ 1,566,256</u>
Accounts Receivable with expected date of receipt within one year:			
Taxpayers	\$ 1,043,166	\$ 2,184	\$ 1,045,350
Other Governments	893,735	6,007	899,742
Vendors	164,733	—	164,733
Customers	210,266	153,704	363,970
Other	1,448,203	556	1,448,759
	<u>3,760,103</u>	<u>162,451</u>	<u>3,922,554</u>
Accounts Receivable with expected date of receipt greater than one year:			
Taxpayers	1,149,469	—	1,149,469
Other Governments	8	—	8
Vendors	23,349	—	23,349
Customers	150,372	40	150,412
Other	25,849	—	25,849
	<u>1,349,047</u>	<u>40</u>	<u>1,349,087</u>
Accounts Receivable	5,109,150	162,491	5,271,641
Amounts not expected to be collected	<u>(562,025)</u>	<u>—</u>	<u>(562,025)</u>
Accounts Receivable, net	<u>\$ 4,547,125</u>	<u>\$ 162,491</u>	<u>\$ 4,709,616</u>

The Accounts Receivable amounts greater than one year for taxpayers increased from fiscal year 2018, due to an error correction.

Note 15 - Deferred Inflows and Outflows

Deferred outflows of resources are defined as consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources are defined as acquisition of net assets by the government that is applicable to a future reporting period. Deferred outflows increase net position, similar to assets and deferred inflows decrease net position, similar to liabilities.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

The components of deferred outflows of resources and deferred inflows of resources reported in the government-wide financial statements as of June 30, 2019, are as follows (in thousands):

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Units
Deferred Outflows of Resources				
Pension Differences Between Expected and Actual Experience	\$ 10,128	\$ 384	\$ 10,512	\$ 30,946
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	533,382	19,886	553,268	138,327
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	17,871	680	18,551	3,660
Pension Changes in Assumptions	518,004	14,572	532,576	244,569
Pension Contributions Subsequent to the Measurement Date	563,388	12,169	575,557	64,224
OPEB Differences Between Expected and Actual Experience	—	—	—	27,214
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	2,526	96	2,622	1
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	170	6	176	28
OPEB Changes in Assumptions	8,401	—	8,401	475
OPEB Contributions Subsequent to the Measurement Date	106,241	3,055	109,296	35
Asset Retirement Obligation Amortization	857	—	857	57,438
Deferred for Refunding Bonds	42,158	—	42,158	27,742
Cash Flow Hedge	—	—	—	15,933
Accumulated Decrease in Fair Value of Hedging Derivatives	—	—	—	386
Total Deferred Outflows of Resources	\$ 1,803,126	\$ 50,848	\$ 1,853,974	\$ 610,978
Deferred Inflows of Resources				
Pension Differences Between Expected and Actual Experience	\$ 174,671	\$ 4,003	\$ 178,674	\$ 47,201
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,136	—	1,136	—
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	771	24	795	20,998
OPEB Differences Between Expected and Actual Experience	27,361	985	28,346	124
OPEB Changes in Assumptions	205,990	1,681	207,671	43,204
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	—	—	—	2,014
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	—	—	85
Deferred for Refunding Bonds	1,761	—	1,761	—
Charitable Annuities	—	—	—	13,629
Total Deferred Inflows of Resources	\$ 411,690	\$ 6,693	\$ 418,383	\$ 127,255

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

Deferred inflows and outflows of resources balances are as follows (in thousands):

Deferred inflows of resources on the governmental funds balance sheet as of June 30, 2019, are unavailable revenues. Unavailable revenues are those for which asset recognition criteria has not been met for governmental funds, which uses the modified accrual basis of accounting (in thousands):

Governmental Funds	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds	Total
Deferred Inflows of Resources						
Unavailable Revenue	\$ 994,496	\$ 55,164	\$ 24,147	\$ 15,522	\$ 7,616	\$1,096,945

Proprietary	State Lottery	Petroleum Storage Tank Insurance	Non-Major Funds	Total Enterprise Funds	Governmental Activities – Internal Service Funds
Deferred Outflows of Resources					
Pension Differences Between Expected and Actual Experience	\$ 43	\$ 6	\$ 335	384	\$ 313
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,240	306	17,340	19,886	16,127
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	77	10	593	680	519
Pension Changes in Assumptions	1,642	225	12,705	14,572	11,817
Pension Contributions Subsequent to the Measurement Date	1,372	196	10,601	12,169	9,922
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	11	1	84	96	73
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	1	—	5	6	5
OPEB Contributions Subsequent to the Measurement Date	347	49	2,659	3,055	2,332
Total Deferred Outflows of Resources	\$ 5,733	\$ 793	\$ 44,322	\$ 50,848	\$ 41,108
Deferred Inflows of Resources					
Pension Differences Between Expected and Actual Experience	\$ 451	\$ 62	\$ 3,490	\$ 4,003	\$ 3,246
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	3	—	21	24	184
OPEB Differences Between Expected and Actual Experience	111	15	859	985	744
OPEB Changes in Assumptions	189	26	1,466	1,681	1,269
Total Deferred Inflows of Resources	\$ 754	\$ 103	\$ 5,836	\$ 6,693	\$ 5,443

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

<u>Fiduciary</u>	Pension (And Other Employee Benefit) Trust Funds	Private- Purpose Trust Funds
Deferred Outflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ —	\$ 4
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	—	191
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	—	6
Pension Changes in Assumptions	—	140
Pension Contributions Subsequent to the Measurement Date	—	116
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	12	1
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	401	—
OPEB Contributions Subsequent to the Measurement Date	363	29
Total Deferred Outflows of Resources	\$ 776	\$ 487
Deferred Inflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ —	\$ 38
OPEB Differences Between Expected and Actual Experience	128	10
OPEB Changes in Assumptions	430	16
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	51	—
Total Deferred Inflows of Resources	\$ 609	\$ 64

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 15 - Deferred Inflows and Outflows (cont.)

<u>Component Units</u>	<u>College and Universities</u>	<u>Non-Major</u>
Deferred Outflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ 30,937	\$ 9
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	137,904	423
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	3,560	100
Pension Changes in Assumptions	244,258	311
Pension Contributions Subsequent to the Measurement Date	63,979	245
OPEB Differences Between Expected and Actual Experience	27,214	—
OPEB Net Differences Between Projected and Actual Earnings on Pension Plan Investments	—	1
OPEB Changes in Assumptions	475	—
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	28
OPEB Contributions Subsequent to the Measurement Date	—	35
Asset Retirement Obligation Amortization	57,438	—
Deferred for Refunding Bonds	27,742	—
Cash Flow Hedge	15,933	—
Accumulated Decrease in Fair Value of Hedging Derivatives	—	386
Total Deferred Outflows of Resources	\$ 609,440	\$ 1,538
Deferred Inflows of Resources		
Pension Differences Between Expected and Actual Experience	\$ 47,115	\$ 86
Changes in Proportion and Differences Between Pension Plan Contributions and Proportionate Share of Contributions	20,857	141
OPEB Differences Between Expected and Actual Experience	112	12
OPEB Net Differences Between Projected and Actual Earnings on Pension Plan Investments	2,014	—
OPEB Changes in Assumptions	43,182	22
Changes in Proportion and Differences Between OPEB Plan Contributions and Proportionate Share of Contributions	—	85
Charitable Annuities	13,629	—
Total Deferred Inflows of Resources	\$ 126,909	\$ 346

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 16 - Interfund Assets and Liabilities

A summary of interfund assets and liabilities at June 30, 2019, is shown below (in thousands of dollars):

	Due From Other Funds, Component Units, and Primary Government					Totals
	Public Education	Conservation and Environmental Protection	Non-Major Governmental Funds	Non-Major Enterprise Funds	Internal Service Funds	
Due to Other Funds, Component Units, and Primary Government						
General Fund	\$ —	\$ —	\$ —	\$ 67	\$ 4,042	\$ 4,109
Public Education	—	—	—	—	4	4
Conservation and Environmental Protection	—	—	—	124	153	277
Missouri Road Fund	—	—	—	—	660	660
Non-Major Governmental Funds	—	—	—	—	933	933
State Lottery	22,733	—	—	—	32	22,765
Unemployment Compensation	—	—	2,051	—	—	2,051
Petroleum Storage Tank Insurance	—	—	—	8	3	11
Non-Major Enterprise Funds	—	—	—	—	65	65
Internal Service Funds	—	—	—	3	230	233
Non-Major Component Units	—	257	—	—	—	257
Totals	\$ 22,733	\$ 257	\$ 2,051	\$ 202	\$ 6,122	\$ 31,365

	Advance From Component Units
	Non-Major Component Units
Advance To Component Units	
Conservation and Environmental Protection	\$ 118

The loans from the component units were for animal waste treatment systems.

During the consolidation process for the Government-Wide Statement of Net Position, interfund payables and receivables were eliminated as follows: \$8,000 on the face of the Proprietary Funds Statements of Net Assets and governmental activities in the amount of \$6,022,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 17 - Interfund Transfers

All transfers must be legally authorized by the legislature through transfer appropriations. Interfund transfers for the fiscal year ended June 30, 2019, were as follows (in thousands of dollars):

Transfers In:					
	General Fund	Public Education	Conservation and Environmental Protection	Missouri Road Fund	Non-Major Governmental Funds
Transfers Out:					
General Fund	\$ —	\$ 1,002,874	\$ 1,924	\$ 9	\$ 272,530
Public Education	34,010	—	—	—	—
Conservation and Environmental Protection	3,352	—	—	—	1,240
Non-Major Governmental Funds	14,570	5,101	—	488,043	5,615
State Lottery	—	317,783	—	—	—
Unemployment Compensation	—	—	—	—	2,602
Non-Major Enterprise Funds	30	—	—	—	712
Internal Service Funds	2,602	—	—	—	117
Totals	\$ 54,564	\$ 1,325,758	\$ 1,924	\$ 488,052	\$ 282,816

Continues Below

	State Lottery	Non-Major Enterprise Funds	Internal Service Funds	Totals
Transfers Out:				
General Fund	\$ —	\$ 141	\$ —	\$ 1,277,478
Public Education	—	—	—	34,010
Conservation and Environmental Protection	—	—	—	4,592
Non-Major Governmental Funds	—	16,400	—	529,729
State Lottery	—	—	—	317,783
Unemployment Compensation	—	—	—	2,602
Non-Major Enterprise Funds	—	—	—	742
Internal Service Funds	33	24	57	2,833
Totals	\$ 33	\$ 16,565	\$ 57	\$ 2,169,769

Principal reasons for interfund transfers include:

- moving general revenue funds to support elementary and secondary education
- moving state lottery funds to support elementary and secondary education
- moving general revenue funds to support social assistance programs reported in non-major governmental funds
- moving funds related to the construction of capital assets

There were transfers of capital assets for \$173,000 from a non-major capital projects fund to the enterprise funds. These are reported as capital contributions in the enterprise funds and excluded from the non-major special revenue funds; therefore these transfers are also not included in the reconciliation.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 18 - Restatements

During fiscal year 2019, additional information became available which required fund equity amounts. The following table presents a summary of these restatements by fund (in thousands of dollars):

	June 30, 2018 Fund Balance/Net Position Previously Reported	Prior Period Adjustments	June 30, 2018 Fund Balance/Net Position Restated
GOVERNMENTAL FUNDS			
Major Governmental Funds			
General Fund	\$ 1,518,857	\$ 177,622	\$ 1,696,479
Public Education	282,087	(749)	281,338
Conservation and Environmental Protection	1,870,594	124,694	1,995,288
Non-Major Governmental Funds			
Special Revenue	479,956	(1)	479,955
Total Governmental Funds	\$ 4,151,494	\$ 301,566	\$ 4,453,060
PROPRIETARY FUNDS			
Non-Major Proprietary Funds			
Enterprise	\$ 32,415	\$ 8,874	\$ 41,289
Internal Service	263,996	(1,999)	261,997
Total Proprietary Funds	\$ 296,411	\$ 6,875	\$ 303,286
DISCRETELY PRESENTED COMPONENT UNITS			
College and Universities	\$ 6,108,097	\$ (7,087)	\$ 6,101,010
Non-Major	229,146	2,563	231,709
Total Component Units	\$ 6,337,243	\$ (4,524)	\$ 6,332,719

Breakdown of restatements by type:

- General Fund, the restatement was due to a decrease in accounts receivable of \$523,000 and a decrease of \$178,145,000 due to the recognition of revenue previously classified as a deferred inflow of resources.
- Public Education, the restatement was due to a decrease in accounts receivable of \$749,000.
- Conservation and Environmental Protection, the restatement was due to a decrease in accounts receivable of \$4,000 and increase in loans receivable of \$124,698,000.
- Non-major special revenue funds, the restatement was due to a decrease in accounts receivable of \$1,000.
- Non-major enterprise funds, the restatement was due to a decrease in capital assets (net of accumulated depreciation/amortization) of \$310,000. The restatement due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, decreased net position by \$1,000. The increases in cash of \$8,093,000, inventories of \$3,656,000, accounts payable of \$1,369,000, accrued payroll of \$26,000, and compensated absences of \$179,000 was due to the reclassification of the Inmate Canteen Fund from an agency fund to an enterprise fund. Additionally, the reclassification of the fund caused an increase in deferred outflows of resources of \$307,000, deferred inflows or resources of \$17,000, net OPEB liability of \$386,000, and net pension liability of \$894,000.
- Non-major internal service funds, the restatement was due to a decrease in accounts receivable of \$521,000, a decrease of capital assets (net of accumulated depreciation/amortization) of \$988,000, and an increase of obligations under lease purchase of \$490,000.
- Discretely presented component units - colleges and universities, the restatement for Truman State University was due to a decrease in net position of \$5,233,000 for a correction in the error of depreciable life made to a building improvement. Lincoln University no longer includes Lincoln University Foundation, Inc. as a discretely presented component unit in their financial statements, causing an increase in net position of \$643,000. For the University of Missouri, the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, decreased net position by \$2,497,000.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 18 - Restatements (cont.)

- Discretely presented component units - non-major funds, the increase in net position of \$2,563,000 was due to the reclassification of the State Environmental Improvement Energy Resources Authority from a related organization to a discretely presented component unit.

Purpose for restatements:

The items on the schedule were restated as a result of additional information received this year related to prior year corrections.

On the Government-Wide Statement of Activities, net position for the governmental activities were restated by the amounts shown on the restatement schedule for governmental funds and internal service funds. In addition, internal balance increased by \$2,000, capital assets (net of accumulated depreciation/amortization) increased by \$29,136,000, obligations under lease purchase decreased by \$490,000, pollution remediation increased by \$4,000, and a decrease in net position of \$178,145,000 due the recognition of revenue previously classified as a deferred inflow of resources in the general fund causing it to no longer be a reconciling item to the Statement of Net Position. The reclassification of the Inmate Canteen Fund caused a decrease in deferred outflows of resources by \$307,000, net OPEB liability by \$386,000, net pension liability by \$894,000, and deferred inflows of resources by \$17,000 due to contributions for pension and OPEB previously being paid by the general fund and reimbursed by the Inmate Canteen Fund. Net position also decreased \$894,000 due to the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*.

On the Government-Wide Statement of Activities, net position for the business-type activities were restated by the amounts shown on the restatement schedule for enterprise funds and by a decrease in internal balance of \$2,000.

Note 19 - Fund Deficit

The following funds had a deficit balance:

Enterprise Fund – Petroleum Storage Tank Insurance – At June 30, 2019, this fund had a net position deficit of \$45,569,000. The deficit at June 30, 2018 was \$ 40,982,000. The deficit occurred when transport load fees collected were not sufficient to cover the estimated claims liability for clean up of petroleum storage tank leaks. This liability amount is the cumulative result of numerous years of petroleum storage tank leaks. Per Section 319.129, RSMo, this fund will not accept new claim liabilities after December 31, 2025, or upon revocation of federal regulation 40 CFR, whichever occurs first, unless extended by action of the General Assembly. Under Section 319.132, RSMo, the Board of Trustees has authority to increase the transport load fee to a maximum of \$60 per 8,000 gallons. In addition, under Section 319.133, RSMo, the Board can increase annual participation fees to a maximum of \$500 per tank per year. These facts, along with the knowledge that PSTIF's claim reserves are set using very conservative assumptions, assure that adequate revenues will be available to meet its liabilities. Per Section 319.131, RSMo, the liability of the Petroleum Storage Tank Insurance Fund is not the liability of the State. Upon dissolution of this fund, the liability would be liquidated.

Enterprise Funds – State Lottery and Missouri Veterans' Homes, Internal Service Funds – Natural Resources Cost Allocation, Economic Development Administrative, Professional Registration Fees and Missouri Consolidated Health Care Plan and Component Unit Funds – Missouri Wine and Grape – At June 30, 2019, these funds had a net position deficit of \$11,159,000, \$116,821,000, \$17,634,000, \$3,021,000, \$8,629,000, \$8,624,000 and \$268,000 respectively. These funds, except for the Missouri Consolidated Health Care Plan, have deficit balances due to the fiscal year 2015 implementation of GASB 68 and the reporting of net pension liabilities and the fiscal year 2018 implementation of GASB 75 and the reporting of OPEB liabilities. It is expected that these liabilities will be funded over time. The Missouri Consolidated Health Care Plan (MCHCP) had a poor claims experience during fiscal year 2018, due to a few high claimants. This issue is being resolved by employee health care plan design changes and by an increase in appropriations to MCHCP beginning in fiscal year 2019 of \$76.9 million. Net position increased \$11.8 million from fiscal year 2018 to 2019. An additional increase of \$6.2 million in fiscal year 2020 was appropriated by the General Assembly.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements

The State has entered into various agreements to provide tax abatements through certain programs that provide economic benefit to the State.

Tax Abatement Program	Amount of Taxes Abated during Fiscal Year 2019 (in thousands)
Housing	
Missouri Low Income Housing Tax Credit	\$ 153,024
Neighborhood Preservation Tax Credit	2,807
Business Recruitment	
Missouri Quality Jobs	48,411
Missouri Works - Business Incentives	64,787
Missouri Works New Jobs Training	4,715
Missouri Works Job Retention Training	2,781
Missouri Manufacturing Jobs Act	15,013
Business Use Incentives for Large-Scale Development	13,776
Enhanced Enterprise Zone	4,929
Business Facility Tax Credit	8,218
Amateur Sports Ticket Sales Tax Credit	1,421
Rebuilding Communities Tax Credit	56
Development Tax Credit	374
Data Center Sales Tax Exemption	— *
Redevelopment	
Historic Preservation Tax Credit	54,566
Brownfield Remediation	13,029
Distressed Areas Land Assemblage	43
TOTAL	\$ 387,950
Chapter 100 Personal Property Tax Exemption - maximum amount exemption certificates issued	\$ — **

*Confidential

** No certificates were provided under Chapter 100

Housing

The Missouri Low Income Housing Tax Credit (MOLIHTC) is authorized by Sections 135.350-135.363, RSMo, and provides a tax credit to qualified owners of affordable rental housing. To qualify upon application, a development must 1) rent at least 20% of its units to families earning 50% of the area median family income or 2) rent at least 40% of its units to families earning 60% of the area median family income, each adjusted for family size. The MOLIHTC generates equity investments that are purchased by the private sector for the development of new or rehabilitated rental housing which enables owners to lower rents to affordable levels for low-income families. The investor of the MOLIHTC can redeem the credit by applying it dollar for dollar to the following types of tax liabilities: income tax, corporate franchise tax, insurance premium tax, other financial institutions tax, or express company tax. MOLIHTC properties must comply with tenant eligibility, property maintenance, and fair housing law throughout a 15-year period. The Missouri Housing Development Commission monitors the properties for compliance and reports non-compliance to the Internal Revenue Service and Missouri Department of Revenue. Property owners found to be out of compliance are subject to recapture through the provisions of Section 135.355, RSMo and IRS §42. The MOLIHTC reduced state taxes by \$153,024,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

The Neighborhood Preservation Tax Credit is authorized by Sections 135.475-135.487, RSMo, and provides incentives for homeowners in lower income areas who rehabilitate or construct owner-occupied homes in qualifying or eligible areas of the State. Upon application, the eligible property must be in a qualifying area with a median household income of less than 70% of the median household income for the metropolitan statistical area (MSA) or non-MSA; or be located in an eligible area with a median household income of 70-89% of the median household income for the applicable MSA or non-MSA. Recipients are eligible to receive a credit for 15% of eligible costs up to \$25,000 per residence for new residences in eligible areas; 15% of eligible costs up to \$40,000 per residence for new residences in qualifying areas; 25% of eligible costs with a minimum of \$10,000 and not to exceed \$25,000 per residence for substantial rehabilitation in eligible areas; 35% of eligible costs with a minimum of \$5,000 or 50% of purchase price and not to exceed \$70,000 per residence for substantial rehabilitation in qualifying areas; and 25% of eligible costs with a minimum of \$5,000 and not to exceed \$25,000 per residence for non-substantial rehabilitation in qualifying areas. The abatements can be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. A taxpayer, other than the owner-occupant who receives a certificate of tax credit, shall have 30 days within the date of the sale to furnish satisfactory proof that the residence was sold at market to the Director of the Department of Economic Development (DED). If the Director determines that the residence was not in good faith intended for long-term owner occupancy, then the Director may revoke any tax credits issued and seek recovery of those credits pursuant to Section 620.017, RSMo. There are no other commitments made as part of the agreement. The Neighborhood Preservation Tax Credit reduced state taxes by \$2,807,000 during fiscal year 2019.

Business Recruitment

Missouri Quality Jobs is authorized by Sections 620.1875-620.1890, RSMo and provides tax incentives to qualified companies for facilitating the creation of new jobs or the retention of existing jobs in the State. This program has been replaced by Missouri Works, except for current projects. To qualify, the company must create a minimum number of jobs within the project facility within 2 to 3 years after the approval of the Notice of Intent and must maintain those jobs for the duration of the benefit. The average wage of the new jobs must equal or exceed the average county wage and the company must offer health insurance and pay at least 50% of the premium. The company must also submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. Missouri Quality Jobs reduced state taxes by \$48,411,000 during fiscal year 2019.

The Missouri Works - Business Incentives is authorized by Sections 620.2000-620.2020, RSMo and provides tax incentives for qualified companies to create or retain jobs in the State. To qualify for the credit, a company must create or retain a minimum number of new jobs at the project facility with average wages of 80%, 90%, 120%, or 140% of the county average wage, must offer health insurance and pay at least 50% of the premium, must meet the required number of jobs within 2 years of the Approval of the Notice of Intent, must maintain those minimums for the duration of the benefit, and must submit an annual report. Companies may retain 100% of withholding tax that would otherwise be paid into the State or receive tax credits based on the percentage of new payroll or a combination of both for the new or retained jobs approved. The credits can be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Taxes may be recaptured due to misrepresentation, out-of-state relocation, or failure to file an annual report. The agreement requires 100% of the benefits received to be repaid within 60 days for misrepresentation or out-of state location or one year for failure to file an annual report. There are no other commitments made as part of the agreement. Missouri Works - Business Incentives reduced state taxes by \$64,787,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Missouri Works New Jobs Training and Job Retention Training are authorized by Sections 620.800-620.809, RSMo. New Jobs Training provides assistance to eligible companies to train workers in newly created jobs. To qualify, the company must create new jobs in the state; the project must include eligible training costs, as well as other eligibility criteria such as types of occupations, wage rates, and turnover rates. Job Retention Training provides training assistance to eligible companies for job retention efforts. To qualify, a project must be for an existing Missouri company making a capital investment of at least 5 times the total project costs, retaining at least 100 eligible jobs at the facility for at least one year, be located in a border community, or be determined to represent substantial risk of relocation. Eligible companies for both programs include manufacturing, research and development, or those engaged in interstate commerce. The company must retain the eligible jobs in the project for at least 5 years and use the funding only toward eligible project costs. These programs are administered locally through community colleges. While the recipient's taxes are not actually reduced, a portion of normal withholding payments (paid to the Department of Revenue) are deferred to pay for eligible project costs. The amount that can be deferred is 2.5% of the payroll for the first 100 jobs in the project and 1.5% of the payroll for the remaining jobs in the project. The company may file withholding claims for the project until the budgeted project funds are disbursed; typically for a period of 3-5 years, with maximum limit of 8 years. There are no other commitments under these programs. Recapture provisions apply in accordance with Section 620.017, RSMo in which the recipient shall repay training funds under these programs if the jobs included in the project are moved out of Missouri or are eliminated within five years of the date the project is approved by DED. The Director of the Division of Workforce Development within DED shall have the authority and discretion to exempt the recipient in whole or in part of such repayment. Missouri Works New Jobs Training and Job Retention Training reduced state taxes by \$4,715,000 and \$2,781,000, respectively, during fiscal year 2019.

The Missouri Manufacturing Jobs Act is authorized by Section 620.1910, RSMo and provides incentives in the form of retaining withholding taxes to expand manufacturing facilities for an existing product or the creation of a new product. This program sunset in 2016 and no new applications are being accepted. To qualify, manufacturing companies must have a North American Industry Classification System (NAICS) of 33611, which is an establishment primarily engaged in (1) manufacturing complete automobile and light duty motor vehicles or (2) manufacturing automobile and light duty motor vehicle chassis. The company must manufacture goods at a facility in the state throughout the period benefits are received, and make a capital investment at a facility of at least \$75,000 per retained job for the manufacture of a new product within 2 years of beginning to retain withholding taxes or commit to make a capital investment of at least \$50,000 per retained job at the facility for the modification or expansion of the manufacture of an existing product within 2 years of beginning to retain withholding taxes. Qualified suppliers of an eligible manufacturer must attest to DED that they derive more than 10% of its total annual sales revenue from sales to a qualified manufacturing company, add 5 or more new jobs for a period of 3 years, pay wages for the new jobs equal to or exceeding the county average wage using the NAICS industry classification, but are not less than 60% of the statewide average wage, and the company must offer health insurance and pay at least 50% of the premium. If qualified, the company is allowed to retain 100% of the withholding tax that would otherwise have been paid in to the state for those jobs for 10 years for qualified manufacturers or 3 to 5 years for qualified suppliers. There are no provisions for recapture and no other commitments are made as part of the agreement. The Missouri Manufacturing Jobs Act reduced state taxes by \$15,013,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Business Use Incentives for Large-Scale Development (BUILD) is authorized by Sections 100.700-100.850, RSMo. The incentives offered by the BUILD Missouri Program are designed to offset infrastructure and other capital costs of certain large projects by making the cost of investing in Missouri more competitive. The costs are financed through the issuance of Board of Certificates (bonds or notes), where the principal and interest will be repaid by the business. Businesses are then reimbursed for these repayments through the issuance by the Board of Missouri state income tax credits. The businesses may use these credits against taxes, which would otherwise be due, or to obtain a refund if the business has insufficient Missouri income tax liability to offset the credit. A business can apply these credits against income tax, bank tax, insurance premium tax, or other financial institutions tax. To qualify, an eligible industry in manufacturing, processing, assembly, research and development, agricultural processing or services in interstate commerce must invest a minimum of \$15 million; or \$10 million for an office industry in an economic development project; and create a minimum of 100 new jobs at the project facility within 3 years, or a minimum of 500 jobs if the project is an office industry, or a minimum of 200 new jobs if the project is an office industry located within a distressed community as defined in Section 135.530, RSMo. The tax credits become subject to recapture if the company does not expend the minimum investment on or before the first test date established in the program agreement, or create and maintain the minimum number of new jobs on or before the first test date. The first test date is the last day of the closest calendar quarter ending 3 years following bond closing. The tax credits are also subject to recapture if the company eliminates or announces its intention to eliminate all the new jobs at the project within 2 years of the first test date. If subject to recapture, the company shall, within 30 days following written demand from the Board, reimburse the Board in full for the face amount of the tax credits received from the date of execution of the program agreement to the date of such demand. There are no other commitments made as part of the agreement. The BUILD program reduced state taxes by \$13,776,000 during fiscal year 2019.

The Enhanced Enterprise Zone is authorized by Sections 135.950-135.973, RSMo and provides tax credits to new or expanding businesses in enhanced enterprise zones. To qualify, a company must create or maintain at least 2 new jobs and make at least \$100,000 in eligible investments. In addition, a Notice of Intent must be approved by DED, and the business must submit an annual report. Eligibility for the credit is determined by the zone based on creation of sustainable jobs in a targeted industry or demonstrated impact on local industry cluster development. Taxes are reduced by claiming a tax credit against the Missouri income tax liability owed to the state. The tax credits are calculated at 2% of new payroll and 0.5% of new investment. There are no provisions for recapture and no other commitments are made as part of the agreement. The Enhanced Enterprise Zone reduced state taxes by \$4,929,000 during fiscal year 2019.

The Business Facility Tax Credit is authorized by Sections 135.100-135.150 and Section 135.258, RSMo and provides to facilitate the expansion of new or existing facilities in Missouri. To qualify, a Notice of Intent must be approved by DED; the facility must create at least 2 new jobs and make \$100,000 in eligible investments or pursuant to House Bill 191 (2009), for "headquarters" that commence operations and "headquarters" of certain "employee-owned" businesses that commence or expand operations must create 25 new jobs and make \$1,000,000 in new investment. The company must submit an annual report to DED. Taxes are reduced by claiming a tax credit against the Missouri tax liability owed to the state. The tax credits are calculated as \$75 to \$150 per new job and \$75 to \$150 for each \$100,000 in new investment for up to 10 years. The tax credits for headquarters are calculated as the greater of \$400 per new job plus 4% of new investment or \$500 per new job plus \$500 per each \$100,000 in new investment for up to 10 years. The credit may be applied against income tax, insurance premium tax, or insurance company retaliatory tax. This program has sunset as of January 1, 2005 except headquarters that commence or expand operations on or before December 31, 2019 may be eligible for the program. There are no provisions for recapture and no other commitments are made as part of the agreement. The Business Facility Tax Credit reduced state taxes by \$8,218,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

The Amateur Sports Ticket Sales Tax Credit is authorized by Section 67.3000, RSMo and provides an incentive to encourage the location of competitively bid amateur sporting events in Missouri. Upon application, applicants must submit predictions on the anticipated economic benefit to the state. Applicants will be evaluated based upon anticipated and verified economic performance. The program is available to one or more certified sponsors, endorsing counties, endorsing municipalities, or a local organizing committee, acting individually or collectively. The program provides tax credits equal to the lesser of: \$5 per admission ticket sold to the event; or 100% of eligible costs incurred by the applicant. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit and may be taken against income tax, bank tax, insurance premium tax, and other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Amateur Sports Ticket Sales Tax Credit reduced state taxes by \$1,421,000 during fiscal year 2019.

The Rebuilding Communities Tax Credit is authorized by Section 135.535, RSMo and provides a tax credit for eligible businesses locating, relocating, or expanding within a distressed community. This program has been replaced by Missouri Works, except for current projects. To qualify, a business must have fewer than 100 full-time employees, 75% of which must be located in the distressed community; be primarily engaged in manufacturing, biomedical, medical devices, scientific research, animal research, computer software design, computer software development or computer programming, which includes Internet, web hosting, and other information technology, wireless, wired or other telecommunications, or a professional firm. The business must submit an annual tax credit application documenting eligible expenditures on the project to DED. Once approved, the tax credit is calculated at 40% or 25% of the qualifying expenditures and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Rebuilding Communities Tax Credit reduced state taxes by \$56,000 during fiscal year 2019.

The Development Tax Credit is authorized by Sections 32.100-32.125, RSMo and provides incentives to facilitate a business project in order to create new jobs. This program has been replaced by Missouri Works, except for current projects. Tax credits are issued to approved taxpayers that make an eligible donation to a non-profit corporation. The non-profit leases assets to an approved company. The company must create a specified number of jobs within 2 years and be in a distressed or blighted area. In many instances, the taxpayer that makes the donation is also the company that is creating the economic impact. The donor that makes the contribution must submit a tax credit application to DED. Once approved, taxes are reduced by claiming a tax credit against Missouri tax liability owed to the state. The tax credit is calculated at 50% of the eligible donation and may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, other financial institutions tax, or express company tax. No other commitments are made as part of the agreement. DED may recapture tax credits up to the amount issued if the non-profit fails to complete the project or comply with the agreement. The non-profits only and not the donors are subject to the recapture. The Development Tax Credit reduced state taxes by \$374,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Chapter 100 Personal Property Tax Exemption is authorized by Section 144.054 (2), RSMo and provides a state and local sales tax exemption on tangible personal property leased by a company from the City or County. To qualify, cities and counties may apply to DED on behalf of eligible companies for which Chapter 100 bond proceeds are used to purchase tangible personal property, which is leased back to the company. DED may apply discretionary benefit exemption if the benefit contained in a formal DED proposal is accepted by the company. Since DED cannot enact the sales tax exemption on the lease without the underlying Municipality Chapter 100 in place, any inclusion in a formal DED proposal will be coordinated with the Municipality and their economic developer. The proposal must have been accepted by the company prior to any project announcements, no approval or issuance of the bonds may have taken place, and the tangible personal property may not have been purchased prior to the acceptance of the proposal. The project must also be competitive, have comprehensive local incentive participation, have above average wages with benefits, be located in an economically distressed or blighted area, have a positive state fiscal impact, and have an indication that the municipality has offered the local Chapter 100 exemptions. The company receives the exemption on sales tax as the facility, construction materials, and certain tangible personal property may be purchased as exempt by the City or County and then leased back to the company. The company will be responsible for the payment of sales tax on purchases exceeding the maximum accepted in the proposal, ineligible purchases, or the revenue stream generated by lease of ineligible personal property. There are no provisions for recapture and no other commitments are made as part of the agreement. The sales tax is applicable to the lease payments made over a period not to exceed 20 years by statute and restricted further by local ordinance. The sales tax exemptions are only applicable if tangible personal property purchases are made within established project time periods, as listed on the certificate. For fiscal year 2019 no certificates were provided for the exemption of state sales tax related to lease payments of tangible personal property under a Chapter 100 structure.

Data Center Sales Tax exemption is authorized by Section 144.810, RSMo and incentivizes the location and expansion of data centers in the state by providing an exemption of the sales and use taxes associated with a variety of activities necessary to build a new facility or expand an existing facility. To qualify, companies must create 5 new jobs and \$5 million in investment for expanding facilities or create 10 new jobs and \$25 million in investment for new facilities within certain time frames. A company is refunded their sales and use taxes for new purchases related to the data center project for the period prior to meeting the threshold for participation and then are exempt for a period of no more than 10 years for expanding facilities or 15 years for a new facility. Taxes may be subject to recapture if the full investment projected is not met or if the jobs created are not maintained, causing the cost/benefit to the State to be negative, or if the company does not meet the minimum thresholds. Taxes will be recaptured up to the amount that creates a positive cost/benefit to the state, or if the company does not meet the minimum thresholds, the full exemptions to date must be repaid. No other commitments are made as part of the agreement. The amount that state taxes were reduced is confidential under Section 32.057, RSMo.

Redevelopment

The Historic Preservation Tax Credit is authorized by Sections 253.545-253.561, RSMo and provides an incentive for the redevelopment of commercial and residential historic structures in the state. Upon application, the eligible property must be listed on the National Register of Historic Places, be certified by the Department of Natural Resources (DNR) as contributing to the historical significance of a certified historic district listed on the National Register, or located within a local historic district that has been certified by the U.S. Department of Interior. The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property. All approved applicants must commence rehabilitation within 2 years of the date of issuance of the letter of approval from DED. The program provides state tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures, which the recipient is able to use to reduce their outstanding tax liability in an amount equal to the value of their tax credit. The credit may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. There are no provisions for recapture and no other commitments are made as part of the agreement. The Historic Preservation Tax Credit reduced state taxes by \$54,566,000 during fiscal year 2019.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 20 - Tax Abatements (cont.)

Brownfield Remediation is authorized by Sections 447.700-447.718, RSMo and provides incentives to businesses or developers to redevelop property contaminated with hazardous waste. To qualify, the property must be abandoned or underutilized for at least 3 years, and contaminated with hazardous substance, the applicant cannot be a responsible party, the project must be accepted into DNR Voluntary Cleanup Program, the project must be endorsed by city or county government, must create at least 10 new jobs or retain 25 jobs, the project must create a positive net state economic benefit, and must demonstrate need for the credits. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits may be issued for up to 100% of eligible costs and expenses for remediating the project property. The tax credit may also include up to 100% of the costs of demolition that are not directly part of the remediation activities. The amount of the credit available for demolition not associated with remediation cannot exceed the total amount of credits approved for remediation including demolition required for remediation. DED will issue 75% of the credits upon adequate proof of payment of the costs; the remaining 25% will not be issued until a clean letter has been issued by DNR. The tax credits may be applied against income tax, corporate franchise tax, bank tax, insurance premium tax, or other financial institutions tax. The tax credits may be subject to recapture in the event the owner sells the abandoned or underutilized property within a 5 year period after the receipt of remediation tax credits, grants, loans or loan guarantee. Subject to Sections 447.700-447.718, RSMo, the owner shall repay a portion of the tax credits and grant funds provided based on the percentage of the owner's investment for the project to DED's total financial assistance, upon achieving an annual internal rate of return of 25%. The internal rate of return calculation shall be documented by the owner's capital gains tax calculation. Owner investment is equity and debt for the eligible project. At the end of the project, a purchaser who has performed voluntary remediation action certifies to DNR that the goals of the purchaser's voluntary remediation plan have been attained. DNR verifies the remediation plan goals are achieved and issues a certificate that states that the site has been cleaned up to DNR standards pertaining to the property itself and therefore protects both current and future owners of the property. Brownfield Remediation reduced state taxes by \$13,029,000 during fiscal year 2019.

Distressed Areas Land Assemblage is authorized by Section 99.1205, RSMo and provides incentives to redevelop blighted areas. This program has sunset and no new applications are being accepted. To qualify, the area must be at least 75 acres; at least 80% of the area must be within a Distressed Area or a federal Qualified Census Tract; the redeveloper must acquire at least 50 acres of the area; the average parcels per acre must be 4 or more; and less than 5% of the acreage for acquisition by the redeveloper under the redevelopment plan shall consist of owner-occupied residences. The recipient is able to reduce their outstanding tax liability in an amount equal to the value of the tax credit. The tax credits are provided to the redeveloper based on 50% of the acquisition costs, including maintenance costs, and 100% of the interest costs incurred for a period of 5 years after the acquisition of an eligible parcel. The credits may be applied against income tax, bank tax, insurance premium tax, or other financial institutions tax. Any funds generated through the use or sale of the tax credits issued shall be used to redevelop the eligible project area. There are no provisions for recapture and no other commitments are made as part of the agreement. Distressed Areas Land Assemblage reduced state taxes by \$43,000 during fiscal year 2019.

Note 21 - Commitments

Contracts

The Department of Conservation had contracts outstanding of \$293,000 for construction and \$75,000 for land acquisition contracts at June 30, 2019. These contracts are funded through the special revenue funds from specific sales tax, fees, and permits.

The Department of Natural Resources had construction contracts outstanding at June 30, 2019 of \$210,000. These projects are funded through a capital project fund and an enterprise fund.

The Department of Transportation had long-term contracts of \$718,535,000 outstanding at June 30, 2019. These contracts are paid from capital projects funds with approximately 83.18% federal reimbursement expected.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 21 - Commitments (cont.)

The Office of Administration, Division of Facilities Management, Design and Construction, had construction contracts outstanding at June 30, 2019 of \$65,445,000. Approximately 46.4% will be paid from the General Fund, 17.4% from special revenue funds, and 36.2% will be paid from the capital projects funds.

On March 10, 1988, the State of Missouri entered into a contract with the United States Army Corps of Engineers confirming an assurance agreement of April 8, 1965. The State obtained rights to a portion of the water supply storage from the Clarence Cannon Dam and Mark Twain Lake Project. The State agreed to pay up to \$10.8 million plus interest for the investment costs allocated to the water supply storage, the amount of such payments to be determined by the portion of the water storage space put in use by the State for that purpose. The contract provided a ten year interest free period running from 1984 to 1994. In fiscal year 1995, the State began making interest payments. The interest payment amount for fiscal year 2019 was \$364,000. Payment of principal and interest must be completed by March 2038.

As of June 30, 2019, the University of Missouri had outstanding commitments for the usage and ongoing support of the University Health System's information technology environment totaling \$170,895,000. The payments are as follows:

2020	\$	26,252,000
2021		27,146,000
2022		28,008,000
2023		28,855,000
2024		29,819,000
2025		30,815,000

Truman State University had approximately \$2,749,000 in outstanding commitments for various construction contracts at June 30, 2019.

Southeast Missouri State University had outstanding commitments of approximately \$7,200,000 related to construction contracts at June 30, 2019.

Missouri State University had approximately \$19,000,000 in outstanding commitments for various construction contracts at June 30, 2019.

University of Central Missouri had approximately \$9,205,000 in outstanding commitments related to construction contracts at June 30, 2019.

Northwest Missouri State University had approximately \$671,000 in outstanding commitments related to various construction contracts at June 30, 2019.

Note 22 - Risk Management and Insurance

The State is exposed to various risks of loss related to tort, general, motor vehicle, and contractor liability and injuries to employees. The State assumes its own liability for risks except for the purchase of surety bond, aircraft, and boiler coverage. The State's Office of Administration (OA), Risk Management Unit, self-insures its workers' compensation program for all state employees, with the exception of the Missouri Department of Transportation (MoDOT) and the State Highway Patrol. Liability insurance is also provided by OA-Risk Management, pursuant to state statute, through the State's Legal Expense Fund, which is a component of the General Fund in this report. This insurance covers all state employees.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 22 - Risk Management and Insurance (cont'd)

The Workers' Compensation and Legal Expense Fund claims liability is based upon actual claims that have been submitted to OA-Risk Management. Incurred but not reported (IBNR) liability is not included since workers' compensation and liability insurance claims are reported timely, and therefore any potential IBNR liability amount would be considered immaterial. The State has not had any insurance settlements exceed the coverage. OA-Risk Management also procures property insurance for approximately 3% of all state buildings, with the remainder uninsured. The buildings are insured through purchased property insurance and through the Property Preservation Fund. Buildings insured through the Property Preservation Fund are backed with bonded debt through the Board of Public Buildings.

The Transportation Self-Insurance Plan covers workers' compensation for employees of MoDOT and the State Highway Patrol, and covers vehicle liability and general liability insurance for the employees of MoDOT. The Transportation Self-Insurance Plan is presented as an internal service fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims from data provided by an actuary. Liabilities are reported at their discounted value, assuming an investment yield of 2%.

The Missouri Consolidated Health Care Plan (MCHCP) provides health care insurance to all state employees, except for MoDOT, the State Highway Patrol, and the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known medical claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The MoDOT and MSHP Medical and Life Insurance Plan (MHPML) accounts for the medical coverage provided on a self-insured basis and life insurance benefits, underwritten by a commercial insurance company, for employees of MoDOT and the State Highway Patrol. The Plan is presented as an internal service fund. Estimated claims payable is based on known insurance claims pending as well as an estimate of IBNR claims from data provided by an actuary.

The Conservation Employees' Insurance Plan (CEIP) provides health care and life insurance to employees of the Department of Conservation. The Plan is presented as an internal service fund. Estimated claims payable is based on known claims pending as well as an estimate of IBNR claims.

The Petroleum Storage Tank Insurance Fund (PSTIF) has claims liability for the cost of contamination cleanup for policyholders and other eligible site owners who have submitted notice of a contamination. The PSTIF is presented as a major enterprise fund.

The University of Missouri System provides workers' compensation, liability, and medical insurance for its employees. The University funds this through a combination of self-insurance and commercially purchased insurance. The amount of coverage is based upon analysis of historical information and actuarial estimates. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. The claims liability is the present value of the claims, using discounted rates ranging between 0.75% and 3.50% based on future investment yields. The University of Missouri System is included with college and universities as a major component unit of the State.

Missouri State University is exposed to various risks of loss. These include loss related to torts; business interruption; employee injuries and illnesses; employee health, dental and accidental benefits; natural disasters; damage to and destruction of assets; and errors and omissions. Commercial insurance coverage is purchased for claims arising from such matters other than those related to natural disasters and employee health benefits, general liability, and workers' compensation. Settled claims have not exceeded the commercial coverage in any of the three preceding years. Additional coverage is provided through the State Self-Insurance Program, through the Risk Management Unit of the Office of Administration. The State of Missouri self-insures the workers' compensation benefits for all state employees, including University employees.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 22 - Risk Management and Insurance (cont.)

Changes in the balances of claims liability (in thousands of dollars) during the current and prior fiscal years are as follows:

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2018	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2019
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp.	\$ 29,058	\$ 29,750	\$ (32,242)	\$ 26,566
OA Legal Expense Fund	Liability	3,682	3,688	(4,296)	3,074
Transportation Self-Insurance Plan	Workers Comp. and Liability	81,444	11,399	(17,597)	75,246
MCHCP	Health Care	46,137	489,425	(492,742)	42,820
MHPML	Health Care	12,500	120,904	(123,804)	9,600
CEIP	Health Care	3,132	15,967	(16,170)	2,929
Total Governmental Activities		<u>\$ 175,953</u>	<u>\$ 671,133</u>	<u>\$ (686,851)</u>	<u>\$ 160,235</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 84,018</u>	<u>\$ 14,240</u>	<u>\$ (15,820)</u>	<u>\$ 82,438</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 85,846	\$ 222,659	\$ (223,235)	\$ 85,270
Missouri State University	Health Care, Workers Comp. and Liability	1,424	22,894	(21,603)	2,715
Total Component Units		<u>\$ 87,270</u>	<u>\$ 245,553</u>	<u>\$ (244,838)</u>	<u>\$ 87,985</u>

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 22 - Risk Management and Insurance (cont.)

	Type of Insurance Claims	Fiscal Year Claims Liability 6/30/2017	Current Year Claims and Estimated Changes	Claim Payments	Fiscal Year Claims Liability 6/30/2018
<u>Governmental Activities</u>					
OA Workers Compensation Fund	Workers Comp.	\$ 29,767	\$ 30,319	\$ (31,028)	\$ 29,058
OA Legal Expense Fund	Liability	8,222	5,053	(9,593)	3,682
Transportation Self-Insurance Plan	Workers Comp. and Liability	82,576	20,180	(21,312)	81,444
MCHCP	Health Care	42,221	302,935	(299,019)	46,137
MHPML	Health Care	12,300	129,546	(129,346)	12,500
CEIP	Health Care	2,592	17,855	(17,315)	3,132
Total Governmental Activities		<u>\$ 177,678</u>	<u>\$ 505,888</u>	<u>\$ (507,613)</u>	<u>\$ 175,953</u>
<u>Business-Type Activities</u>					
PSTIF	Contamination Cleanup	<u>\$ 81,868</u>	<u>\$ 15,244</u>	<u>\$ (13,094)</u>	<u>\$ 84,018</u>
<u>Component Units</u>					
University of Missouri System	Workers Comp. and Liability	\$ 89,082	\$ 220,389	\$ (223,625)	\$ 85,846
Missouri State University	Health Care, Workers Comp. and Liability	1,807	20,292	(20,675)	1,424
Total Component Units		<u>\$ 90,889</u>	<u>\$ 240,681</u>	<u>\$ (244,300)</u>	<u>\$ 87,270</u>

Risk Management Pool:

The State of Missouri participates in the property program of the Midwestern Higher Education Compact (MHEC) as defined in Section 173.700, RSMo. This program was formed to expand coverage, reduce costs, and stabilize property insurance rates over extended time periods at higher education institutions in all member states. The program offers loss limit coverage tailored to individual institutions as well as self-insured retention by institution. The MHEC Risk Management Oversight Committee directs the major operations of the program overseeing the development of program policies, premium allocations, new program memberships, and selection of program administrators and insurance underwriters.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 23 - Pollution Remediation and Landfill Closure and Postclosure

The State has an obligation to address current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

The Missouri Department of Natural Resources (DNR) was compelled to assess and oversee the cleanup of contaminated sites subject to federal law under the Resource Conservation and Recovery Act (RCRA), also known as the Superfund Law, administered by the U.S. Environmental Protection Agency (EPA). Under this law, the State is required to pay or ensure payment of 10% of the costs of remediation action and 100% of the costs of operations and maintenance at sites where the party responsible for the contamination is unknown, uncooperative, or insolvent. Similarly, Section 260.371.7, RSMo, states that the public should bear a portion of the cost to pay for the State's share of Superfund cleanup to be appropriated from general revenue. At the end of fiscal year 2019, the State was participating in the cleanup of seventeen Superfund sites. Total pollution remediation obligation for these sites totaled approximately \$48.8 million. The basis for these costs are State Superfund contracts that list the estimated cost of cleanup, or actual costs if cleanup is complete, less any payments that have been made to the EPA. Estimated costs will change as actual costs become available. The Hazardous Waste Fund is a component of Conservation and Environmental Protection.

The Office of Administration (OA), Division of Facilities Management, Design and Construction did not have any pollution remediation obligations during fiscal year 2019.

The Missouri Department of Transportation (MoDOT) is in remediation activities related to buildings and grounds caused by contamination and a fuel leak. The current pollution remediation obligation for these sites total approximately \$4.0 thousand. The potential for additional pollution remediation exists, however, any future remediation obligations are not yet estimable.

The Department of Public Safety, Office of the Adjutant General, has been named as a potentially responsible party in the Pools Prairie Superfund site in Newton County, Missouri. The site is listed on the National Priorities List (NPL) and is governed by the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). At this time, the Department of Public Safety's portion of the costs for the cleanup cannot be determined.

Changes in the balances of pollution remediation liability (in thousands of dollars) during the current fiscal year are as follows:

Governmental Activities	Type of Pollution Remediation	*Fiscal Year Remediation Liability 6/30/2018	Current Year Assessments and Estimated Changes	Payments	Fiscal Year Remediation Liability 6/30/2019	Due Within One Year
DNR	Superfund Sites	\$ 46,222	\$ 7,079	\$ (4,500)	\$ 48,801	\$ 2,207
OA	Soil and Groundwater Testing and Remediation	17	—	(17)	—	—
MoDOT	Buildings and Grounds Remediation	4	—	—	4	—
Total Governmental Activities		<u>\$ 46,243</u>	<u>\$ 7,079</u>	<u>\$ (4,517)</u>	<u>\$ 48,805</u>	<u>\$ 2,207</u>

*Beginning balances as of June 30, 2018 have been restated (see Note 18).

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 23 - Pollution Remediation and Landfill Closure and Postclosure (cont.)

Each landfill owner/operator is required to obtain a financial assurance instrument, which is held by the State as security in the case of a default or forfeiture. Financial assurance instruments can include financial guarantee or performance bonds, letters of credit, insurance policies, corporate guarantees, contracts of obligations, trust funds, and escrow accounts. At June 30, 2019, the DNR, Solid Waste Program tracked the value of the secured financial assurance instruments held by the State to be \$340.2 million. This amount is disclosed, but not reported in the financial statements, because the State does not perform the investment function and does not have significant administrative involvement. While the State maintains possession of the financial assurance instruments, it does not meet criteria to be reported in a fiduciary fund.

As of June 30, 2019, eleven Municipal Solid Waste Landfills (MSWLFs) and two waste tire facilities have defaulted. The owners/operators failed to properly close or maintain post-closure care for these facilities; therefore, the State took possession of the forfeited financial assurance instruments to initiate the closure or post-closure activities as required by Section 260.228, RSMo. The State will monitor and pay post-closure care costs of these facilities for the next 30 years in accordance with the DNR Solid Waste Management Law and Regulations. At June 30, 2019, it is expected that \$1.5 million will be paid over the remaining monitoring periods. This is the amount of the assigned fund balance that has been designated on the General Fund balance sheet for forfeited assets.

The University of Missouri System has been working with the Voluntary Cleanup Program at DNR to characterize subsurface contamination on a University owned property. The University received the results of the two-year sampling process in fiscal year 2016. The University is awaiting a determination from DNR. The site is now on the National Regulatory Commission (NRC) license and must be decommissioned. Upon further review of the documents, the University determined that it does not believe that the documents support the decision to add the site to the NRC license due to an overestimated quantity of isotopes managed at the site. The University made a formal request to remove the site from the NRC license. NRC responded with a request for more information, including a dose assessment, which is estimated at a cost of \$15.0 thousand. If the NRC finds the dose assessment to be unacceptable, then the University will be required to fully decommission the site, including a sampling plan. The cost of a sampling plan to characterize the chemical contamination is estimated at \$1.0 million. The University has not commenced any actions requiring the recognition of a liability for this property.

Note 24- Asset Retirement Obligations

The State has a legally enforceable obligation to perform future asset retirement obligations (ARO) related to its tangible capital assets.

The Missouri Department of Natural Resources (DNR) has a total ARO of \$1,717,000 for gas chromatographs, radiation detectors, petroleum above ground storage tanks, and permitted sewage treatment plants. Gas chromatographs and radiation detectors are considered radioactive sources and will not be accepted by the State's Surplus Property Program, thus requiring a cost for disposition. These ARO's are measured at the current cost of returning the items to the vendor. Gas chromatographs have remaining useful lives of 3 years and radiation detectors have remaining useful lives of 0 to 9 years. The ARO for petroleum above ground storage tanks is measured using the best estimate for taking the tanks out of service, which consists of emptying the tanks, removing the secondary containment, and proper disposal. Remaining useful lives of the tanks are 0 to 16 years. Aboveground storage tanks are regulated under the Missouri Code of State Regulations 2 CSR 90-30.050.16. The ARO for permitted sewage treatment plants is measured using the best estimate for closure of the facilities, which includes submitting a closure plan to DNR addressing wastewater and sludge removal, dewatering activities, removal of treatment structures, and removal of solid waste or leaving in place as a clean fill. Remaining useful lives of the plants is 0 to 47 years. Permitted sewage treatment plants are regulated by the Missouri Code of State Regulations 10 CSR 20-6-011.12 and the Federal Clean Water Act. The ARO for these items would be funded by state appropriations.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 24- Asset Retirement Obligations (cont.)

The Missouri Department of Transportation (MoDOT) has an ARO of \$44,000 to properly dispose of all nuclear gauges used to measure physical properties of materials during its construction projects. The ARO is measured using the current cost of returning the items to the vendor and the assets have remaining estimated useful lives of 15 years. Disposal of the nuclear gauges is required by the Nuclear Regulatory Commission - NUREG 1556 Volume 1 Rev 2. The ARO will be funded by state appropriations.

The Department of Public Safety (DPS), Office of the Adjutant General, has an ARO of \$30,000 to take two underground storage tanks out of service. The ARO is measured using the current cost for closure and the assets have estimated remaining useful lives of 25 years. Underground storage tanks are regulated under the Missouri Code of State Regulations 10 CSR 26. The ARO will be funded by state appropriations.

The University of Missouri (MU) has an ARO based on its ownership of two nuclear research reactors which are regulated by the U.S Nuclear Regulatory Commission (NRC). The NRC requires the University to submit decommissioning funding plans every three years to retain the right to operate the reactors. The decommissioning funding plans update and adjust changes in costs to remediate and the extent of the estimated future contamination. The cost to decommission the reactors is based on a formula as set forth by the NRC as part of the licensing of the facilities. The ARO as of the end of fiscal year 2019 was \$62,433,000. The remaining useful lives of the reactors was 23 years as of June 30, 2019 (in thousands of dollars).

<u>Governmental Activities</u>	<u>ARO Liability at June 30, 2019</u>
DNR	\$ 1,715
MoDOT	44
DPS	30
Total Governmental Activities	<u>\$ 1,789</u>
 <u>Business-Type Activities</u>	
DNR	<u>\$ 2</u>
 <u>Component Units</u>	
MU	<u>\$ 62,433</u>

Note 25- Contingencies

Contingent Claims Liabilities

Contingent claims liabilities are reported when it is probable a loss has occurred and the amount can be reasonably estimated. These losses include estimates of claims which have been incurred but not reported, including the effects of specific, incremental claim adjustment expenditures/expenses, salvage, subrogation, and other allocated or unallocated claim adjustment expenditures/expenses. Liabilities of governmental funds are reported as a reconciling item to the Government-Wide Statement of Net Position. Expenditures are recognized as payments are made.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 25- Contingencies (cont.)

As of June 30, 2019, the amount of contingent liabilities was \$30.4 million. Changes in reported liability since June 30, 2018, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2018-2019	\$ 48,923	\$ 13,628	\$ (32,146)	\$ 30,405
2017-2018	71,150	4,368	(26,595)	48,923
2016-2017	39,040	59,672	(27,562)	71,150

Section 287.220.8, RSMo, requires an actuarial study of the Second Injury Fund be made every year to determine solvency of the fund. Figures presented below for current year claims and changes in estimates are based on the 2018 actuarial study. As at June 30, 2019, the amount of liabilities for Second Injury Fund was \$2.1 billion. Changes in reported liability since June 30, 2018, resulted from the following (in thousands of dollars):

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance Fiscal Year End
2018-2019	\$ 1,953,168	\$ 213,020	\$ (94,299)	\$ 2,071,889
2017-2018	1,840,186	213,633	(100,651)	1,953,168
2016-2017	1,732,685	206,662	(99,161)	1,840,186

The State receives federal grants which are subject to review and audit by federal grantor agencies. This could result in requests for reimbursements by the grantor agency for expenditures disallowed under grant agreements. The State believes such dis-allowances, if any, would be immaterial in the next fiscal year.

Sales and Use Tax Lawsuits:

The Attorney General, on behalf of other state agencies, is involved in litigation for tort claims including wrongful death, motor vehicle accidents, medical malpractice, assault and battery, and deliberate indifference, as well as employment discrimination claims not included in the 2019 liability amount. It is reasonably possible an adverse court decision may incur an estimated loss of \$4.3 million.

Department of Social Services:

Little Sisters of the Poor v. Department of Social Services, No. 18AC-CC00262 (Cole County Circuit Court). This petition for review was filed on July 12, 2018, by 335 nursing facilities participating in the MO HealthNet program. They claim that the reduction of a per diem reimbursement rate by the department was invalid and contrary to the department's own regulation. The Cole County Circuit Court entered an order and judgment on May 22, 2019, concluding the department had violated its own regulation, the Medicaid Act requirements that apply to rate reductions, and the Equal Protection Clauses of the United States and Missouri Constitutions. If upheld, the resulting cost to the department and the State would be approximately \$45 million. The State filed a notice of appeal on June 28, 2019. Appellate briefs have not yet been submitted and oral argument has not been scheduled. The ultimate resolution of the case on appeal cannot be predicted with any degree of certainty.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 25- Contingencies (cont.)

Department of Health and Senior Services:

The Nurse Student Loan Program provides forgivable student loans to eligible Missouri undergraduate, graduate, post-graduate, and doctoral nursing students in exchange for service in underserved communities and facilities in the state. Current annual award levels, based on statute, are a one-time amount of \$2,500 for LPN students and \$5,000 for professional nursing students. Loans are repaid either through service in an underserved area, or via cash repayment at 9.5% simple interest. For repayment via service, participants provide one year of professional service for each school year a loan is received, up to a maximum of 5 years. The number of loans awarded per year varies based upon available funding, number of previous students anticipating continued funding, and number of eligible new applicants.

The Health Professional Student Loan Program is a competitive state program that awards forgivable loans to students pursuing health care training leading to Missouri licensure. Eligible disciplines are primary care physicians, primary care dentists, and dental hygienists. The amount of funding provided depends upon the student's chosen discipline and educational status. Repayment of loans can be completed either through obtaining employment to earn forgiveness or through cash repayment at 9.5% simple interest. Forgiveness is based upon the number of loans received and is earned at a rate of one year of professional service for each loan received, up to a maximum of 5 years. Qualifying employment is considered as full-time, direct patient care at a facility located in an area of need also referred to as a Health Professional Shortage Area.

The purpose of the Missouri Health Professional State Loan Repayment Program (SLRP) is to improve access to primary care by assisting rural and underserved communities with recruitment and retention of primary care providers. SLRP offers eligible healthcare providers an opportunity to receive up to \$50,000 in financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services at an ambulatory public, nonprofit or private nonprofit primary care practice site located in a federally designated Health Professional Shortage Area (HPSA).

The Missouri Nurse Loan Repayment Program (NLRP) offers Registered Nurses (RNs) and Advanced Practice Registered Nurses (APRNs) an opportunity to receive financial assistance towards the repayment of their qualifying educational loans in exchange for a minimum two-year commitment to provide healthcare services in an area of defined need in the State of Missouri.

For all types of loan programs, in the event of a default, i.e. the loanee does not complete the service agreement, the loan status changes to repayment. In the event the loanee does not repay according to the terms of their agreement, the Department of Health and Senior Services will work with the Attorney General's Office to try to collect the outstanding receivables. The current total amount of loans outstanding is \$6.9 million; the total amount in repayment is \$2.7 million. There is no correlation between who will or will not repay their debt once a default has occurred since it is subject to each individual case and the legal remedies pursued. Therefore the amount of loss cannot be reasonably estimated.

Department of Corrections Settlements:

Hootselle v. Department of Corrections, No. 12AC-CC00518 (Cole County Circuit Court). This lawsuit was filed on August 14, 2012 by several corrections officers alleging that the Missouri Department of Corrections failed to compensate them for pre- and post-shift activities, including passing through security checkpoints and retrieving equipment such as keys and radios. The officers' union was later added as a plaintiff and asserted claims for breach of its collective bargaining agreement. Following a jury trial on the plaintiffs' breach of contract claims in August 2018, the court entered judgment against the State and for the class of \$113.7 million. The State filed a notice of appeal and the Missouri Court of Appeals affirmed the judgment. The State has sought transfer to the Supreme Court of Missouri. The ultimate resolution of the case on appeal cannot be predicted with any degree of certainty.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 25- Contingencies (cont.)

Tobacco Master Settlement Agreement:

Under the 1998 Tobacco Master Settlement Agreement ("MSA"), Missouri receives annual settlement payments in perpetuity from Participating Manufacturers ("PMs") of tobacco products. Each year on or about April 15th, Missouri receives an annual payment typically between \$120 and \$140 million. Annual MSA payments are subject to a downward adjustment if the PMs lose more than 2% of their pre-MSA market share to Non-Participating Manufacturers ("NPMs"). Individual states may avoid their share of this "NPM Adjustment" by enacting and diligently enforcing model legislation, which imposes certain escrow obligations on NPMs.

The tobacco manufacturers contest Missouri's enforcement of the model legislation for 2004 and subsequent years, each of which is subject to binding arbitration. Arbitration regarding diligent enforcement for 2004 is ongoing. The state appointed arbitrator passed away in August 2019 and the state parties have selected another arbitrator who will begin reviewing the evidence and hear additional matters and argument in 2020. If the panel finds that Missouri was not diligent in 2004, the State will face a downward adjustment on the annual payment following the panel's determination. The ultimate resolution of the 2004 proceeding, the timing of the panel's decision, and the outcome of any subsequent arbitration proceedings between the tobacco manufacturers and Missouri cannot be predicted with any degree of certainty.

Contingent Gains

Contingencies that might result in gains are not reported on the statements since they are not realizable.

Natural Resource Settlements:

The Department of Natural Resources works jointly with the United States Fish and Wildlife Service and United States Forest Service to recover damages from parties responsible for causing injuries to natural resources. Funds from these settlements are typically held in the federal treasury in a joint account administered by the United States Department of Interior. Expenditures of these funds may only be by mutual agreement of the Missouri Trustee Council (the Department of Natural Resources, the United States Fish and Wildlife Service and, at times, United States Forest Service) and such funds may only be used to restore, replace, or acquire natural resources similar to those that were injured. As of June 30, 2019, the balance of Missouri-related joint settlement funds in the Department of Interior restoration fund is approximately \$48 million.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 26 - Nonexchange Financial Guarantees

The following nonexchange financial guarantees are extended by the Missouri Agricultural and Small Business Development Authority (MASBDA) and the Missouri Department of Agriculture (MDA). The exchange financial guarantees are not recognized as a liability, which indicates that the State will most likely not be required to make a payment related to the nonexchange financial guarantees. As of June 30, 2019, the State extends the following financial guarantees:

Programs	Maximum Guarantee Period	Total Number of Loans Outstanding	Total Dollar Amount of Loans Outstanding (in thousands)	Total Dollar Amount Guaranteed by the State (in thousands)
Missouri Value-Added Loan Guarantee Program	10 Years	2	\$ 277	\$ 138
Single-Purpose Animal Facilities Loan Guarantee Program	10 Years	6	557	278
Crop and Livestock Loan Guarantee Program	2 Years	20	51	25

Missouri Value-Added Loan Guarantee Program

The Missouri Value-Added Loan Guarantee Program, authorized in Sections 348.400-348.415, RSMo, provides up to a 50% first-loss guarantee on loans, of \$250,000 or less, made by lenders for the purpose of agricultural business development. The loan guarantee is for a duration of up to 10 years. The program is intended to create new economic activity by creating or retaining jobs. Loans guaranteed by the value-added loan guarantee program can be used to finance agricultural property, which includes land, buildings, structures, improvements, and equipment used for the purpose of processing, manufacturing, marketing, exporting, or adding value to an agricultural product. Loans may also be guaranteed to buy stock in a new generation processing entity that processes an agricultural product. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were five loan defaults under this program in fiscal year 2019. The outstanding balance on judgments for amounts owed to the State totals \$51,000.

Single-Purpose Animal Facilities Loan Guarantee Program

The Single-Purpose Animal Facilities Loan Guarantee Program, authorized in Sections 348.185-348.225, RSMo, is designed to provide banks and other lenders with a 50% first-loss guarantee on loans of up to \$250,000 for up to 10 years. Independent livestock producers may use the loans to finance, refinance or restructure breeding or feeder livestock, earthworms, land, buildings, facilities, equipment, machinery and animal waste systems for producing poultry, swine, beef and dairy cattle, or other livestock. In the event of a default, the MASBDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. There were no loan defaults under this program in fiscal year 2019.

Crop and Livestock Loan Guarantee Program

The Crop and Livestock Loan Guarantee Program, authorized in Section 261.027(3), RSMo, is a 50% guarantee on a loan made to a 4-H and Future Farmers of America (FFA) member who borrows money to purchase livestock, input, etc., for their Supervised Agriculture Education (SAE) project. Loans eligible for the program are limited to the purchase of livestock, feed, seed, fertilizer, and other miscellaneous out-of-pocket expenses directly related to the project. In the event of a default, the MDA will work with the Attorney General's Office or the loan recipient's bank to try to collect. As of June 30, 2019, there are four loan defaults under this program. The outstanding balance on judgments for amounts owed to the State totals \$1,500.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 27 - Joint Ventures

The Regional Convention and Sports Complex Authority was created by state law for the purpose of financing, constructing, operating, and maintaining a multipurpose convention and sports facility to be located in the City of St. Louis. The Authority operates under a board of commissioners of whom five are appointed by the Governor of the State, three by the County Executive of St. Louis County, and three by the Mayor of the City of St. Louis. The Authority is granted all rights and powers necessary to plan, finance, construct, equip, and maintain the facility.

The Authority is considered a joint venture of the State, County, and City because it constitutes a contractual agreement for public benefit in which the State, County, and City retain an ongoing financial responsibility for the Convention and Sports Facility Project Bonds. In August 1991, the Authority issued \$258,670,000 of Convention and Sports Facility Project Bonds. The bonds were sponsored in the amount of \$132,910,000 by the State (Series A), \$65,685,000 by the County (Series B), and \$60,075,000 by the City (Series C). In December 1993, the Authority issued \$181,885,000 in Convention and Sports Facility Project and Refunding Bonds to advance refund \$101,410,000 and \$50,275,000 of the outstanding 1991 Series A and Series B bonds, respectively, and for additional construction costs. The bonds were sponsored in the amount of \$121,705,000 by the State (Series A) and \$60,180,000 by the County (Series B). In February 1997, the Authority issued \$61,285,000 in Series C refunding bonds to advance refund \$47,155,000 of the outstanding 1991 Series C bonds. In August 2003, the Authority issued \$116,030,000 of Convention and Sports Facility Project and Refunding Bonds Series A 2003 to refund \$2,845,000 and \$113,170,000 of Series A 1991 and Series A 1993 refunding bonds, respectively, and for additional construction costs. In May 2007, the Authority issued \$49,585,000 in Series C 2007 refunding bonds to refund \$61,285,000 of original principal of the Series C 1997 refunding bonds. In August 2013, the Authority issued \$65,195,000 in Series A 2013 refunding bonds to refund \$65,385,000 of Series A 2003 bonds and issued \$32,560,000 in Series B 2013 refunding bonds to refund \$32,180,000 of Series B 2003 bonds.

Pursuant to a financing agreement entered into in August 1991, and terminating in August 2021, the Authority leased the facility to the sponsors who subleased the facility back to the Authority. The payments made by the State, County, and City under the financing agreement are sufficient to pay the principal and interest on the bonds. See *Note 12* for the specific debt service requirements that make up the State's ongoing financial responsibility for this joint venture.

Summary financial information for the Authority as of and for the fiscal year ended December 31, 2018, is presented below (in thousands of dollars):

Total Assets	\$ 166,907
Total Deferred Outflows of Resources	412
Total Assets and Deferred Outflows of Resources	<u>\$ 167,319</u>
Total Liabilities	\$ 61,939
Total Net Position	105,380
Total Liabilities and Net Position	<u>\$ 167,319</u>
Total Revenues	\$ 24,715
Total Expenses	15,558
Net Increase in Net Position	<u>\$ 9,157</u>

Copies of the Authority's financial statements may be requested from:

St. Louis Regional Convention
and Sports Complex Authority
901 North Broadway
St. Louis, Missouri 63101

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 28 - Endowments

Donor-restricted endowments for Missouri reside primarily within the higher education institutions, which are reported as a major component unit of the State. For the college and universities, except the University of Missouri, the net appreciation/depreciation of the endowments is \$2,156,000. Of this amount, \$997,000 is reported as restricted non-expendable, \$1,133,000 is reported as restricted expendable, and \$25,000 is reported as unrestricted net position. The University of Missouri reported a net appreciation/depreciation of restricted non-expendable net position in the amount of \$68,675,000 which consisted of both realized and unrealized gains and losses on investment. For detailed information on the college and universities, please see the individual financial statements. The Revised Statutes of Missouri authorize the acceptance of donations at State agencies or public institutions. The governing boards of these institutions and the donor agreements determine whether net appreciation can be spent and the acceptable spending rate as detailed in Section 402.134, RSMo. These policies are entity specific and vary with each institution.

Note 29 - Conduit Debt

As of June 30, 2019, the Missouri Development Finance Board issued \$1,637,968,000 in Private Activity Bonds and \$2,624,104,000 in Public Purpose and Refunding Revenue Bonds. The outstanding balances on these bonds and notes as of June 30, 2019, were approximately \$350,741,000 and \$976,803,000 respectively. The Missouri Development Finance Board and the State have no liability for repayment of these revenue bonds and funding notes aside from reserve fund deposits and, accordingly, these bonds and notes have not been recorded as a liability on the financial statements for the Missouri Development Finance Board. The debtor pays all debt service requirements. Security for the bondholders consists of insurance, letters of credit, annual appropriation pledges, and certain funds held through trustees under the various indentures.

As of June 30, 2019, the State Environmental Improvement and Energy Resources Authority (EIERA), a component unit of the State of Missouri, had an outstanding balance of \$875,620,000 in Tax Exempt Revenue Bonds. Of this outstanding amount, \$529,615,000 is for Water Pollution Control and Drinking Water Revenue Bonds issued on behalf of the Department of Natural Resources. The State of Missouri has no liability for repayment of these revenue bonds beyond the resources provided by related loan programs. The bonds are limited obligations of EIERA.

Note 30 - Subsequent Events

Bonds

In July 2019, the Missouri Department of Transportation was awarded \$81.2 million to help fund the \$255.8 million project for improvements to the I-70 freight corridor; specifically to replace the I-70 Missouri River Bridge at Rocheport, Missouri and the addition of climbing lanes at the Mineola Hill in Montgomery County. The acceptance of the grant will result in the issuance of bonds. One such bond is the Third Lien State Road Bonds, Series B 2019 which was issued in the amount of \$178,370,000 on November 13, 2019. These bonds will bear interest of 5.00%, due in semi-annual installments beginning November 1, 2020.

Southeast Missouri State University

Subsequent to year-end, on July 24, 2019, the University issued Series 2019 bonds in the amount of \$44,595,000 to refund the Series 2010B which are maturing on October 1, 2021 and thereafter.

Missouri Southern State University

On December 17, 2019, Missouri Southern State University issued \$22,490,000 of Auxiliary Enterprise System Revenue bonds, Series 2019A, with interest rates ranging from 3.0%-5.0%. Final maturity for the bonds is October 1, 2049.

STATE OF MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2019

Note 30 - Subsequent Events (cont.)

Missouri State University

During October 2019, the University reached a settlement and release agreement with the interested insurers regarding the sustained loss of the collapse of the broadcast tower in Fordland, Missouri, and received payments for the full settlement. This settlement was included in accounts and other receivables on the statement of net position and in other nonoperating revenues and expenses on the statement of revenues, expenses and changes in net position.

On October 25, 2019, the Board of Governors approved the following:

- The issuance of Educational Facilities Revenue Bonds, Series 2019B in an aggregate amount not to exceed \$7,500,000 for the purpose of providing funds to refund the Series 2010B Bonds maturing on and after October 1, 2021, and associated costs of issuance.
- The issuance of Auxiliary Enterprise System Revenue Bonds, Series 2019A educational facilities revenue bonds. Series 2019B in an aggregate amount no to exceed \$18,400,000 for the purpose of providing funds to refund the Series 2010B Bonds maturing on and after October 1, 2021, and associated costs of issuance.

The bond sale occurred on November 19, 2019, and the bond closing and transfer of funds occurred on December 4, 2019, in the amounts of \$6,780,000 and \$15,980,000 for the series 2019 B and series 2019 A bonds, respectively.



Required Supplementary Information (RSI) includes the Budgetary Comparison Schedule for the General Fund and Major Special Revenue Funds, as well as the Budget to Generally Accepted Accounting Principles (GAAP) reconciliation, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Proportionate Share of the Net Pension Liability, Schedule of State Contributions, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Proportionate Share of the Collective Net OPEB Liability, and the Notes to RSI on Budgetary Reporting.

STATE OF MISSOURI
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND, MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 1,743,457	\$ 1,743,457	\$ 1,743,457	\$ —
Resources (Inflows):				
Taxes:				
Sales and Use	2,241,513	2,227,251	2,236,813	9,562
Individual Income	7,662,998	7,614,242	7,646,931	32,689
Corporate Income	526,044	522,697	524,941	2,244
County Foreign Insurance	293,829	291,960	293,213	1,253
Beer	7,533	7,485	7,517	32
Liquor	25,947	25,782	25,893	111
Cigarette	—	—	—	—
Corporation Franchise	1,618	1,608	1,615	7
Reimbursement/Miscellaneous	165,260	164,208	164,913	705
Total Taxes	10,924,742	10,855,233	10,901,836	46,603
Licenses, Fees, and Permits	95,728	95,123	95,485	362
Sales	1,200	1,197	1,139	(58)
Leases and Rentals	11	11	11	—
Services	514,593	514,548	471,935	(42,613)
Contributions and Intergovernmental	10,301,764	10,290,668	9,579,190	(711,478)
Interest	36,757	36,526	36,646	120
Penalties and Unclaimed Property	28,547	28,401	28,024	(377)
Cost Reimbursement/Miscellaneous	1,185,936	1,185,072	1,097,437	(87,635)
Transfers In	3,888,870	3,952,729	3,297,424	(655,305)
Total Resources (Inflows)	26,978,148	26,959,508	25,509,127	(1,450,381)
Amount Available for Appropriation	28,721,605	28,702,965	27,252,584	(1,450,381)
Charges to Appropriations (Outflows):				
Current:				
General Government	2,502,598	2,490,364	1,979,529	510,835
Education	4,539,209	4,508,356	4,336,234	172,122
Natural and Economic Resources	457,369	460,406	202,075	258,331
Transportation and Law Enforcement	528,484	487,715	283,298	204,417
Human Services	13,879,366	14,245,676	13,247,189	998,487
Debt Service	135,716	135,026	109,096	25,930
Transfers Out	5,650,378	5,747,827	5,124,021	623,806
Total Charges to Appropriations	27,693,120	28,075,370	25,281,442	2,793,928
Ending Budgetary Fund Balance	\$ 1,028,485	\$ 627,595	\$ 1,971,142	\$ 1,343,547
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(1,177,659)	
Investments at Fair Value			1,196,112	
Receivables, Net			2,568,021	
Due from Other Funds			—	
Due from Component Units			—	
Inventories			22,727	
Advance to Component Units			—	
Accounts Payable			(1,205,524)	
Accrued Payroll			(61,518)	
Due to Other Funds			(4,109)	
Unearned Revenue			(69,581)	
Escheat/Unclaimed Property			(117,792)	
Deferred Inflows of Resources			(994,496)	
Fund Balance - GAAP Basis			\$ 2,127,323	

Public Education				Conservation and Environmental Protection			
Original Budget	Final Budget	Actual	Variance with Final Budget	Original Budget	Final Budget	Actual	Variance with Final Budget
\$ 146,998	\$ 146,998	\$ 146,998	\$ —	\$ 539,749	\$ 539,749	\$ 539,749	\$ —
900,091	900,091	908,180	8,089	281,251	281,251	217,683	(63,568)
4,664	4,664	4,706	42	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—
55,272	55,272	55,769	497	—	—	—	—
—	—	—	—	—	—	—	—
331,287	331,287	334,265	2,978	1,587	1,587	1,228	(359)
1,291,314	1,291,314	1,302,920	11,606	282,838	282,838	218,911	(63,927)
2,745	2,745	2,769	24	108,680	108,680	84,116	(24,564)
—	—	—	—	8,757	8,757	6,778	(1,979)
—	—	—	—	136	136	105	(31)
—	—	—	—	—	—	—	—
62,852	62,852	63,417	565	82,698	82,698	64,007	(18,691)
3,765	3,765	3,799	34	19,785	19,785	15,313	(4,472)
3,061	3,061	3,089	28	1,255	1,255	971	(284)
93,369	93,369	94,208	839	198,661	198,661	153,760	(44,901)
1,750,844	1,749,405	1,725,330	(24,075)	1,943	1,943	1,938	(5)
3,207,950	3,206,511	3,195,532	(10,979)	704,753	704,753	545,899	(158,854)
3,354,948	3,353,509	3,342,530	(10,979)	1,244,502	1,244,502	1,085,648	(158,854)
457	447	121	326	3,882	4,424	3,427	997
2,838,124	2,845,404	2,755,066	90,338	—	—	—	—
16,180	16,180	4,831	11,349	1,054,748	1,029,436	402,718	626,718
305	305	225	80	999	998	921	77
16,055	15,817	14,015	1,802	1,752	1,752	1,600	152
—	—	—	—	—	—	—	—
452,547	452,064	430,210	21,854	58,046	61,691	57,105	4,586
3,323,668	3,330,217	3,204,468	125,749	1,119,427	1,098,301	465,771	632,530
\$ 31,280	\$ 23,292	\$ 138,062	\$ 114,770	\$ 125,075	\$ 146,201	\$ 619,877	\$ 473,676
		(72,548)				(415,056)	
		74,008				416,032	
		162,037				1,440,630	
		22,733				—	
		—				257	
		108				331	
		—				118	
		(2,434)				(11,952)	
		(51)				(5,142)	
		(4)				(277)	
		—				(128)	
		—				—	
		(55,164)				(24,147)	
		\$ 266,747				\$ 2,020,543	

STATE OF MISSOURI
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING
June 30, 2019

Budgetary Presentation:

A Budgetary Comparison Schedule is presented as Required Supplementary Information for the State's General Fund and Major Special Revenue Funds. Revenues and expenditures are reported on a budgetary basis where actual revenues are recognized when cash is received, and actual expenditures are recognized for cash disbursements. The accounting principles applied for reporting on a budgetary basis differ from those used to present the financial statements in accordance with GAAP. A reconciliation of the two for the fiscal year ended June 30, 2019, has been presented at the bottom of the Budgetary Comparison Schedule.

The budgetary expenditures are included in the current year's Appropriation Activity Report, which demonstrates legal compliance with the current year's budget. This report can be viewed at <http://oa.mo.gov/accounting/reports/annual-reports/appropriation-activity-reports>. The original budget expenditures and transfers are for what was originally appropriated for each fund. The final budget expenditures and transfers takes into account any increases and decreases to appropriations during the fiscal year less the Governor's amounts reverted (withheld) for each fund less any reappropriations to the next fiscal year.

Once a year, the Office of Administration-Division of Budget and Planning receives budgeted revenues from state agencies for each of their funds as well as a revised revenue estimate in the spring for the State's General Revenue Fund. The revised revenue estimate is used in the final budget column for the General Fund and is very comparable to actual revenue resulting in a small negative variance on this Schedule.

In accordance with State statute, all state funds must have an appropriation before amounts can be expended or transferred to another state fund; therefore, variances between budgeted and actual expenditures and transfers out on the budgetary schedule will always be positive.

For budget purposes, interfund activity is not eliminated. A summary of interfund eliminations at June 30, 2019, is shown below (in thousands):

	Final Budget Transfer		Actual Transfer	
	In	Out	In	Out
GENERAL FUND	\$ 3,501,007	\$ (3,501,007)	\$ 2,987,192	\$ (2,987,192)
SPECIAL REVENUE FUNDS				
Public Education	414,120	(414,120)	393,274	(393,274)
TOTAL	\$ 3,915,127	\$ (3,915,127)	\$ 3,380,466	\$ (3,380,466)

Budgetary Control:

Budgetary control is maintained at the departmental level; each Department of the Missouri government formulates a budget to be submitted for approval by the General Assembly prior to the beginning of the fiscal year. These budgets are prepared essentially on the cash basis. The legislature reviews, revises, and legally adopts these budgets. The Governor then has the authority to approve or veto each budget, subject to legislative override.

Budgeted expenditures cannot exceed estimated revenues and other sources of funding, including beginning fund balances. In the event that actual revenues are insufficient to cover budgeted expenditures, the Governor must order budget reductions or call a special session of the legislature to address the issue.

Unexpended appropriations lapse at the end of each appropriation year, unless reappropriated to the following appropriation year.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEARS 2015-2019
(In Thousands of Dollars)

			Judicial Plan*		
	2019**	2018**	2017**	2016**	2015**
Total Pension Liability					
Service Cost	\$ 12,997	\$ 12,946	\$ 10,932	\$ 10,614	\$ 8,990
Interest on the Total Pension Liability	41,019	40,617	37,755	36,162	34,014
Benefit Changes	—	—	—	—	—
Differences between Expected and Actual Experience	(1,320)	(10,687)	(5,037)	5,103	13,361
Changes in Assumptions	12,332	7,906	53,991	—	—
Benefit Payments, including member refunds	(35,657)	(33,985)	(32,989)	(31,246)	(29,407)
Disability Premiums	—	—	—	—	—
Transfers to Other Retirement Systems	—	—	—	—	—
Net Change in Total Pension Liability	29,371	16,797	64,652	20,633	26,958
Total Pension Liability - Beginning	564,418	547,621	482,969	462,336	435,378
Total Pension Liability - Ending (a)	593,789	564,418	547,621	482,969	462,336
Plan Fiduciary Net Position					
Contributions - Employer	36,892	34,247	33,642	32,696	29,265
Contributions - Employee	902	787	661	488	295
Pension Plan Net Investment Income	10,678	4,680	28	(3,610)	21,395
Benefit Payments, including member refunds	(35,657)	(33,985)	(32,989)	(31,246)	(29,407)
Disability Premiums	—	—	—	—	—
Pension Plan Administrative Expense	(181)	(150)	(137)	(123)	(106)
Net Transfers	—	—	—	—	—
Other	(69)	—	—	—	—
Net Change in Plan Fiduciary Net Position	12,565	5,579	1,205	(1,795)	21,442
Plan Fiduciary Net Position - Beginning*	137,635	132,056	130,851	132,646	111,204
Plan Fiduciary Net Position - Ending (b)	150,200	137,635	132,056	130,851	132,646
Net Pension Liability - Ending (a) - (b)	\$ 443,589	\$ 426,783	\$ 415,565	\$ 352,118	\$ 329,690
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	25.30%	24.39%	24.11%	27.09%	28.69%
Covered Payroll	\$ 59,417	\$ 58,592	\$ 57,421	\$ 55,656	\$ 49,588
Net Pension Liability as a Percentage of Covered Payroll	746.73%	728.40%	723.72%	632.66%	664.86%

*After post-valuation adjustments.

**Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Missouri Department of Transportation and Highway Patrol Employees'
Retirement System

2019**	2018**	2017**	2016**	2015**
\$ 46,621	\$ 45,713	\$ 45,441	\$ 45,358	\$ 44,740
286,457	283,569	280,432	275,285	270,526
(7)	—	—	—	—
(37,173)	(37,287)	(39,810)	(13,324)	(17,614)
142,556	—	—	—	—
(254,634)	(246,939)	(236,687)	(237,013)	(227,977)
(1,602)	(1,620)	(1,568)	(1,555)	(1,532)
(2,823)	(2,725)	(1,921)	(3,147)	(1,876)
179,395	40,711	45,887	65,604	66,267
3,802,444	3,761,733	3,715,846	3,650,242	3,583,975
3,981,839	3,802,444	3,761,733	3,715,846	3,650,242
204,955	206,563	199,609	200,639	183,354
5,001	4,892	3,483	3,294	2,260
197,620	220,302	21,432	92,646	319,446
(254,634)	(246,939)	(236,687)	(237,013)	(227,977)
(1,602)	(1,620)	(1,568)	(1,555)	(1,532)
(4,693)	(4,516)	(4,370)	(4,067)	(3,736)
(956)	(981)	808	(2,033)	(92)
(936)	—	—	—	—
144,755	177,701	(17,293)	51,911	271,723
2,169,775	1,992,074	2,009,367	1,957,456	1,685,733
2,314,530	2,169,775	1,992,074	2,009,367	1,957,456
\$1,667,309	\$1,632,669	\$1,769,659	\$1,706,479	\$1,692,786
58.13%	57.06%	52.96%	54.08%	53.63%
\$ 353,751	\$ 356,515	\$ 344,635	\$ 342,265	\$ 336,591
471.32%	457.95%	513.49%	498.58%	502.92%

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FISCAL YEARS 2015-2019
(In Thousands of Dollars)

University of Missouri Retirement System

	2019**	2018**	2017**	2016**	2015**
Total Pension Liability					
Service Cost	\$ 62,845	\$ 63,624	\$ 66,269	\$ 68,328	\$ 70,574
Interest on the Total Pension Liability	312,921	305,781	296,885	288,438	275,762
Benefit Changes	—	—	—	—	—
Differences between Expected and Actual Experience	23,046	11,704	(22,741)	(38,227)	13,226
Changes in Assumptions	—	257,616	—	—	—
Benefit Payments, including member refunds	(241,020)	(233,083)	(211,036)	(203,300)	(182,488)
Disability Premiums	—	—	—	—	—
Transfers to Other Retirement Systems	—	—	—	—	—
Net Change in Total Pension Liability	157,792	405,642	129,377	115,239	177,074
Total Pension Liability - Beginning	4,413,831	4,008,189	3,878,812	3,763,573	3,586,499
Total Pension Liability - Ending (a)	4,571,623	4,413,831	4,008,189	3,878,812	3,763,573
Plan Fiduciary Net Position					
Contributions - Employer	115,980	92,200	96,631	99,454	103,895
Contributions - Employee	15,989	15,299	15,218	14,976	14,486
Pension Plan Net Investment Income	183,826	322,297	364,486	6,646	36,412
Benefit Payments, including member refunds	(241,020)	(233,083)	(211,036)	(203,300)	(182,488)
Disability Premiums	—	—	—	—	—
Pension Plan Administrative Expense	—	—	—	—	—
Net Transfers	—	—	—	—	—
Other	—	—	—	—	(2,150)
Net Change in Plan Fiduciary Net Position	74,775	196,713	265,299	(82,224)	(29,845)
Plan Fiduciary Net Position - Beginning*	3,682,638	3,485,925	3,220,626	3,302,850	3,332,695
Plan Fiduciary Net Position - Ending (b)	3,757,413	3,682,638	3,485,925	3,220,626	3,302,850
Net Pension Liability - Ending (a) - (b)	\$ 814,210	\$ 731,193	\$ 522,264	\$ 658,186	\$ 460,723
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	82.19%	83.43%	86.97%	83.03%	87.76%
Covered Payroll	\$1,187,435	\$1,146,836	\$1,144,412	\$1,129,784	\$1,109,431
Net Pension Liability as a Percentage of Covered Payroll	68.57%	63.76%	45.64%	58.26%	41.53%

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FISCAL YEARS 2015-2019
(In Thousands of Dollars)

	2019*	2018*	2017*	2016*	2015*
<u>Missouri State Employees' Plan</u>					
State's proportion of the net pension liability	82.84%	82.19%	82.21%	82.26%	82.45%
State's proportionate share of the net pension liability	\$ 4,620,928	\$ 4,279,391	\$ 3,816,328	\$ 2,641,347	\$ 1,944,098
State's covered payroll	\$ 1,610,149	\$ 1,617,463	\$ 1,593,034	\$ 1,593,238	\$ 1,613,263
State's proportionate share of the net pension liability as a percentage of its covered payroll	286.99%	264.57%	239.56%	165.78%	120.51%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	72.62%	79.49%
<u>Judicial Plan</u>					
State's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	\$ 443,589	\$ 426,783	\$ 415,565	\$ 352,118	\$ 329,690
State's covered payroll	\$ 59,417	\$ 58,592	\$ 57,421	\$ 55,656	\$ 49,588
State's proportionate share of the net pension liability as a percentage of its covered payroll	746.73%	728.40%	723.72%	632.66%	664.86%
Plan fiduciary net position as a percentage of the total pension liability	25.30%	24.39%	24.11%	27.09%	28.69%
<u>Missouri Department of Transportation and Highway Patrol Employees' Retirement System</u>					
State's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%
State's proportionate share of the net pension liability	\$ 1,667,309	\$ 1,632,669	\$ 1,769,659	\$ 1,706,479	\$ 1,692,786
State's covered payroll	\$ 353,751	\$ 356,515	\$ 344,635	\$ 342,265	\$ 336,591
State's proportionate share of the net pension liability as a percentage of its covered payroll	471.32%	457.95%	513.49%	498.58%	502.92%
Plan fiduciary net position as a percentage of the total pension liability	58.13%	57.06%	52.96%	54.08%	53.63%
<u>Missouri State Employees' Plan - Component Units</u>					
Component Unit's proportion of the net pension liability	16.82%	17.44%	17.41%	17.38%	17.19%
Component Unit's proportionate share of the net pension liability	\$ 938,355	\$ 908,000	\$ 808,175	\$ 557,955	\$ 405,189
Component Unit's covered payroll	\$ 326,943	\$ 343,472	\$ 337,401	\$ 336,571	\$ 325,490
Component Unit's proportionate share of the net pension liability as a percentage of its covered payroll	287.01%	264.36%	239.53%	165.78%	124.49%
Plan fiduciary net position as a percentage of the total pension liability	59.02%	60.41%	63.60%	72.62%	79.49%
<u>University of Missouri Retirement System</u>					
University's proportion of the net pension liability	100.00%	100.00%	100.00%	100.00%	100.00%
University's proportionate share of the net pension liability	\$ 814,210	\$ 731,193	\$ 522,264	\$ 658,186	\$ 460,723
University's covered payroll	\$ 1,187,435	\$ 1,146,836	\$ 1,144,412	\$ 1,129,784	\$ 1,109,431
University's proportionate share of the net pension liability as a percentage of its covered payroll	68.57%	63.76%	45.64%	58.26%	41.53%
Plan fiduciary net position as a percentage of the total pension liability	82.19%	83.43%	86.97%	83.03%	87.76%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except University of Missouri Retirement System which is based on a measurement date of October 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

**STATE OF MISSOURI
SCHEDULE OF STATE CONTRIBUTIONS
PENSION
FISCAL YEARS 2014-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016	2015	2014
<u>Missouri State Employees' Plan</u>						
Required Contributions	\$ 326,951	\$ 313,167	\$ 274,510	\$ 270,198	\$ 270,220	\$ 269,106
Contributions in relation to the required contribution	\$ 326,951	\$ 313,167	\$ 274,510	\$ 270,198	\$ 270,220	\$ 269,106
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State's covered payroll	\$1,617,502	\$1,610,149	\$1,617,463	\$1,593,034	\$1,593,238	\$1,613,263
Contributions as a percentage of covered payroll	20.21%	19.45%	16.97%	16.96%	16.96%	16.68%
<u>Judicial Plan</u>						
Required Contributions	\$ 38,555	\$ 36,895	\$ 32,671	\$ 33,642	\$ 32,696	\$ 29,265
Contributions in relation to the required contribution	\$ 38,555	\$ 36,895	\$ 34,247	\$ 33,642	\$ 32,696	\$ 29,265
Contribution deficiency (excess)	\$ —	\$ —	\$ (1,576)	\$ —	\$ —	\$ —
State's covered payroll	\$ 60,516	\$ 59,417	\$ 58,592	\$ 57,421	\$ 55,656	\$ 49,588
Contributions as a percentage of covered payroll	63.71%	62.10%	58.45%	58.59%	58.70%	59.02%
<u>Missouri Department of Transportation and Highway Patrol Employees' Retirement System</u>						
Required Contributions	\$ 210,167	\$ 204,955	\$ 206,563	\$ 199,609	\$ 200,639	\$ 183,354
Contributions in relation to the required contribution	\$ 210,167	\$ 204,955	\$ 206,563	\$ 199,609	\$ 200,639	\$ 183,354
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
State's covered payroll	\$ 362,748	\$ 353,751	\$ 356,515	\$ 344,635	\$ 342,265	\$ 336,591
Contributions as a percentage of covered payroll	58.00%	58.00%	58.00%	58.00%	58.62%	54.44%
<u>Missouri State Employees' Plan - Component Units</u>						
Required Contributions	\$ 64,387	\$ 63,533	\$ 58,246	\$ 57,219	\$ 57,081	\$ 56,087
Contributions in relation to the required contribution	\$ 64,387	\$ 63,533	\$ 58,246	\$ 57,219	\$ 57,081	\$ 56,087
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Component Unit's covered payroll	\$ 318,588	\$ 326,631	\$ 343,472	\$ 337,401	\$ 336,571	\$ 325,490
Contributions as a percentage of covered payroll	20.21%	19.45%	16.96%	16.96%	16.96%	17.23%
<u>University of Missouri Retirement System</u>						
Required Contributions	\$ 115,980	\$ 92,200	\$ 96,631	\$ 99,454	\$ 103,895	\$ 113,688
Contributions in relation to the required contribution	\$ 115,980	\$ 92,200	\$ 96,631	\$ 99,454	\$ 103,895	\$ 113,688
Contribution deficiency (excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
University's covered payroll	\$1,187,435	\$1,146,836	\$1,144,412	\$1,129,784	\$1,109,431	\$1,078,347
Contributions as a percentage of covered payroll	9.77%	8.04%	8.44%	8.80%	9.36%	10.54%

*After post-valuation adjustments.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedule:

Changes of benefit terms. Senate Bill 62 (SB 62), which contained changes to the benefit structure for Missouri State Employees' MSEP 2011 Plan and the Missouri Department of Transportation and Highway Patrol Employees' Retirement System Year 2000 Plan-2011 Tier, was passed by the 2017 legislature. The provisions of the bill decreased vesting from ten to five years of service, but also included provisions that essentially offset the cost of the vesting change. As a result, SB 62 had no impact on the employer contribution rate and created a decrease to the UAAL for the MSEP 2011 Plan of \$1.6 million.

Changes of assumptions.

For MOSERS: The board reduced the investment return assumption used in the June 30, 2018 valuation to 7.25%.

For MPERS: The board reduced the investment return assumption used in the June 30, 2018 valuation to 7.00%.

For MU: No changes in assumptions.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FISCAL YEARS 2018-2019
(In Thousands of Dollars)

	Missouri Department of Transportation and Highway Patrol Medical and Life Insurance Plan*		Conservation Employees' Benefits Plan*	
	2019	2018	2019	2018
Total OPEB Liability				
Service Cost	\$ 40,070	\$ 49,483	\$ 2,926	\$ 3,109
Interest	39,737	35,941	5,264	4,975
Differences Between Expected and Actual Experience	(1,907)	—	—	—
Changes of Assumptions or Other Inputs	(54,900)	(165,036)	10,144	(7,665)
Benefit Payments	(23,024)	(21,185)	(3,375)	(3,006)
Net Change in Total OPEB Liability	(24)	(100,797)	14,959	(2,587)
Total OPEB Liability - Beginning	1,121,399	1,222,196	134,757	137,344
Total OPEB Liability - Ending (a)	<u>\$1,121,375</u>	<u>\$ 1,121,399</u>	<u>\$149,716</u>	<u>\$134,757</u>
Covered-Employee Payroll	\$ 355,588	\$ 355,663	\$ 62,766	\$ 62,235
Total OPEB Liability as a Percentage of Covered-Employee Payroll	315.36%	315.30%	238.53%	216.53%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year. The measurement date is as of June 30, except the MSHP and MoDOT Medical and Life Insurance Plan which is based on a measurement date of July 1.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FISCAL YEARS 2018-2019
(In Thousands of Dollars)

	University of Missouri OPEB Plan*	
	2019	2018
Total OPEB Liability		
Service Cost	\$ 4,124	\$ 4,991
Interest on the Total OPEB Liability	18,248	17,434
Differences between Expected and Actual Experience	31,459	—
Changes in Assumptions	(17,565)	(18,998)
Benefit Payments, including member refunds	(23,206)	(22,828)
Net Change in Total Pension Liability	13,060	(19,401)
Total OPEB Liability - Beginning	479,006	498,407
Total OPEB Liability - Ending (a)	492,066	479,006
Plan Fiduciary Net Position		
Contributions - Employer	23,363	18,590
Contributions - Employee	17,378	16,480
Net Investment Income	1,469	790
Benefit Payments, including refunds of employee contributions	(40,584)	(35,031)
Other	(1)	(172)
Net Change in Plan Fiduciary Net Position	1,625	657
Plan Fiduciary Net Position - Beginning	36,801	36,144
Plan Fiduciary Net Position - Ending (b)	38,426	36,801
Net OPEB Liability - Ending (a) - (b)	<u>\$ 453,640</u>	<u>\$ 442,205</u>
 Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	7.81%	7.68%
Covered-Employee Payroll	\$ 677,089	\$ 721,517
Net OPEB Liability as a Percentage of Covered-Employee Payroll	67.00%	61.29%

*Based on a measurement date and actuarial valuation of the preceding fiscal year.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

STATE OF MISSOURI
SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
FISCAL YEARS 2018-2019
(In Thousands of Dollars)

	2019*	2018*
<u>Missouri Consolidated Health Care Plan</u>		
State's proportion of the collective net OPEB liability	99.59%	99.56%
State's proportionate share of the collective net OPEB liability	\$ 1,745,034	\$ 1,756,787
State's covered payroll	\$ 1,597,814	\$ 1,480,735
State's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	109.21%	118.64%
Plan fiduciary net position as a percentage of the total OPEB liability	6.90%	6.64%
<u>Missouri Consolidated Health Care Plan - CU</u>		
Component Unit's proportion of the collective net OPEB liability	0.05%	0.03%
Component Unit's proportionate share of the collective net OPEB liability	\$ 825	\$ 484
Component Unit's covered payroll	\$ 756	\$ 176
Component Unit's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	109.13%	275.00%
Plan fiduciary net position as a percentage of the total OPEB liability	6.90%	6.64%

*Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule is ultimately required to show information for ten years. However, until a full ten-year trend is compiled, only the years that information is available will be reported.

Notes to the Schedules:

Neither MHPML or CEIP have assets that are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Changes of benefit terms. There were no changes in benefit terms.

Changes of assumptions.

For MCHCP: The discount rate changed from 5.71% to 5.90%, in the June 30, 2018 valuation.

For CEIP: The discount rate changed from 3.87% to 3.50% in the June 30, 2018 valuation.

MHPML: The discount rate changed from 3.58% to 3.87% in the June 30, 2018 valuation.

For MU: Claims and trends from the Base and Buyup Medicare advantage plans were revised to reflect future expectations. Also, the discount rate used for the valuations was changed from 3.50% to 3.87% in the June 30, 2018 valuation.



Supplementary Information includes the Budgetary Comparison Schedule and Reconciliation for the Major Capital Projects Fund (Missouri Road Fund), as well as the Combining and Individual Fund Statements for the General Fund and all Non-Major Funds.

STATE OF MISSOURI
SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
MAJOR CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Missouri Road Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Beginning Budgetary Fund Balance	\$ 702,009	\$ 702,009	\$ 702,009	\$ —
Resources (Inflows):				
Taxes:				
Vehicle Sales and Use	191,102	191,102	173,255	(17,847)
Fuel	109	109	112	3
Total Taxes	191,211	191,211	173,367	(17,844)
Licenses, Fees, and Permits	90,179	90,179	105,997	15,818
Contributions and Intergovernmental	992,302	992,607	882,536	(110,071)
Interest	7,478	7,478	13,572	6,094
Cost Reimbursement/Miscellaneous	96,380	96,380	57,153	(39,227)
Transfers In	510,000	510,000	487,872	(22,128)
Total Resources (Inflows)	1,887,550	1,887,855	1,720,497	(167,358)
Amount Available for Appropriation	2,589,559	2,589,864	2,422,506	(167,358)
Charges to Appropriations (Outflows):				
Current:				
Transportation and Law Enforcement	924,618	945,513	840,886	104,627
Capital Outlay				
Transportation and Law Enforcement	891,142	911,281	810,441	100,840
Debt Service	110,607	113,107	100,591	12,516
Total Charges to Appropriations	1,926,367	1,969,901	1,751,918	217,983
Ending Budgetary Fund Balance	\$ 663,192	\$ 619,963	\$ 670,588	\$ 50,625
Reconciling Items:				
Reclassifying Cash Equivalents as Investments			(494,282)	
Investments at Fair Value			494,601	
Receivables, Net			115,155	
Inventories			32,865	
Accounts Payable			(102,798)	
Accrued Payroll			(17,619)	
Due to Other Funds			(660)	
Unearned Revenue			(4,848)	
Deferred Inflows of Resources			(15,522)	
Fund Balance - GAAP Basis			\$ 677,480	



The Combining and Individual Fund Statements

Major Funds

General Fund - Accounts for all current financial resources not required by law or administrative action to be accounted for in another fund.

Non-Major Funds

This includes all non-major governmental and enterprise funds, as well as the non-major component units. It also includes all internal service and fiduciary funds because the “major fund” classification, created under GASB Statement 34, does not apply to these funds.

A budgetary comparison statement is provided for all non-major governmental funds.

**STATE OF MISSOURI
BALANCE SHEET
GENERAL FUND
June 30, 2019
(In Thousands of Dollars)**

	General Fund		Totals
	General	Federal	June 30, 2019
ASSETS			
Cash and Cash Equivalents	\$ 669,484	\$ 123,999	\$ 793,483
Investments	1,003,516	192,596	1,196,112
Accounts Receivable, Net	1,538,785	996,584	2,535,369
Interest Receivable	7,765	71	7,836
Inventories	21,871	856	22,727
Loans Receivable	24,816	—	24,816
Total Assets	<u>\$ 3,266,237</u>	<u>\$ 1,314,106</u>	<u>\$ 4,580,343</u>
LIABILITIES			
Accounts Payable	\$ 566,135	\$ 639,389	\$ 1,205,524
Accrued Payroll	51,085	10,433	61,518
Due to Other Funds	2,123	1,986	4,109
Unearned Revenue	1,236	68,345	69,581
Escheat/Unclaimed Property	117,792	—	117,792
Total Liabilities	<u>738,371</u>	<u>720,153</u>	<u>1,458,524</u>
DEFERRED INFLOWS OF RESOURCES	<u>953,874</u>	<u>40,622</u>	<u>994,496</u>
FUND BALANCES			
Nonspendable	46,687	856	47,543
Restricted	3,441	552,475	555,916
Committed	655,262	—	655,262
Assigned	98,635	—	98,635
Unassigned	769,967	—	769,967
Total Fund Balances	<u>1,573,992</u>	<u>553,331</u>	<u>2,127,323</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,266,237</u>	<u>\$ 1,314,106</u>	<u>\$ 4,580,343</u>

STATE OF MISSOURI
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	General Fund			Totals
	General	Federal	Eliminations	June 30, 2019
Revenues:				
Taxes	\$ 9,667,612	\$ 2	\$ —	\$ 9,667,614
Licenses, Fees, and Permits	95,128	478	—	95,606
Sales	473	13	—	486
Leases and Rentals	11	—	—	11
Services	4,021	116,129	—	120,150
Contributions and Intergovernmental	1,725,813	8,750,652	—	10,476,465
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	5,921	1,418	—	7,339
Interest	37,519	394	—	37,913
Penalties and Unclaimed Properties	66,582	5,179	—	71,761
Cost Reimbursement/Miscellaneous	104,013	179,731	—	283,744
Total Revenues	11,707,093	9,053,996	—	20,761,089
Expenditures:				
Current:				
General Government	660,411	26,532	—	686,943
Education	3,385,001	993,189	—	4,378,190
Natural and Economic Resources	56,494	199,554	—	256,048
Transportation and Law Enforcement	94,655	205,211	—	299,866
Human Services	5,865,728	7,512,273	—	13,378,001
Debt Service:				
Principal	79,842	553	—	80,395
Interest	30,105	40	—	30,145
Total Expenditures	10,172,236	8,937,352	—	19,109,588
Excess Revenues (Expenditures)	1,534,857	116,644	—	1,651,501
Other Financing Sources (Uses):				
Issuance of Notes/Capital Leases/ Financed Purchases	900	688	—	1,588
Sale of Capital Assets	195	737	—	932
Transfers In	243,861	146,278	(335,575)	54,564
Transfers Out	(1,420,036)	(193,017)	335,575	(1,277,478)
Total Other Financing Sources (Uses)	(1,175,080)	(45,314)	—	(1,220,394)
Net Change in Fund Balances	359,777	71,330	—	431,107
Fund Balances - Beginning	1,214,328	482,151	—	1,696,479
Increase (Decrease) in Reserve for Inventory	(113)	(150)	—	(263)
Fund Balances - Ending	\$ 1,573,992	\$ 553,331	\$ —	\$ 2,127,323

STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
June 30, 2019
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2019
ASSETS					
Cash and Cash Equivalents	\$ 148,145	\$ 21,048	\$ 20,814	\$ 1,200	\$ 191,207
Investments	235,009	54,620	49,967	59,420	399,016
Accounts Receivable, Net	162,435	17,249	—	—	179,684
Interest Receivable	844	379	387	1	1,611
Due from Other Funds	2,051	—	—	—	2,051
Inventories	4,426	—	—	—	4,426
Loans Receivable	3,405	—	—	—	3,405
Total Assets	<u>\$ 556,315</u>	<u>\$ 93,296</u>	<u>\$ 71,168</u>	<u>\$ 60,621</u>	<u>\$ 781,400</u>
LIABILITIES					
Accounts Payable	\$ 52,155	\$ —	\$ 10,577	\$ —	\$ 62,732
Accrued Payroll	12,260	—	—	—	12,260
Due to Other Funds	933	—	—	—	933
Total Liabilities	<u>65,348</u>	<u>—</u>	<u>10,577</u>	<u>—</u>	<u>75,925</u>
DEFERRED INFLOWS OF RESOURCES	<u>7,384</u>	<u>70</u>	<u>161</u>	<u>1</u>	<u>7,616</u>
FUND BALANCES					
Nonspendable	4,426	—	—	60,499	64,925
Restricted	200,380	93,226	60,430	—	354,036
Committed	31,696	—	—	—	31,696
Assigned	247,081	—	—	121	247,202
Total Fund Balances	<u>483,583</u>	<u>93,226</u>	<u>60,430</u>	<u>60,620</u>	<u>697,859</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 556,315</u>	<u>\$ 93,296</u>	<u>\$ 71,168</u>	<u>\$ 60,621</u>	<u>\$ 781,400</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Special Revenue	Debt Service	Capital Projects	Permanent	Totals June 30, 2019
Revenues:					
Taxes	\$ 919,583	\$ 177,857	\$ —	\$ —	\$ 1,097,440
Licenses, Fees, and Permits	423,040	—	—	—	423,040
Sales	1,309	—	—	—	1,309
Leases and Rentals	1	—	—	—	1
Services	1,099	—	—	—	1,099
Contributions and Intergovernmental	355,160	12,379	—	—	367,539
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	1,552	101	1,286	474	3,413
Interest	5,278	3,392	2,235	11	10,916
Penalties and Unclaimed Properties	6,762	—	—	2,501	9,263
Cost Reimbursement/Miscellaneous	62,313	—	—	—	62,313
Total Revenues	<u>1,776,097</u>	<u>193,729</u>	<u>3,521</u>	<u>2,986</u>	<u>1,976,333</u>
Expenditures:					
Current:					
General Government	239,857	—	35,279	—	275,136
Education	1,583	—	7,887	—	9,470
Natural and Economic Resources	249,190	—	845	—	250,035
Transportation and Law Enforcement	340,951	7	1,895	—	342,853
Human Services	666,723	—	8,468	2	675,193
Capital Outlay:					
General Government	—	—	1,242	—	1,242
Education	—	—	12	—	12
Natural and Economic Resources	—	—	629	—	629
Transportation and Law Enforcement	—	—	69	—	69
Human Services	—	—	32,605	—	32,605
Debt Service:					
Principal	678	162,245	4	—	162,927
Interest	202	93,644	351	—	94,197
Total Expenditures	<u>1,499,184</u>	<u>255,896</u>	<u>89,286</u>	<u>2</u>	<u>1,844,368</u>
Excess Revenues (Expenditures)	<u>276,913</u>	<u>(62,167)</u>	<u>(85,765)</u>	<u>2,984</u>	<u>131,965</u>
Other Financing Sources (Uses):					
Issuance of Notes/Capital Leases/Financed Purchases	24	—	—	—	24
Proceeds from Sale of Capital Assets	9,047	—	—	—	9,047
Transfers In	246,621	35,644	551	—	282,816
Transfers Out	(529,729)	—	—	—	(529,729)
Total Other Financing Sources (Uses)	<u>(274,037)</u>	<u>35,644</u>	<u>551</u>	<u>—</u>	<u>(237,842)</u>
Net Change in Fund Balances	2,876	(26,523)	(85,214)	2,984	(105,877)
Fund Balances - Beginning	479,955	119,749	145,644	57,636	802,984
Increase (Decrease) in Reserve for Inventory	752	—	—	—	752
Fund Balances - Ending	<u>\$ 483,583</u>	<u>\$ 93,226</u>	<u>\$ 60,430</u>	<u>\$ 60,620</u>	<u>\$ 697,859</u>



*The **Special Revenue Funds** account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The State has numerous individual Special Revenue Funds. Therefore, the funds have been combined into specific functional areas.*

Non-Major Special Revenue Funds:

Professional Registration - Provides for the control and regulation of various professions. Each profession has its own fund to account for its operation.

Judicial Protection and Assistance - Provides for protection of public employees by the Attorney General's Office, conviction of criminal offenders by prosecuting attorneys and assistance to victims of criminal offenses.

Agriculture and State Fair - Provides for inspections of products, market development, and awards for competition at the State Fair.

Social Assistance - Provides financial, health, and other services to qualifying individuals.

Transportation and Law Enforcement - Provides transportation services, road construction and maintenance, and the enforcement of vehicle laws and traffic safety.

Unemployment and Workers' Compensation - Provides for the administration of these laws and benefits to workers who qualify for workers' compensation.

Reimbursements and Other - Provides various reimbursements of costs to other governments and various regulatory commissions not included in other functional areas.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2019
ASSETS								
Cash and Cash								
Equivalents	\$ 20,067	\$ 13,175	\$ 4,231	\$ 25,891	\$ 33,891	\$ 16,801	\$ 34,089	\$ 148,145
Investments	31,417	20,629	7,569	40,464	55,187	26,388	53,355	235,009
Accounts Receivable, Net	—	1,405	147	5,026	128,086	25,368	2,403	162,435
Interest Receivable	—	58	25	172	275	111	203	844
Due from Other Funds	—	—	—	—	—	2,051	—	2,051
Inventories	26	18	16	50	3,942	—	374	4,426
Loans Receivable	—	—	2,245	—	1,160	—	—	3,405
Total Assets	<u>\$ 51,510</u>	<u>\$ 35,285</u>	<u>\$ 14,233</u>	<u>\$ 71,603</u>	<u>\$ 222,541</u>	<u>\$ 70,719</u>	<u>\$ 90,424</u>	<u>\$ 556,315</u>
LIABILITIES								
Accounts Payable	\$ 223	\$ 1,380	\$ 123	\$ 41,310	\$ 3,457	\$ 2,574	\$ 3,088	\$ 52,155
Accrued Payroll	254	437	325	394	7,796	470	2,584	12,260
Due to Other Funds	36	175	17	112	481	34	78	933
Total Liabilities	<u>513</u>	<u>1,992</u>	<u>465</u>	<u>41,816</u>	<u>11,734</u>	<u>3,078</u>	<u>5,750</u>	<u>65,348</u>
DEFERRED INFLOWS OF RESOURCES								
	<u>—</u>	<u>57</u>	<u>14</u>	<u>543</u>	<u>5,503</u>	<u>995</u>	<u>272</u>	<u>7,384</u>
FUND BALANCES								
Nonspendable	26	18	16	50	3,942	—	374	4,426
Restricted	—	25,042	4,030	20,499	31,182	66,646	52,981	200,380
Committed	16,035	1,000	564	4,851	862	—	8,384	31,696
Assigned	34,936	7,176	9,144	3,844	169,318	—	22,663	247,081
Total Fund Balances	<u>50,997</u>	<u>33,236</u>	<u>13,754</u>	<u>29,244</u>	<u>205,304</u>	<u>66,646</u>	<u>84,402</u>	<u>483,583</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,510</u>	<u>\$ 35,285</u>	<u>\$ 14,233</u>	<u>\$ 71,603</u>	<u>\$ 222,541</u>	<u>\$ 70,719</u>	<u>\$ 90,424</u>	<u>\$ 556,315</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Professional Registration	Judicial Protection and Assistance	Agriculture and State Fair	Social Assistance	Transportation and Law Enforcement	Unemployment and Workers' Compensation	Reimbursements and Other	Totals June 30, 2019
Revenues:								
Taxes	\$ 110	\$ —	\$ 4,512	\$ 94,602	\$ 703,688	\$ 116,457	\$ 214	\$ 919,583
Licenses, Fees, and Permits	19,334	32,937	10,830	22,976	227,128	1	109,834	423,040
Sales	—	—	5	1,003	—	—	301	1,309
Leases and Rentals	—	—	—	—	—	—	1	1
Services	—	1,098	—	—	—	—	1	1,099
Contributions and Intergovernmental	—	699	139	351,241	46	—	3,035	355,160
Investment Earnings:								
Net Increase (Decrease) in the Fair Value of Investments	211	157	(96)	232	510	176	362	1,552
Interest	—	382	282	979	1,613	667	1,355	5,278
Penalties and Unclaimed Properties	539	2,340	—	40	593	1,743	1,507	6,762
Cost Reimbursement/Miscellaneous	138	1,259	93	36,317	1,252	210	23,044	62,313
Total Revenues	<u>20,332</u>	<u>38,872</u>	<u>15,765</u>	<u>507,390</u>	<u>934,830</u>	<u>119,254</u>	<u>139,654</u>	<u>1,776,097</u>
Expenditures:								
Current:								
General Government	162	15,288	174	1,792	210,323	5,762	6,356	239,857
Education	69	—	—	1,462	—	52	—	1,583
Natural and Economic Resources	20,789	5,298	15,278	3,653	—	97,633	106,539	249,190
Transportation and Law Enforcement	—	23,862	—	3,988	263,411	—	49,690	340,951
Human Services	—	714	—	662,138	—	—	3,871	666,723
Debt Service:								
Principal	—	20	—	3	—	84	571	678
Interest	—	6	8	—	—	20	168	202
Total Expenditures	<u>21,020</u>	<u>45,188</u>	<u>15,460</u>	<u>673,036</u>	<u>473,734</u>	<u>103,551</u>	<u>167,195</u>	<u>1,499,184</u>
Excess Revenues (Expenditures)	<u>(688)</u>	<u>(6,316)</u>	<u>305</u>	<u>(165,646)</u>	<u>461,096</u>	<u>15,703</u>	<u>(27,541)</u>	<u>276,913</u>
Other Financing Sources (Uses):								
Issuance of Notes/Capital Leases/Financed Purchases	—	—	—	3	—	—	21	24
Proceeds from Sale of Capital Assets	6	16	18	—	8,959	2	46	9,047
Transfers In	22	1,388	53	190,314	744	2,602	51,498	246,621
Transfers Out	(410)	—	—	(14,038)	(488,217)	(1,250)	(25,814)	(529,729)
Total Other Financing Sources (Uses)	<u>(382)</u>	<u>1,404</u>	<u>71</u>	<u>176,279</u>	<u>(478,514)</u>	<u>1,354</u>	<u>25,751</u>	<u>(274,037)</u>
Net Change in								
Fund Balances	(1,070)	(4,912)	376	10,633	(17,418)	17,057	(1,790)	2,876
Fund Balances - Beginning	52,067	38,138	13,375	18,590	222,149	49,589	86,047	479,955
Increase (Decrease) in Reserve for Inventory	—	10	3	21	573	—	145	752
Fund Balances - Ending	<u>\$ 50,997</u>	<u>\$ 33,236</u>	<u>\$ 13,754</u>	<u>\$ 29,244</u>	<u>\$ 205,304</u>	<u>\$ 66,646</u>	<u>\$ 84,402</u>	<u>\$ 483,583</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Professional Registration			Judicial Protection and Assistance		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Cigarette	—	—	—	—	—	—
Fuel	—	—	—	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	103	110	7	—	—	—
Total Taxes	103	110	7	—	—	—
Licenses, Fees, and Permits	18,101	19,339	1,238	31,232	31,827	595
Sales	—	—	—	—	—	—
Leases and Rentals	—	—	—	—	—	—
Services	—	—	—	1,078	1,098	20
Contributions and Intergovernmental	—	—	—	2,226	2,268	42
Interest	—	—	—	371	378	7
Penalties and Unclaimed Property	505	539	34	2,199	2,241	42
Cost Reimbursement/ Miscellaneous	132	141	9	1,266	1,290	24
Total Revenues	18,841	20,129	1,288	38,372	39,102	730
Expenditures:						
Current:						
General Government	74	2	72	24,429	13,662	10,767
Education	150	70	80	—	—	—
Natural and Economic Resources	13,003	9,651	3,352	7,084	6,289	795
Transportation and Law Enforcement	—	—	—	35,250	24,522	10,728
Human Services	—	—	—	789	682	107
Debt Service:	—	—	—	—	—	—
Total Expenditures	13,227	9,723	3,504	67,552	45,155	22,397
Excess Revenues (Expenditures)	5,614	10,406	4,792	(29,180)	(6,053)	23,127
Other Financing Sources (Uses):						
Transfers In	329	16	(313)	5,561	4,403	(1,158)
Transfers Out	(14,716)	(11,642)	3,074	(4,695)	(3,931)	764
Total Other Financing Sources (Uses)	(14,387)	(11,626)	2,761	866	472	(394)
Net Change in Fund Balances	(8,773)	(1,220)	7,553	(28,314)	(5,581)	22,733
Fund Balances - Beginning	52,695	52,695	—	39,379	39,379	—
Fund Balances - Ending	\$ 43,922	\$ 51,475	\$ 7,553	\$ 11,065	\$ 33,798	\$ 22,733
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(31,408)			(20,623)	
Investments at Fair Value		31,417			20,629	
Receivables, Net		—			1,463	
Due from Other Funds		—			—	
Inventories		26			18	
Accounts Payable		(223)			(1,380)	
Accrued Payroll		(254)			(437)	
Due to Other Funds		(36)			(175)	
Deferred Inflows of Resources		—			(57)	
Fund Balance per GAAP		\$ 50,997			\$ 33,236	

Agriculture and State Fair			Social Assistance		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	41,275	39,097	(2,178)
—	—	—	—	—	—
—	—	—	—	—	—
4,581	4,512	(69)	—	—	—
—	—	—	66,143	62,653	(3,490)
4,581	4,512	(69)	107,418	101,750	(5,668)
10,970	10,804	(166)	24,422	23,134	(1,288)
5	5	—	1,058	1,002	(56)
—	—	—	—	—	—
—	—	—	—	—	—
177	174	(3)	377,999	358,055	(19,944)
153	151	(2)	1,002	949	(53)
—	—	—	14	13	(1)
136	134	(2)	40,447	38,313	(2,134)
16,022	15,780	(242)	552,360	523,216	(29,144)
480	239	241	5,226	3,379	1,847
—	—	—	3,186	2,020	1,166
14,852	11,163	3,689	6,946	3,618	3,328
—	—	—	5,538	3,384	2,154
—	—	—	527,441	492,679	34,762
—	—	—	4	3	1
15,332	11,402	3,930	548,341	505,083	43,258
690	4,378	3,688	4,019	18,133	14,114
25	18	(7)	268,570	200,622	(67,948)
(4,439)	(3,983)	456	(325,320)	(209,811)	115,509
(4,414)	(3,965)	449	(56,750)	(9,189)	47,561
(3,724)	413	4,137	(52,731)	8,944	61,675
9,702	9,702	—	57,379	57,379	—
\$ 5,978	\$ 10,115	\$ 4,137	\$ 4,648	\$ 66,323	\$ 61,675
	(5,884)			(40,432)	
	7,569			40,464	
	2,417			5,198	
	—			—	
	16			50	
	(123)			(41,310)	
	(325)			(394)	
	(17)			(112)	
	(14)			(543)	
	\$ 13,754			\$ 29,244	

This statement is continued on pages 164 - 165

	Transportation and Law Enforcement			Unemployment and Workers' Compensation		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes:						
Sales and Use	\$ 3,928	\$ 3,543	\$ (385)	\$ —	\$ —	\$ —
Cigarette	—	—	—	—	—	—
Fuel	817,253	737,149	(80,104)	—	—	—
County Foreign Insurance	—	—	—	—	—	—
Liquor/Wine	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	142,778	116,482	(26,296)
Total Taxes	821,181	740,692	(80,489)	142,778	116,482	(26,296)
Licenses, Fees, and Permits	248,015	223,687	(24,328)	1	1	—
Sales	9,468	8,540	(928)	—	—	—
Leases and Rentals	—	—	—	—	—	—
Services	—	—	—	—	—	—
Contributions and Intergovernmental	792	714	(78)	2,714	2,214	(500)
Interest	1,751	1,579	(172)	803	655	(148)
Penalties and Unclaimed Property	666	601	(65)	3,585	2,925	(660)
Cost Reimbursement/ Miscellaneous	1,942	1,771	(171)	530	432	(98)
Total Revenues	1,083,815	977,584	(106,231)	150,411	122,709	(27,702)
Expenditures:						
Current:						
General Government	231,835	217,229	14,606	22,479	7,059	15,420
Education	—	—	—	—	—	—
Natural and Economic Resources	—	—	—	145,257	106,556	38,701
Transportation and Law Enforcement	325,784	271,939	53,845	—	—	—
Human Services	—	—	—	—	—	—
Debt Service:	—	—	—	—	—	—
Total Expenditures	557,619	489,168	68,451	167,736	113,615	54,121
Excess Revenues (Expenditures)	526,196	488,416	(37,780)	(17,325)	9,094	26,419
Other Financing Sources (Uses):						
Transfers In	562,019	547,201	(14,818)	3	2	(1)
Transfers Out	(1,094,971)	(1,047,389)	47,582	(11,983)	(9,690)	2,293
Total Other Financing Sources (Uses)	(532,952)	(500,188)	32,764	(11,980)	(9,688)	2,292
Net Change in Fund Balances	(6,756)	(11,772)	(5,016)	(29,305)	(594)	28,711
Fund Balances - Beginning	97,123	97,123	—	43,776	43,776	—
Fund Balances - Ending	\$ 90,367	\$ 85,351	\$ (5,016)	\$ 14,471	\$ 43,182	\$ 28,711
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(51,460)			(26,381)	
Investments at Fair Value		55,187			26,388	
Receivables, Net		129,521			25,479	
Due from Other Funds		—			2,051	
Inventories		3,942			—	
Accounts Payable		(3,457)			(2,574)	
Accrued Payroll		(7,796)			(470)	
Due to Other Funds		(481)			(34)	
Deferred Inflows of Resources		(5,503)			(995)	
Fund Balance per GAAP		\$ 205,304			\$ 66,646	

This statement is continued from page 163.

Reimbursements and Other			Totals		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ 3,928	\$ 3,543	\$ (385)
—	—	—	41,275	39,097	(2,178)
—	—	—	817,253	737,149	(80,104)
165	167	2	165	167	2
—	—	—	4,581	4,512	(69)
—	—	—	209,024	179,245	(29,779)
165	167	2	1,076,226	963,713	(112,513)
108,739	109,834	1,095	441,480	418,626	(22,854)
320	323	3	10,851	9,870	(981)
1	1	—	1	1	—
1	1	—	1,079	1,099	20
3,145	3,177	32	387,053	366,602	(20,451)
1,330	1,343	13	5,410	5,055	(355)
1,493	1,508	15	8,462	7,827	(635)
22,251	22,475	224	66,704	64,556	(2,148)
137,445	138,829	1,384	1,997,266	1,837,349	(159,917)
11,598	5,850	5,748	296,121	247,420	48,701
—	—	—	3,336	2,090	1,246
103,433	88,590	14,843	290,575	225,867	64,708
50,766	42,588	8,178	417,338	342,433	74,905
5,241	3,265	1,976	533,471	496,626	36,845
25	13	12	29	16	13
171,063	140,306	30,757	1,540,870	1,314,452	226,418
(33,618)	(1,477)	32,141	456,396	522,897	66,501
85,937	71,527	(14,410)	922,444	823,789	(98,655)
(102,899)	(73,089)	29,810	(1,559,023)	(1,359,535)	199,488
(16,962)	(1,562)	15,400	(636,579)	(535,746)	100,833
(50,580)	(3,039)	47,541	(180,183)	(12,849)	167,334
90,420	90,420	—	390,474	390,474	—
\$ 39,840	\$ 87,381	\$ 47,541	\$ 210,291	\$ 377,625	\$ 167,334
	(53,292)			(229,480)	
	53,355			235,009	
	2,606			166,684	
	—			2,051	
	374			4,426	
	(3,088)			(52,155)	
	(2,584)			(12,260)	
	(78)			(933)	
	(272)			(7,384)	
	\$ 84,402			\$ 483,583	



*The **Debt Service Funds** account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.*

Debt Service Funds:

Water Pollution Control Bond and Interest - Accounts for moneys used to pay the principal of the Water Pollution Control Bonds and the interest thereon.

Fourth State Building Bond and Interest - Accounts for moneys used to pay the principal of the Fourth State Building Bonds and the interest thereon.

Stormwater Control Bond and Interest - Accounts for moneys used to pay the principal of the Stormwater Control Bonds and the interest thereon.

Fulton State Hospital Bond and Interest - Accounts for moneys used to pay the principal of the Fulton State Hospital Bonds and the interest thereon.

Missouri Road Bond - Accounts for moneys used to pay bonds issued by the Highway and Transportation Commission.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2019
ASSETS						
Cash and Cash Equivalents	\$ 3,716	\$ 2,995	\$ 534	\$ 3,701	\$ 10,102	\$ 21,048
Investments	8,922	7,190	1,281	8,884	28,343	54,620
Accounts Receivable, Net	—	—	—	—	17,249	17,249
Interest Receivable	57	47	8	56	211	379
Total Assets	<u>\$ 12,695</u>	<u>\$ 10,232</u>	<u>\$ 1,823</u>	<u>\$ 12,641</u>	<u>\$ 55,905</u>	<u>\$ 93,296</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 24</u>	<u>\$ 19</u>	<u>\$ 3</u>	<u>\$ 24</u>	<u>\$ —</u>	<u>\$ 70</u>
FUND BALANCES						
Restricted	<u>12,671</u>	<u>10,213</u>	<u>1,820</u>	<u>12,617</u>	<u>55,905</u>	<u>93,226</u>
Total Fund Balances	<u>12,671</u>	<u>10,213</u>	<u>1,820</u>	<u>12,617</u>	<u>55,905</u>	<u>93,226</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,695</u>	<u>\$ 10,232</u>	<u>\$ 1,823</u>	<u>\$ 12,641</u>	<u>\$ 55,905</u>	<u>\$ 93,296</u>

Note: There were no liabilities for fiscal year ended June 30, 2019.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest	Fourth State Building Bond and Interest	Stormwater Control Bond and Interest	Fulton State Hospital Bond and Interest	Missouri Road Bond	Totals June 30, 2019
Revenues:						
Taxes	\$ —	\$ —	\$ —	\$ —	\$ 177,857	\$ 177,857
Contributions and Intergovernmental	—	—	—	—	12,379	12,379
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	126	213	16	107	(361)	101
Interest	253	282	35	238	2,584	3,392
Total Revenues	379	495	51	345	192,459	193,729
Expenditures:						
Current:						
Transportation and Law Enforcement	—	—	—	—	7	7
Debt Service:						
Principal	12,295	24,855	1,425	5,095	118,575	162,245
Interest	2,282	1,073	358	7,252	82,679	93,644
Total Expenditures	14,577	25,928	1,783	12,347	201,261	255,896
Excess Revenues (Expenditures)	(14,198)	(25,433)	(1,732)	(12,002)	(8,802)	(62,167)
Other Financing Sources (Uses):						
Transfers In	12,134	9,556	1,758	12,196	—	35,644
Total Other Financing Sources (Uses)	12,134	9,556	1,758	12,196	—	35,644
Net Change in Fund Balances	(2,064)	(15,877)	26	194	(8,802)	(26,523)
Fund Balances - Beginning	14,735	26,090	1,794	12,423	64,707	119,749
Fund Balances - Ending	\$ 12,671	\$ 10,213	\$ 1,820	\$ 12,617	\$ 55,905	\$ 93,226

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL DEBT SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Water Pollution Control Bond and Interest			Fourth State Building Bond and Interest		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest	248	249	1	302	302	—
Total Revenues	248	249	1	302	302	—
Expenditures:						
Debt Service	14,577	14,577	—	25,928	25,928	—
Total Expenditures	14,577	14,577	—	25,928	25,928	—
Excess Revenues (Expenditures)	(14,329)	(14,328)	1	(25,626)	(25,626)	—
Other Financing Sources (Uses):						
Transfers In	12,380	12,134	(246)	9,875	9,556	(319)
Total Other Financing Sources (Uses)	12,380	12,134	(246)	9,875	9,556	(319)
Net Change in Fund Balances	(1,949)	(2,194)	(245)	(15,751)	(16,070)	(319)
Fund Balances - Beginning	14,822	14,822	—	26,247	26,247	—
Fund Balances - Ending	<u>\$ 12,873</u>	<u>\$ 12,628</u>	<u>\$ (245)</u>	<u>\$ 10,496</u>	<u>\$ 10,177</u>	<u>\$ (319)</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(8,912)			(7,182)	
Investments at Fair Value		8,922			7,190	
Receivables, Net		57			47	
Deferred Inflows of Resources		(24)			(19)	
Fund Balances - GAAP Basis		<u>\$ 12,671</u>			<u>\$ 10,213</u>	

Stormwater Control Bond and Interest			Fulton State Hospital Bond and Interest		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
33	34	1	229	228	(1)
33	34	1	229	228	(1)
1,783	1,783	—	12,347	12,347	—
1,783	1,783	—	12,347	12,347	—
(1,750)	(1,749)	1	(12,118)	(12,119)	(1)
1,780	1,758	(22)	12,346	12,196	(150)
1,780	1,758	(22)	12,346	12,196	(150)
30	9	(21)	228	77	(151)
1,805	1,805	—	12,498	12,498	—
\$ 1,835	\$ 1,814	\$ (21)	\$ 12,726	\$ 12,575	\$ (151)
	(1,280)			(8,874)	
	1,281			8,884	
	8			56	
	(3)			(24)	
	\$ 1,820			\$ 12,617	

This statement is continued on page 172.

	Missouri Road Bond			Totals		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Vehicle Sales and Use Tax	\$ 196,333	\$ 178,003	\$ (18,330)	\$ 196,333	\$ 178,003	\$ (18,330)
Interest	803	1,729	926	1,615	2,542	927
Total Revenues	197,136	179,732	(17,404)	197,948	180,545	(17,403)
Expenditures:						
Debt Service	188,906	188,848	58	243,541	243,483	58
Total Expenditures	188,906	188,848	58	243,541	243,483	58
Excess Revenues (Expenditures)	8,230	(9,116)	(17,346)	(45,593)	(62,938)	(17,345)
Other Financing Sources (Uses):						
Transfers In	—	—	—	36,381	35,644	(737)
Total Other Financing Sources (Uses)	—	—	—	36,381	35,644	(737)
Net Change in Fund Balances	8,230	(9,116)	(17,346)	(9,212)	(27,294)	(18,082)
Fund Balances - Beginning	47,543	47,543	—	102,915	102,915	—
Fund Balances - Ending	<u>\$ 55,773</u>	<u>\$ 38,427</u>	<u>\$ (17,346)</u>	<u>\$ 93,703</u>	<u>\$ 75,621</u>	<u>\$ (18,082)</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(28,325)			(54,573)	
Investments at Fair Value		28,343			54,620	
Receivables, Net		17,460			17,628	
Deferred Inflows of Resources		—			(70)	
Fund Balances - GAAP Basis		<u>\$ 55,905</u>			<u>\$ 93,226</u>	

This statement is continued from page 171.



*The **Capital Projects Funds** account for financial resources to be used for the acquisition or construction of major capital facilities.*

Non-Major Capital Projects Funds:

Board of Public Buildings - Accounts for bond sale proceeds to be used for renovating state buildings and structures.

Fulton State Hospital - Accounts for proceeds from the sale of bonds to be used for the completion of the design and construction of the replacement for Fulton State Hospital.

State Historical Society - Accounts for proceeds from the sale of bonds to be used for the design, acquisition, and construction of the building for the State Historical Society.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Board of Public Buildings	Fulton State Hospital	State Historical Society	Totals June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 15,065	\$ 2,922	\$ 2,827	\$ 20,814
Investments	36,167	7,014	6,786	49,967
Interest Receivable	255	69	63	387
Total Assets	<u>\$ 51,487</u>	<u>\$ 10,005</u>	<u>\$ 9,676</u>	<u>\$ 71,168</u>
LIABILITIES				
Accounts Payable	\$ 4,364	\$ 3,661	\$ 2,552	\$ 10,577
Total Liabilities	<u>4,364</u>	<u>3,661</u>	<u>2,552</u>	<u>10,577</u>
DEFERRED INFLOWS OF RESOURCES	<u>106</u>	<u>29</u>	<u>26</u>	<u>161</u>
FUND BALANCES				
Restricted	47,017	6,315	7,098	60,430
Total Fund Balances	<u>47,017</u>	<u>6,315</u>	<u>7,098</u>	<u>60,430</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 51,487</u>	<u>\$ 10,005</u>	<u>\$ 9,676</u>	<u>\$ 71,168</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Board of Public Buildings	Fulton State Hospital	State Historical Society	Totals June 30, 2019
Revenues:				
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	\$ 686	\$ 401	\$ 199	\$ 1,286
Interest	1,273	580	382	2,235
Total Revenues	1,959	981	581	3,521
Expenditures:				
Current:				
General Government	17,392	—	17,887	35,279
Education	7,887	—	—	7,887
Natural and Economic Resources	845	—	—	845
Transportation and Law Enforcement	1,895	—	—	1,895
Human Services	3,186	5,282	—	8,468
Capital Outlay:				
General Government	1,242	—	—	1,242
Education	12	—	—	12
Natural and Economic Resources	629	—	—	629
Transportation and Law Enforcement	69	—	—	69
Human Services	146	32,459	—	32,605
Debt Service:				
Principal	4	—	—	4
Interest	351	—	—	351
Total Expenditures	33,658	37,741	17,887	89,286
Excess Revenues (Expenditures)	(31,699)	(36,760)	(17,306)	(85,765)
Other Financing Sources (Uses):				
Transfers In	551	—	—	551
Total Other Financing Sources (Uses)	551	—	—	551
Net Change in Fund Balances	(31,148)	(36,760)	(17,306)	(85,214)
Fund Balances - Beginning	78,165	43,075	24,404	145,644
Fund Balances - Ending	\$ 47,017	\$ 6,315	\$ 7,098	\$ 60,430

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NON-MAJOR CAPITAL PROJECT FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Board of Public Buildings			Fulton State Hospital		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Interest	\$ 1,264	\$ 1,264	\$ —	\$ 647	\$ 647	\$ —
Total Revenues	1,264	1,264	—	647	647	—
Expenditures:						
Current:						
General Government	15,496	15,474	22	—	—	—
Education	7,887	7,887	—	—	—	—
Natural and Economic Resources	1,109	1,109	—	—	—	—
Transportation and Law Enforcement	2,418	2,418	—	—	—	—
Human Services	3,800	3,800	—	5,178	5,178	—
Capital Outlays:						
General Government	1,321	1,319	2	—	—	—
Education	24	24	—	—	—	—
Natural and Economic Resources	629	629	—	—	—	—
Transportation and Law Enforcement	94	94	—	—	—	—
Human Services	212	212	—	35,940	35,940	—
Debt Service:	351	350	1	—	—	—
Total Expenditures	33,341	33,316	25	41,118	41,118	—
Excess Revenues (Expenditures)	(32,077)	(32,052)	25	(40,471)	(40,471)	—
Other Financing Sources (Uses):						
Transfers In	551	551	—	—	—	—
Total Other Financing Sources (Uses)	551	551	—	—	—	—
Net Changes in Fund Balances	(31,526)	(31,501)	25	(40,471)	(40,471)	—
Fund Balances - Beginning	82,693	82,693	—	50,400	50,400	—
Fund Balances - Ending	\$ 51,167	\$ 51,192	\$ 25	\$ 9,929	\$ 9,929	\$ —
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(36,127)			(7,007)	
Investments at Fair Value		36,167			7,014	
Receivables, Net		255			69	
Account Payable		(4,364)			(3,661)	
Deferred Inflows of Resources		(106)			(29)	
Fund Balance - GAAP Basis		\$ 47,017			\$ 6,315	

State Historical Society			Total		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 397	\$ 396	\$ (1)	\$ 2,308	\$ 2,307	\$ (1)
397	396	(1)	2,308	2,307	(1)
15,334	15,334	—	30,830	30,808	22
—	—	—	7,887	7,887	—
—	—	—	1,109	1,109	—
—	—	—	2,418	2,418	—
—	—	—	8,978	8,978	—
—	—	—	1,321	1,319	2
—	—	—	24	24	—
—	—	—	629	629	—
—	—	—	94	94	—
—	—	—	36,152	36,152	—
—	—	—	351	350	1
15,334	15,334	—	89,793	89,768	25
(14,937)	(14,938)	(1)	(87,485)	(87,461)	24
—	—	—	551	551	—
—	—	—	551	551	—
(14,937)	(14,938)	(1)	(86,934)	(86,910)	24
24,544	24,544	—	157,637	157,637	—
\$ 9,607	\$ 9,606	\$ (1)	\$ 70,703	\$ 70,727	\$ 24
	(6,779)			(49,913)	
	6,786			49,967	
	63			387	
	(2,552)			(10,577)	
	(26)			(161)	
	\$ 7,098			\$ 60,430	



*The **Permanent Funds** account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs.*

Permanent Funds:

Arrow Rock State Historic Site Endowment - Accounts for moneys transferred from the State Parks Earnings Fund, as well as other moneys or property received by grant, gift, donation, or bequest specified for the enhancement of the Arrow Rock State Historic Site.

Confederate Memorial Park - Accounts for the income from investments acquired by gifts, donations, and bequests to be used for the maintenance of the Confederate Memorial Park.

State Public School - Accounts for all moneys, bonds, lands, and other properties belonging to or donated to the State for public school use in establishing and maintaining free public schools.

Smith Memorial Endowment Trust - Accounts for moneys bequeathed for the use and benefit of the Crippled Children's Service.

**STATE OF MISSOURI
COMBINING BALANCE SHEET
PERMANENT FUNDS
June 30, 2019
(In Thousands of Dollars)**

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2019
ASSETS					
Cash and Cash Equivalents	\$ 12	\$ 72	\$ 969	\$ 147	\$ 1,200
Investments	18	112	59,060	230	59,420
Interest Receivable	—	—	—	1	1
Total Assets	<u>\$ 30</u>	<u>\$ 184</u>	<u>\$ 60,029</u>	<u>\$ 378</u>	<u>\$ 60,621</u>
DEFERRED INFLOWS OF RESOURCES					
	—	—	—	1	1
FUND BALANCES					
Nonspendable	\$ 30	\$ 75	\$ 60,029	\$ 365	\$ 60,499
Assigned	—	109	—	12	121
Total Fund Balances	<u>30</u>	<u>184</u>	<u>60,029</u>	<u>377</u>	<u>60,620</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 30</u>	<u>\$ 184</u>	<u>\$ 60,029</u>	<u>\$ 378</u>	<u>\$ 60,621</u>

Note: There were no liabilities for the fiscal year ended June 30, 2019.

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
PERMANENT FUNDS

For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment	Confederate Memorial Park	State Public School	Smith Memorial Endowment Trust	Totals June 30, 2019
Revenues:					
Investment Earnings:					
Net Increase (Decrease) in the Fair Value of Investments	\$ —	\$ —	\$ 473	\$ 1	\$ 474
Interest	1	3	—	7	11
Penalties and Unclaimed Properties	—	—	2,501	—	2,501
Total Revenues	1	3	2,974	8	2,986
Expenditures:					
Human Services	—	—	—	2	2
Total Expenditures	—	—	—	2	2
Excess Revenues (Expenditures)	1	3	2,974	6	2,984
Net Change in Fund Balances	1	3	2,974	6	2,984
Fund Balances - Beginning	29	181	57,055	371	57,636
Fund Balances - Ending	\$ 30	\$ 184	\$ 60,029	\$ 377	\$ 60,620

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL PERMANENT FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Arrow Rock State Historic Site Endowment			Confederate Memorial Park		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Interest	\$ —	\$ 1	\$ 1	\$ 2	\$ 3	\$ 1
Penalties and Unclaimed Property	—	—	—	—	—	—
Reimbursement/Miscellaneous	—	—	—	—	—	—
Total Revenues	—	1	1	2	3	1
Expenditures:						
Current:						
Human Services	—	—	—	—	—	—
Total Expenditures	—	—	—	—	—	—
Excess Revenues (Expenditures)	—	1	1	2	3	1
Other Financing Sources (Uses):						
Transfers In	—	—	—	—	—	—
Total Other Financing Sources (Uses)	—	—	—	—	—	—
Net Changes in Fund Balances	—	1	1	2	3	1
Fund Balances - Beginning	29	29	—	181	181	—
Fund Balances - Ending	<u>\$ 29</u>	<u>\$ 30</u>	<u>\$ 1</u>	<u>\$ 183</u>	<u>\$ 184</u>	<u>\$ 1</u>
Reconciling Items:						
Reclassifying Cash Equivalents as Investments		(18)			(112)	
Investments at Fair Value		18			112	
Receivable, Net		—			—	
Deferred Inflows of Resources		—			—	
Fund Balance - GAAP Basis		<u>\$ 30</u>			<u>\$ 184</u>	

State Public School			Smith Memorial Endowment Trust		
Budget	Actual	Variance	Budget	Actual	Variance
\$ —	\$ —	\$ —	\$ 4	\$ 7	\$ 3
—	49	49	—	—	—
—	959	959	—	—	—
—	1,008	1,008	4	7	3
—	—	—	10	2	8
—	—	—	10	2	8
—	1,008	1,008	(6)	5	11
—	2,453	2,453	—	—	—
—	2,453	2,453	—	—	—
—	3,461	3,461	(6)	5	11
45,856	45,856	—	372	372	—
<u>\$ 45,856</u>	<u>\$ 49,317</u>	<u>\$ 3,461</u>	<u>\$ 366</u>	<u>\$ 377</u>	<u>\$ 11</u>
	(48,348)			(230)	
	59,060			230	
	—			1	
	\$ —			(1)	
	<u>\$ 60,029</u>			<u>\$ 377</u>	

This statement is continued on page 185.

	Totals		
	Budget	Actual	Variance
Revenues:			
Interest	\$ 6	\$ 11	\$ 5
Penalties and Unclaimed Property	—	49	49
Reimbursement/Miscellaneous	—	959	959
Total Revenues	6	1,019	1,013
Expenditures:			
Current:			
Human Services	10	2	8
Total Expenditures	10	2	8
Excess Revenues (Expenditures)	(4)	1,017	1,021
Other Financing Sources (Uses):			
Transfers In	—	2,453	2,453
Total Other Financing Sources (Uses)	—	2,453	2,453
Net Changes in Fund Balances	(4)	3,470	3,474
Fund Balances - Beginning	46,438	46,438	—
Fund Balances - Ending	<u>\$ 46,434</u>	<u>\$ 49,908</u>	<u>\$ 3,474</u>
Reconciling Items:			
Reclassifying Cash Equivalents as Investments		(48,708)	
Investments at Fair Value		59,420	
Receivable, Net		1	
Deferred Inflows of Resources		(1)	
Fund Balance - GAAP Basis		<u>\$ 60,620</u>	

This statement is continued from page 184.



*The **Enterprise Funds** account for operations that are financed and operated in a manner similar to private business enterprises.*

Non-Major Enterprise Funds:

State Fair Fees - Accounts for the fairground admission fees used to improve the grounds and to pay the operating costs of the State Fair.

State Parks - Accounts for park concessions and contributions which are used to acquire and operate state parks.

Natural Resources Revolving Services - Accounts for moneys received from the delivery of services and the sale or resale of maps, plats, reports, studies, records, and other publications and documents.

Historic Preservation Revolving - Accounts for gifts, grants, and contributions used to acquire, preserve, restore, maintain, or operate any historical properties.

Missouri Veterans' Homes - Accounts for fees to provide services for persons confined to one of the veterans' homes.

State Agency for Surplus Property - Accounts for the surplus property operation.

Department of Revenue Information - Accounts for fees received by the Department of Revenue for publications and used to pay the costs of providing this information.

Inmate Canteen - Accounts for sales of the canteen or commissary which is used to improve offender recreational, religious, or education services.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2019
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 935	\$ 7,305	\$ 741
Investments	1,464	11,437	1,160
Accounts Receivable, Net	48	—	—
Interest Receivable	6	57	—
Due from Other Funds	1	—	201
Inventories	4	733	36
Loans Receivable	—	—	—
Total Current Assets	<u>2,458</u>	<u>19,532</u>	<u>2,138</u>
Non-Current Assets:			
Capital Assets:			
Construction in Progress	—	807	—
Software in Progress	—	—	—
Land	—	32,294	—
Land Improvements	173	49,813	—
Temporary Easements	—	50	—
Buildings	757	49,567	—
Equipment	546	14,457	17,452
Software	—	—	—
Less Accumulated Depreciation/Amortization	(920)	(39,586)	(10,851)
Total Non-Current Assets	<u>556</u>	<u>107,402</u>	<u>6,601</u>
Total Assets	<u>3,014</u>	<u>126,934</u>	<u>8,739</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>384</u>	<u>848</u>	<u>33</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	2	297	16
Accrued Payroll	22	52	2
Due to Other Funds	—	2	3
Unearned Revenue	—	—	—
Compensated Absences	1	120	2
Total Current Liabilities	<u>25</u>	<u>471</u>	<u>23</u>
Non-Current Liabilities:			
Compensated Absences	—	12	—
Asset Retirement Obligations	—	—	2
Net OPEB Liability	303	1,640	52
Net Pension Liability	952	3,567	127
Total Non-Current Liabilities	<u>1,255</u>	<u>5,219</u>	<u>181</u>
Total Liabilities	<u>1,280</u>	<u>5,690</u>	<u>204</u>
DEFERRED INFLOWS OF RESOURCES	<u>50</u>	<u>106</u>	<u>4</u>
NET POSITION			
Net Investment in Capital Assets	556	107,402	6,601
Unrestricted	1,512	14,584	1,963
Total Net Position	<u>\$ 2,068</u>	<u>\$ 121,986</u>	<u>\$ 8,564</u>

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency For Surplus Property	Department of Revenue Information	Inmate Canteen	Totals June 30, 2019
\$ 555	\$ 1,917	\$ 783	\$ 308	\$ 8,318	\$ 20,862
869	3,005	1,226	490	—	19,651
—	6,294	149	21	—	6,512
10	18	7	—	—	98
—	—	—	—	—	202
—	573	—	—	3,497	4,843
204	—	—	—	—	204
<u>1,638</u>	<u>11,807</u>	<u>2,165</u>	<u>819</u>	<u>11,815</u>	<u>52,372</u>
—	—	—	—	—	807
—	—	22	—	—	22
—	—	—	—	—	32,294
—	452	250	—	—	50,688
—	—	—	—	—	50
480	1,511	1,909	—	—	54,224
13	12,825	1,189	78	569	47,129
—	203	155	—	—	358
(238)	(8,413)	(2,407)	(78)	(33)	(62,526)
255	6,578	1,118	—	536	123,046
1,893	18,385	3,283	819	12,351	175,418
124	42,067	525	—	341	44,322
2	1,357	77	—	890	2,641
8	2,386	34	—	25	2,529
1	44	4	—	11	65
—	76	—	—	—	76
11	3,546	49	—	57	3,786
22	7,409	164	—	983	9,097
2	—	12	—	123	149
—	—	—	—	—	2
161	44,281	633	—	383	47,453
390	120,028	1,723	—	964	127,751
553	164,309	2,368	—	1,470	175,355
575	171,718	2,532	—	2,453	184,452
17	5,555	66	—	38	5,836
255	6,578	1,118	—	536	123,046
1,170	(123,399)	92	819	9,665	(93,594)
<u>\$ 1,425</u>	<u>\$ (116,821)</u>	<u>\$ 1,210</u>	<u>\$ 819</u>	<u>\$ 10,201</u>	<u>\$ 29,452</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Operating Revenues:			
Licenses, Fees, and Permits	\$ 3,828	\$ 6,548	\$ 64
Sales	—	1,154	137
Leases and Rentals	1,175	3,052	—
Charges for Services	—	—	—
Cost Reimbursement/Miscellaneous	1	—	5
Total Operating Revenues	<u>5,004</u>	<u>10,754</u>	<u>206</u>
Operating Expenses:			
Cost of Goods Sold	—	—	565
Personal Service	1,587	2,148	87
Operations	3,147	5,958	565
Specific Programs	9	17	—
Depreciation/Amortization	62	2,508	1,253
Other Charges	231	30	3
Total Operating Expenses	<u>5,036</u>	<u>10,661</u>	<u>2,473</u>
Operating Income (Loss)	<u>(32)</u>	<u>93</u>	<u>(2,267)</u>
Non-Operating Revenues (Expenses):			
Contributions and Intergovernmental	176	921	2,164
Investment Earnings:			
Net Increase (Decrease) in the			
Fair Value of Investments	8	62	6
Interest	39	347	—
Penalties and Unclaimed Properties	—	518	—
Disposal of Capital Assets	1	63	177
Total Non-Operating Revenues (Expenses)	<u>224</u>	<u>1,911</u>	<u>2,347</u>
Income (Loss) Before Transfers	192	2,004	80
Capital Contributions	—	173	—
Transfers In	—	—	—
Transfers Out	—	—	—
Change in Net Position	<u>192</u>	<u>2,177</u>	<u>80</u>
Total Net Position - Beginning	<u>1,876</u>	<u>119,809</u>	<u>8,484</u>
Total Net Position - Ending	<u>\$ 2,068</u>	<u>\$ 121,986</u>	<u>\$ 8,564</u>

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency For Surplus Property	Department of Revenue Information	Inmate Canteen	Totals June 30, 2019
\$ 4	\$ —	\$ —	\$ —	\$ —	\$ 10,444
—	369	1,602	702	29,551	33,515
—	—	—	—	—	4,227
—	21,662	—	—	—	21,662
—	—	90	2	—	98
<u>4</u>	<u>22,031</u>	<u>1,692</u>	<u>704</u>	<u>29,551</u>	<u>69,946</u>
—	—	917	—	20,503	21,985
295	101,754	1,285	—	960	108,116
57	20,673	370	9	6,363	37,142
162	1,370	—	—	—	1,558
10	1,227	144	—	33	5,237
8	151	6	—	679	1,108
<u>532</u>	<u>125,175</u>	<u>2,722</u>	<u>9</u>	<u>28,538</u>	<u>175,146</u>
(528)	(103,144)	(1,030)	695	1,013	(105,200)
—	72,590	—	—	—	75,851
7	8	9	4	—	104
27	91	46	—	—	550
—	16	—	—	—	534
—	(46)	130	—	3	328
<u>34</u>	<u>72,659</u>	<u>185</u>	<u>4</u>	<u>3</u>	<u>77,367</u>
(494)	(30,485)	(845)	699	1,016	(27,833)
—	—	—	—	—	173
141	16,424	—	—	—	16,565
—	—	(30)	(712)	—	(742)
<u>(353)</u>	<u>(14,061)</u>	<u>(875)</u>	<u>(13)</u>	<u>1,016</u>	<u>(11,837)</u>
1,778	(102,760)	2,085	832	9,185	41,289
<u>\$ 1,425</u>	<u>\$ (116,821)</u>	<u>\$ 1,210</u>	<u>\$ 819</u>	<u>\$ 10,201</u>	<u>\$ 29,452</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	State Fair Fees	State Parks	Natural Resources Revolving Services
Cash Flows from Operating Activities:			
Receipts from Internal Customers and Users	\$ 64	\$ —	\$ 201
Receipts from External Customers and Users	4,935	10,236	—
Payments to Suppliers	(3,165)	(5,813)	(839)
Payments to Employees	(1,499)	(1,880)	(75)
Payments Made for Program Expense	(9)	(17)	—
Other Receipts	1	—	5
Other Payments	(231)	(30)	(3)
Net Cash Provided (Used) by Operating Activities	<u>96</u>	<u>2,496</u>	<u>(711)</u>
Cash Flows from Non-Capital Financing Activities:			
Loans Made to Outside Entities	—	—	—
Due to Other Funds	(4)	(3)	—
Due from Other Funds	—	—	178
Contributions and Intergovernmental	176	921	2,164
Transfers to Other Funds	—	—	—
Transfers from Other Funds	—	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>172</u>	<u>918</u>	<u>2,342</u>
Cash Flows from Capital and Related Financing Activities:			
Purchases and Construction of Capital Assets	(3)	(789)	(1,318)
Disposal of Capital Assets	—	—	—
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3)</u>	<u>(789)</u>	<u>(1,318)</u>
Cash Flows from Investing Activities:			
Proceeds from Investment Maturities	—	—	—
Purchase of Investments	(130)	(1,712)	(149)
Interest and Dividends Received	38	326	—
Penalties and Other Receipts	—	518	—
Net Cash Provided (Used) by Investing Activities	<u>(92)</u>	<u>(868)</u>	<u>(149)</u>
Net Increase (Decrease) in Cash	173	1,757	164
Cash and Cash Equivalents, Beginning of Year	762	5,548	577
Cash and Cash Equivalents, End of Year	<u>\$ 935</u>	<u>\$ 7,305</u>	<u>\$ 741</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ (32)	\$ 93	\$ (2,267)
Depreciation/Amortization Expense	62	2,508	1,253
Changes in Assets and Liabilities:			
Accounts Receivable	(4)	—	—
Inventories	—	(9)	315
Deferred Outflows of Resources	(18)	168	3
Accounts Payable	(18)	154	(24)
Accrued Payroll	(29)	11	1
Unearned Revenue	—	(518)	—
Compensated Absences	(42)	4	2
Net OPEB Liability	(4)	(6)	—
Net Pension Liability	151	45	4
Deferred Inflows of Resources	30	46	2
Net Cash Provided (Used) by Operating Activities	<u>\$ 96</u>	<u>\$ 2,496</u>	<u>\$ (711)</u>
Non-Cash Financing and Investing Activities:			
Capital Asset Donations	\$ —	\$ 173	\$ —
Increase (Decrease) in Fair Value of Investments	8	62	6
Net Non-Cash Financing and Investing Activities	<u>\$ 8</u>	<u>\$ 235</u>	<u>\$ 6</u>

Historic Preservation Revolving	Missouri Veterans' Homes	State Agency for Surplus Property	Department of Revenue Information	Inmate Canteen	Totals June 30, 2019
\$ —	\$ 1	\$ 435	\$ —	\$ —	\$ 701
4	22,363	1,089	697	29,551	68,875
(57)	(21,094)	(1,336)	(9)	(27,186)	(59,499)
(238)	(85,110)	(1,088)	—	(906)	(90,796)
(162)	(1,370)	—	—	—	(1,558)
—	—	90	2	—	98
(8)	(151)	(6)	—	(679)	(1,108)
(461)	(85,361)	(816)	690	780	(83,287)
18	—	—	—	—	18
1	(29)	2	—	11	(22)
—	—	—	—	—	178
—	72,574	—	—	—	75,835
—	—	(30)	(712)	—	(742)
141	16,424	—	—	—	16,565
160	88,969	(28)	(712)	11	91,832
—	(898)	—	—	(566)	(3,574)
—	—	105	—	—	105
—	(898)	105	—	(566)	(3,469)
211	—	307	34	—	552
—	(1,687)	—	—	—	(3,678)
29	83	45	—	—	521
—	16	—	—	—	534
240	(1,588)	352	34	—	(2,071)
(61)	1,122	(387)	12	225	3,005
616	795	1,170	296	8,093	17,857
\$ 555	\$ 1,917	\$ 783	\$ 308	\$ 8,318	\$ 20,862
\$ (528)	\$ (103,144)	\$ (1,030)	\$ 695	\$ 1,013	\$ (105,200)
10	1,227	144	—	33	5,237
—	343	(78)	(5)	—	256
—	(47)	—	—	159	418
31	3,899	24	—	(34)	4,073
—	(374)	(49)	—	(479)	(790)
1	156	8	—	(1)	147
—	(10)	—	—	—	(528)
3	63	6	—	1	37
(1)	(370)	(4)	—	(3)	(388)
15	9,930	128	—	70	10,343
8	2,966	35	—	21	3,108
\$ (461)	\$ (85,361)	\$ (816)	\$ 690	\$ 780	\$ (83,287)
\$ —	\$ 16	\$ —	\$ —	\$ —	\$ 189
7	8	9	4	—	104
\$ 7	\$ 24	\$ 9	\$ 4	\$ —	\$ 293



*The **Internal Service Funds** account for the financing of goods or services provided by one department or agency to other departments or agencies of the State on a cost-reimbursement basis.*

Internal Service Funds:

Natural Resources Cost Allocation - Accounts for the administrative costs of the Department of Natural Resources.

Mental Health Interagency Payments - Accounts for moneys received through interagency agreements for services provided by other agencies.

State Facility Maintenance and Operation - Accounts for moneys collected from tenants for rent to cover the costs of operations in state-owned office buildings and institutions, charges to tenants in leased space to cover costs of real estate administrative services, and charges to capital improvement projects to cover the costs of project management services.

Office of Administration Revolving - Accounts for the following operations: printing services, flight operations, vehicle management, garage services, data processing and telecommunication services, building and grounds, insurance services, postage, and personnel administration.

Working Capital Revolving - Accounts for the operation of correctional industry programs and correctional farm programs.

General Government Revolving - Accounts for various service operations of the House of Representatives, Supreme Court, Adjutant General, Senate, Treasurer, and Department of Corrections.

Social Services Administrative Trust - Accounts for moneys transferred or paid to the Department of Social Services from any governmental entity or the public for goods and services provided.

Economic Development Administrative - Accounts for moneys collected for goods and services provided to other divisions and used to pay the cost of providing such services.

Professional Registration Fees - Accounts for moneys received from the professional boards for administrative services.

Conservation Employees' Insurance Plan - Accounts for health insurance coverage on a self-insured basis and life insurance coverage by a third party provider for Department of Conservation employees.

Transportation Self-Insurance Plan - Accounts for highway and highway patrol moneys used to pay workers' compensation claims. Moneys are also used to pay auto claims against the Department of Transportation.

Missouri State Employees' Insurance Plan - Accounts for long-term disability and death benefits provided on a self-insured basis for state employees.

Missouri Consolidated Health Care Plan - Accounts for medical care benefits provided on a self-insured basis for active state employees.

MoDOT and MSHP Medical and Life Insurance Plan - Accounts for the medical coverage provided on a self-insured basis and death benefits provided on an insured basis to Department of Transportation employees and members of the Missouri State Highway Patrol.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2019
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 326	\$ 60	\$ 1,971	\$ 6,003	\$ 5,762	\$ 1,383
Investments	510	93	3,085	11,081	9,020	2,164
Restricted:						
Investments	—	—	—	—	—	—
Accounts Receivable, Net	—	—	—	4,488	937	49,782
Interest Receivable	—	—	—	30	—	—
Due from Other Funds	—	82	29	5,689	213	4
Inventories	—	—	300	1,699	7,680	—
Prepaid Items	—	—	—	—	—	—
Total Current Assets	836	235	5,385	28,990	23,612	53,333
Non-Current Assets:						
Investments	—	—	—	—	—	—
Restricted Assets:						
Cash and Cash Equivalents	—	—	—	1,087	—	—
Investments	—	—	—	—	—	—
Capital Assets:						
Construction in Progress	—	—	189	—	37	—
Software in Progress	669	—	—	669	—	—
Land	—	—	8,293	—	41	—
Land Improvements	—	—	3,592	—	—	—
Buildings	221	—	481,889	2,915	6,432	—
Equipment	4,073	952	13,936	92,984	18,772	356
Software	3,972	603	98	25,369	238	9,467
Less Accumulated Depreciation/Amortization	(6,715)	(1,551)	(236,942)	(94,901)	(22,948)	(9,757)
Total Non-Current Assets	2,220	4	271,055	28,123	2,572	66
Total Assets	3,056	239	276,440	57,113	26,184	53,399
DEFERRED OUTFLOWS OF RESOURCES	5,419	—	15,716	8,941	4,894	77
LIABILITIES						
Current Liabilities:						
Bank Overdraft	—	—	—	—	—	—
Accounts Payable	193	4	630	920	68	676
Accrued Payroll	288	—	827	462	247	2
Due to Other Funds	56	—	95	—	—	67
Unearned Revenue	—	—	—	51	—	—
Claims Liability	—	—	—	—	—	—
Obligations under Financed Purchases	98	—	—	6,438	—	—
Obligations under Lease Purchase	1	—	1,821	87	19	—
Compensated Absences	479	—	1,606	869	528	1
Total Current Liabilities	1,115	4	4,979	8,827	862	746
Non-Current Liabilities:						
Claims Liability	—	—	—	—	—	—
Obligations under Financed Purchases	38	—	—	9,980	—	—
Obligations under Lease Purchase	4	—	23,848	375	84	—
Compensated Absences	187	—	209	180	—	—
Net OPEB Liability	6,714	—	21,886	9,406	6,644	837
Net Pension Liability	17,339	—	50,002	27,515	17,546	1,557
Total Non-Current Liabilities	24,282	—	95,945	47,456	24,274	2,394
Total Liabilities	25,397	4	100,924	56,283	25,136	3,140
DEFERRED INFLOWS OF RESOURCES	712	—	2,053	1,170	638	12
NET POSITION						
Net Investment in Capital Assets	2,079	4	245,386	10,156	2,469	66
Restricted for:						
Other Purposes	—	—	—	1,059	—	—
Unrestricted	(19,713)	231	(56,207)	(2,614)	2,835	50,258
Total Net Position	\$ (17,634)	\$ 235	\$ 189,179	\$ 8,601	\$ 5,304	\$ 50,324

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2019
\$ 17 26	\$ 67 106	\$ 253 396	\$ 1,964 10,112	\$ 4,330 20,675	\$ — 6,467	\$ 53,849 —	\$ 16,440 5,730	\$ 92,425 69,465
—	—	—	—	—	—	—	100	100
—	—	—	820	154	958	16,105	2,486	75,730
—	—	—	31	300	—	—	116	477
105	—	—	—	—	—	—	—	6,122
95	2	12	—	—	—	—	—	9,788
—	—	—	—	—	—	397	—	397
243	175	661	12,927	25,459	7,425	70,351	24,872	254,504
—	—	—	—	86,357	—	—	34,226	120,583
—	—	—	—	—	—	—	—	1,087
—	—	—	—	200	—	—	—	200
—	—	—	—	—	—	—	—	226
—	—	250	—	—	—	—	—	1,588
—	—	—	—	—	—	—	—	8,334
—	—	—	—	—	—	—	—	3,592
—	—	2,355	—	—	—	—	—	493,812
86	166	942	—	—	—	2,153	—	134,420
—	9	300	—	—	—	—	—	40,056
(67)	(166)	(2,584)	—	—	—	(1,933)	—	(377,564)
19	9	1,263	—	86,557	—	220	34,226	426,334
262	184	1,924	12,927	112,016	7,425	70,571	59,098	680,838
—	724	3,033	—	—	—	2,304	—	41,108
—	—	—	—	—	2	—	—	2
57	8	119	39	33	5,346	12,638	2,450	23,181
—	22	168	—	—	—	—	—	2,016
—	1	14	—	—	—	—	—	233
—	—	—	42	—	2,008	17,088	9,317	28,506
—	—	—	2,929	23,894	—	42,820	9,600	79,243
—	—	—	—	—	—	—	—	6,536
—	—	5	—	—	—	—	—	1,933
—	45	260	—	—	—	7	—	3,795
57	76	566	3,010	23,927	7,356	72,553	21,367	145,445
—	—	—	—	51,352	—	—	—	51,352
—	—	—	—	—	—	—	—	10,018
—	—	22	—	—	—	—	—	24,333
—	2	67	—	—	—	220	—	865
—	983	3,386	—	—	—	—	—	49,856
—	2,766	9,153	—	—	—	8,362	—	134,240
—	3,751	12,628	—	51,352	—	8,582	—	270,664
57	3,827	13,194	3,010	75,279	7,356	81,135	21,367	416,109
—	102	392	—	—	—	364	—	5,443
19	9	1,236	—	—	—	220	—	261,644
—	—	—	—	200	—	—	100	1,359
186	(3,030)	(9,865)	9,917	36,537	69	(8,844)	37,631	37,391
\$ 205	\$ (3,021)	\$ (8,629)	\$ 9,917	\$ 36,737	\$ 69	\$ (8,624)	\$ 37,731	\$ 300,394

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
Operating Revenues:						
Employer Contributions	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Employee Contributions	—	—	—	—	—	—
Medicare Part D Subsidy	—	—	—	—	—	—
Licenses, Fees, and Permits	—	—	—	—	—	19,661
Sales	—	—	—	—	29,814	6
Leases and Rentals	—	—	64,374	—	172	3
Charges for Services	13,047	6,567	5,180	103,983	—	358
Cost Reimbursement/Miscellaneous	64	—	18	1,529	13	15
Total Operating Revenues	13,111	6,567	69,572	105,512	29,999	20,043
Operating Expenses:						
Cost of Goods Sold	—	—	—	10,845	11,229	—
Personal Service	12,035	—	37,149	20,396	11,654	265
Operations	2,509	4	33,761	59,745	4,392	7,120
Specific Programs	3	7,115	14	—	14	3,105
Insurance Benefits	—	—	—	—	—	—
Depreciation/Amortization	775	2	12,519	8,459	841	5
Other Charges	175	—	97	67	1,443	21
Total Operating Expenses	15,497	7,121	83,540	99,512	29,573	10,516
Operating Income (Loss)	(2,386)	(554)	(13,968)	6,000	426	9,527
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	50	—	—	—
Interest Expense	—	—	(852)	(273)	(3)	—
Investment Earnings:						
Net Increase (Decrease) in the Fair Value of Investments	3	4	21	51	54	13
Interest	—	—	—	156	—	—
Disposal of Capital Assets	(9)	(2)	(15)	56	2	7
Total Non-Operating Revenues (Expenses)	(6)	2	(796)	(10)	53	20
Income (Loss) Before Transfers	(2,392)	(552)	(14,764)	5,990	479	9,547
Transfers In	—	—	43	—	—	—
Transfers Out	—	—	—	(2,823)	—	—
Change in Net Position	(2,392)	(552)	(14,721)	3,167	479	9,547
Total Net Position - Beginning	(15,242)	787	203,900	5,434	4,825	40,777
Total Net Position - Ending	\$ (17,634)	\$ 235	\$ 189,179	\$ 8,601	\$ 5,304	\$ 50,324

Social Services Administrative Trust Fund	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self- Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2019
\$ —	\$ —	\$ —	\$ 10,105	\$ 19,400	\$ —	\$ 400,007	\$ 94,207	\$ 523,719
—	—	—	8,458	—	31,343	76,138	47,665	163,604
—	—	—	40	—	—	—	7,144	7,184
—	—	—	—	—	—	—	—	19,661
—	—	—	—	—	—	—	—	29,820
—	—	—	—	—	—	—	—	64,549
955	1,164	7,985	—	—	—	—	—	139,239
9	7	6	2,827	380	495	39,033	2,559	46,955
964	1,171	7,991	21,430	19,780	31,838	515,178	151,575	994,731
—	—	—	—	—	—	—	—	22,074
—	1,375	7,153	—	—	400	3,683	—	94,110
915	204	1,637	2,246	1,057	101	1,259	6,259	121,209
—	2	4	—	—	—	—	—	10,257
—	—	—	17,481	11,399	31,343	489,425	128,612	678,260
16	6	179	—	—	—	110	—	22,912
—	7	68	20	—	—	10,110	—	12,008
931	1,594	9,041	19,747	12,456	31,844	504,587	134,871	960,830
33	(423)	(1,050)	1,683	7,324	(6)	10,591	16,704	33,901
1	—	—	—	—	—	—	—	51
—	—	(1)	—	—	—	—	—	(1,129)
—	1	2	224	2,219	—	—	751	3,343
—	—	—	221	2,310	121	1,171	1,004	4,983
—	—	(15)	—	—	—	—	—	24
1	1	(14)	445	4,529	121	1,171	1,755	7,272
34	(422)	(1,064)	2,128	11,853	115	11,762	18,459	41,173
—	—	14	—	—	—	—	—	57
—	—	(10)	—	—	—	—	—	(2,833)
34	(422)	(1,060)	2,128	11,853	115	11,762	18,459	38,397
171	(2,599)	(7,569)	7,789	24,884	(46)	(20,386)	19,272	261,997
\$ 205	\$ (3,021)	\$ (8,629)	\$ 9,917	\$ 36,737	\$ 69	\$ (8,624)	\$ 37,731	\$ 300,394

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Natural Resources Cost Allocation	Mental Health Interagency Payments	State Facility Maintenance and Operation	Office of Administration Revolving	Working Capital Revolving	General Government Revolving
Cash Flows from Operating Activities:						
Receipts from Internal Customers and Users	\$ 13,047	\$ 6,567	\$ 69,525	\$ 98,816	\$ 22,206	\$ 90
Receipts from External Customers and Users	—	—	29	4,374	7,414	10,654
Payments to Suppliers	(2,435)	(265)	(34,513)	(71,318)	(16,397)	(7,088)
Payments to Employees	(9,840)	—	(31,150)	(17,073)	(9,804)	(224)
Payments Made for Program Expense	(3)	(7,115)	(14)	—	(14)	(3,105)
Other Receipts	64	—	18	1,529	13	15
Other Payments	(175)	—	(97)	(67)	(1,443)	(21)
Net Cash Provided (Used) by Operating Activities	658	(813)	3,798	16,261	1,975	321
Cash Flows from Non-Capital Financing Activities:						
Due to Other Funds	(8)	—	7	—	—	(37)
Due from Other Funds	—	39	(4)	1,026	(114)	—
Due from Component Units	—	—	—	2	—	—
Contributions and Intergovernmental	—	—	50	—	—	—
Transfers to Other Funds	—	—	—	(2,823)	—	—
Transfers from Other Funds	—	—	43	—	—	—
Net Cash Provided (Used) by Non-Capital Financing Activities	(8)	39	96	(1,795)	(114)	(37)
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	—	—	(852)	(273)	(3)	—
Purchases and Construction of Capital Assets	(549)	—	(1,000)	(3,805)	(396)	—
Capital Lease Downpayment/Obligations	—	—	(1,757)	(84)	(19)	—
Financed Purchase Downpayment/Obligations	(90)	—	(602)	(4,762)	—	—
Disposal of Capital Assets	—	—	—	—	—	7
Net Cash Provided (Used) by Capital and Related Financing Activities	(639)	—	(4,211)	(8,924)	(418)	7
Cash Flows from Investing Activities:						
Proceeds from Sales and Investment Maturities	15	497	335	—	—	—
Purchase of Investments	—	—	—	(3,131)	(527)	(91)
Interest and Dividends Received	—	—	—	140	—	—
Investment Fees	—	—	—	—	—	—
Net Cash Provided (Used) by Investing Activities	15	497	335	(2,991)	(527)	(91)
Net Increase (Decrease) in Cash	26	(277)	18	2,551	916	200
Cash and Cash Equivalents, Beginning of Year	300	337	1,953	4,539	4,846	1,183
Cash and Cash Equivalents, End of Year	\$ 326	\$ 60	\$ 1,971	\$ 7,090	\$ 5,762	\$ 1,383
Reconciliation of Operating Income (Loss) of Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (2,386)	\$ (554)	\$ (13,968)	\$ 6,000	\$ 426	\$ 9,527
Depreciation/Amortization Expense	775	2	12,519	8,459	841	5
Changes in Assets and Liabilities:						
Accounts Receivable	—	—	—	(593)	(366)	(9,284)
Inventories	—	—	593	(401)	(779)	—
Deferred Outflows of Resources	(155)	—	1,115	724	307	19
Prepaid Items	—	—	—	—	—	—
Accounts Payable	74	(261)	(1,345)	(327)	3	32
Accrued Payroll	29	—	13	13	7	(1)
Unearned Revenue	—	—	—	(200)	—	—
Claims Liability	—	—	—	—	—	—
Compensated Absences	85	—	(33)	(76)	10	(5)
Net OPEB Liability	(50)	—	(136)	(78)	(43)	—
Net Pension Liability	1,859	—	3,930	2,114	1,222	21
Deferred Inflows of Resources	427	—	1,110	626	347	7
Net Cash Provided (Used) by Operating Activities	\$ 658	\$ (813)	\$ 3,798	\$ 16,261	\$ 1,975	\$ 321
Non-Cash Financing and Investing Activities:						
Capital Lease and Financed Purchase Issuance	\$ 226	\$ —	\$ —	\$ 15,639	\$ —	\$ —
Increase (Decrease) in Fair Value of Investments	3	4	21	51	54	13
Net Non-Cash Financing and Investing Activities	\$ 229	\$ 4	\$ 21	\$ 15,690	\$ 54	\$ 13

Social Services Administrative Trust	Economic Development Administrative	Professional Registration Fees	Conservation Employees' Insurance Plan	Transportation Self-Insurance Plan	Missouri State Employees' Insurance Plan	Missouri Consolidated Health Care Plan	MoDOT & MSHP Medical and Life Insurance Plan	Totals June 30, 2019
\$ 949	\$ 734	\$ —	\$ 10,099	\$ 19,446	\$ —	\$ 394,905	\$ 94,207	\$ 730,591
6	430	7,985	8,472	—	31,255	76,138	54,278	201,035
(965)	(211)	(1,730)	(2,482)	(1,057)	2,366	(9,092)	(5,288)	(150,475)
—	(1,055)	(6,018)	—	—	(400)	(2,830)	—	(78,394)
—	(2)	(4)	(17,684)	(17,597)	(31,343)	(492,742)	(131,512)	(701,135)
9	7	6	2,827	380	495	39,033	2,559	46,955
—	(7)	(68)	(20)	—	—	(10,110)	—	(12,008)
(1)	(104)	171	1,212	1,172	2,373	(4,698)	14,244	36,569
—	(3)	(4)	—	—	—	—	—	(45)
(52)	—	—	—	—	—	—	—	895
—	—	—	—	—	—	—	—	2
1	—	—	—	—	—	—	—	51
—	—	(10)	—	—	—	—	—	(2,833)
—	—	14	—	—	—	—	—	57
(51)	(3)	—	—	—	—	—	—	(1,873)
—	—	(1)	—	—	—	—	—	(1,129)
—	—	(158)	—	—	—	(43)	—	(5,951)
—	—	(6)	—	—	—	—	—	(1,866)
—	—	—	—	—	—	—	—	(5,454)
—	14	—	—	—	—	—	—	21
—	14	(165)	—	—	—	(43)	—	(14,379)
35	63	13	—	27,594	1,158,378	29,332	12,845	1,229,107
—	—	—	(752)	(33,412)	(1,160,872)	—	(23,885)	(1,222,670)
—	—	—	219	2,402	121	1,171	1,007	5,060
—	—	—	—	(101)	—	—	(32)	(133)
35	63	13	(533)	(3,517)	(2,373)	30,503	(10,065)	11,364
(17)	(30)	19	679	(2,345)	—	25,762	4,179	31,681
34	97	234	1,285	6,675	(2)	28,087	12,261	61,829
\$ 17	\$ 67	\$ 253	\$ 1,964	\$ 4,330	\$ (2)	\$ 53,849	\$ 16,440	\$ 93,510
\$ 33	\$ (423)	\$ (1,050)	\$ 1,683	\$ 7,324	\$ (6)	\$ 10,591	\$ 16,704	\$ 33,901
16	6	179	—	—	—	110	—	22,912
—	—	—	(26)	46	(13)	(2,179)	(111)	(12,526)
(32)	—	—	—	—	—	—	—	(619)
—	182	218	—	—	—	359	—	2,769
—	—	—	—	—	—	(201)	—	(201)
(18)	(7)	(93)	(236)	—	2,467	(7,632)	971	(6,372)
—	(13)	12	—	—	—	—	—	60
—	—	—	(6)	—	(75)	(2,923)	(420)	(3,624)
—	—	—	(203)	(6,198)	—	(3,317)	(2,900)	(12,618)
—	(31)	17	—	—	—	21	—	(12)
—	(6)	(26)	—	—	—	—	—	(339)
—	138	705	—	—	—	383	—	10,372
—	50	209	—	—	—	90	—	2,866
(1)	(104)	171	1,212	1,172	2,373	(4,698)	14,244	36,569
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 15,865
—	1	2	224	2,219	—	—	751	3,343
\$ —	\$ 1	\$ 2	\$ 224	\$ 2,219	\$ —	\$ —	\$ 751	\$ 19,208



*The **Fiduciary Funds** account for assets held by the State in a trustee or agent capacity.*

Pension (and Other Employee Benefit) Trust Funds:

Missouri State Employees' Retirement System:

Missouri State Employees' Plan - Accounts for retirement, survivor, and disability benefits paid to employees of the State who are not covered under another state-sponsored retirement plan.

Judicial Plan - Accounts for retirement, survivor, and disability benefits to judges in the State of Missouri.

Missouri Department of Transportation and Highway Patrol Employees' Retirement System - Accounts for retirement, survivor, and disability benefits paid to Department of Transportation employees and members of the Missouri State Highway Patrol.

Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust - Accounts for health and welfare benefits paid for the exclusive benefit of current and future retired employees of the State who are not covered under another state-sponsored other post-employment benefit plan.

Missouri State Public Employees' Deferred Compensation Incentive (IRC 401a) Plan - Accounts for retirement benefits paid to employees of the State.

Missouri State Public Employees' Deferred Compensation (IRC 457) Plan - Accounts for deposits from State employees, which are invested for the benefit of the employees until properly authorized to distribute.

Private-Purpose Trust Funds:

Alternative Care Trust - Accounts for all moneys received and spent by the Division of Family Services on behalf of children in their custody.

Johnson-Travis Memorial Trust - Accounts for all moneys, stocks, and securities given to the State by Miss Pansy Johnson or for the benefit of the Pansy Johnson-Travis Memorial State Gardens. Moneys will be used solely to establish, develop, and maintain the gardens.

Unclaimed Property - Accounts for moneys unpaid or unclaimed within one year after final settlement of any executor or administrator, assignee, sheriff or receiver and all unclaimed deposits, dividends, and interest of banks unable to locate the owners.

Agency Funds:

Social Security Contributions - Accounts for the receipt of contributions from various state funds for the State's share of social security contributions, which are due to the Federal Social Security Administration.

Missouri State Employees' Voluntary Life Insurance - Accounts for moneys withheld from employees' compensation for the contracts entered into with life insurance companies.

Program - Accounts for the receipt of various taxes, refundable deposits, and other moneys to be held until the State has the right or obligation to distribute them to various entities or individuals.

Institution - Accounts for deposits to various institutional accounts and other receipts held by the State until there is proper authorization to disburse them directly to others.

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
June 30, 2019
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2019
ASSETS							
Cash and Cash Equivalents	\$ 258,151	\$ 5,119	\$ 385	\$ 3,202	\$ 556	\$ 592	\$ 268,005
Investments at Fair Value	11,370,796	225,465	2,419,350	118,245	649,195	1,589,109	16,372,160
Invested Securities Lending Collateral	—	—	104,247	—	—	—	104,247
Receivables:							
Accounts Receivable	207,818	5,435	12,663	27,619	80	200	253,815
Investment Income	130,844	2,594	6,426	—	—	—	139,864
Prepaid Expenses	75	1	—	—	92	304	472
Capital Assets:							
Software in Progress	2,140	—	—	—	—	—	2,140
Land	265	2	84	—	—	—	351
Buildings	4,048	32	582	—	—	—	4,662
Equipment	1,346	11	142	—	6	16	1,521
Software	716	22	3,288	—	1	4	4,031
Accumulated Depreciation/Amortization	(3,666)	(29)	(3,527)	—	(5)	(15)	(7,242)
Total Capital Assets, Net	4,849	38	569	—	2	5	5,463
Total Assets	11,972,533	238,652	2,543,640	149,066	649,925	1,590,210	17,144,026
DEFERRED OUTFLOWS OF RESOURCES							
	738	6	32	—	—	—	776
LIABILITIES							
Accounts Payable	202,746	4,008	7,708	268	18	45	214,793
Obligations under Repurchase Agreements	3,845,451	76,249	—	—	—	—	3,921,700
Securities Lending Obligation	—	—	110,925	—	—	—	110,925
Unearned Revenue	—	—	—	3,349	—	—	3,349
Claims Liability	—	—	—	5,899	—	—	5,899
Compensated Absences	635	5	—	—	—	—	640
Net OPEB Liability	7,607	60	1,538	—	—	—	9,205
Total Liabilities	4,056,439	80,322	120,171	9,516	18	45	4,266,511
DEFERRED INFLOWS OF RESOURCES							
	367	3	239	—	—	—	609
Net Position Restricted for Pension Benefits, OPEB, and Deferred Compensation	\$ 7,916,465	\$ 158,333	\$ 2,423,262	\$ 139,550	\$ 649,907	\$ 1,590,165	\$ 12,877,682

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Missouri State Employees' Retirement System		Missouri Department of Transportation and Highway Patrol Employees' Retirement System	Missouri Consolidated Health Care Plan State Retiree Welfare Benefit Trust	Missouri State Public Employees' Deferred Compensation		Totals
	Missouri State Employees' Plan	Judicial Plan			401 (a) Plan	457 Plan	June 30, 2019
Additions:							
Contributions:							
Employer	\$ 394,150	\$ 38,605	\$ 210,167	\$ 82,620	\$ 25	\$ —	\$ 725,567
Plan Member	32,580	1,138	4,450	51,242	—	58,943	148,353
Other	2,593	—	3,979	41,544	56,520	1,119	105,755
Total Contributions	429,323	39,743	218,596	175,406	56,545	60,062	979,675
Investment Earnings:							
Increase (Decrease) in Appreciation of Assets	(16,142)	(310)	114,179	—	10,471	38,285	146,483
Interest and Dividends	87,971	1,689	74,632	6,209	14,131	37,069	221,701
Securities Lending Income	—	—	942	—	—	—	942
Other Income	290,017	5,567	—	—	—	—	295,584
Total Investment Earnings	361,846	6,946	189,753	6,209	24,602	75,354	664,710
Less Investment Expenses:							
Investment Activity Expense	(48,687)	(895)	(34,651)	—	—	—	(84,233)
Securities Lending Expense	—	—	(776)	—	—	—	(776)
Total Investment Expense	(48,687)	(895)	(35,427)	—	—	—	(85,009)
Net Investment Earnings (Loss)	313,159	6,051	154,326	6,209	24,602	75,354	579,701
Cost Reimbursement/ Miscellaneous	497	4	—	—	912	2,272	3,685
Total Additions	742,979	45,798	372,922	181,615	82,059	137,688	1,563,061
Deductions:							
Benefits	842,495	37,585	259,818	165,127	58,178	—	1,363,203
Administrative Expenses	9,201	72	4,074	6,872	852	3,007	24,078
Program Distributions	6,006	8	—	—	—	91,714	97,728
Inactive-vested Buyout Payments	319	—	—	—	—	—	319
Service Transfer Payments	3,001	—	—	—	—	—	3,001
Depreciation/Amortization	—	—	298	—	2	4	304
Total Deductions	861,022	37,665	264,190	171,999	59,032	94,725	1,488,633
Change in Net Position	(118,043)	8,133	108,732	9,616	23,027	42,963	74,428
Net Position - Beginning of Year	8,034,508	150,200	2,314,530	129,934	626,880	1,547,202	12,803,254
Net Position - End of Year	\$ 7,916,465	\$ 158,333	\$ 2,423,262	\$ 139,550	\$ 649,907	\$ 1,590,165	\$ 12,877,682

STATE OF MISSOURI
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2019
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2019
ASSETS				
Cash and Cash Equivalents	\$ 1,102	\$ 335	\$ 13,376	\$ 14,813
Investments at Fair Value	2,175	627	20,943	23,745
Assets Held in Escheat	—	—	11,882	11,882
Account Receivables	39	—	—	39
Interest Receivable	12	3	—	15
Inventories	—	—	1	1
Capital Assets:				
Equipment	—	—	88	88
Software	—	—	100	100
Less: Accumulated Depreciation/Amortization	—	—	(161)	(161)
Total Capital Assets, Net	—	—	27	27
Total Assets	3,328	965	46,229	50,522
DEFERRED OUTFLOWS OF RESOURCES				
	—	—	487	487
LIABILITIES				
Accounts Payable	1,045	—	19	1,064
Accrued Payroll	—	—	23	23
Compensated Absences	—	—	45	45
Net OPEB Liability	—	—	545	545
Net Pension Liability	—	—	1,397	1,397
Total Liabilities	1,045	—	2,029	3,074
DEFERRED INFLOWS OF RESOURCES				
	—	—	64	64
NET POSITION				
Net Position Restricted for Other Purposes	\$ 2,283	\$ 965	\$ 44,623	\$ 47,871

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Alternative Care Trust	Johnson- Travis Memorial Trust	Unclaimed Property	Totals June 30, 2019
Additions:				
Increase (Decrease) in Appreciation of Assets	\$ 18	\$ 33	\$ 216	\$ 267
Interest	72	19	692	783
Total Investment Earnings	90	52	908	1,050
Unclaimed Property	—	—	44,192	44,192
Cost Reimbursement/Miscellaneous	11,322	—	166	11,488
Total Additions	11,412	52	45,266	56,730
Deductions:				
Administrative Expenses	—	—	2,473	2,473
Program Distributions	11,286	—	43,372	54,658
Depreciation/Amortization	—	—	36	36
Total Deductions	11,286	—	45,881	57,167
Change in Net Position	126	52	(615)	(437)
Net Position - Beginning	2,157	913	45,238	48,308
Net Position - Ending	\$ 2,283	\$ 965	\$ 44,623	\$ 47,871

STATE OF MISSOURI
COMBINING BALANCE SHEET
AGENCY FUNDS
June 30, 2019
(In Thousands of Dollars)

	Social Security Contributions	Missouri State Employees' Voluntary Life Insurance	Program	Institution	Totals June 30, 2019
ASSETS					
Cash and Cash					
Equivalents	\$ 37	\$ 56	\$ 91,061	\$ 14,393	\$ 105,547
Investments at					
Fair Value	60	88	607,405	16	607,569
Receivables:					
Accounts Receivable	6,388	—	545,476	—	551,864
Interest Receivable	—	—	1,311	—	1,311
Total Assets	<u>\$ 6,485</u>	<u>\$ 144</u>	<u>\$ 1,245,253</u>	<u>\$ 14,409</u>	<u>\$ 1,266,291</u>
LIABILITIES					
Accounts Payable	\$ —	\$ —	\$ 34	\$ —	\$ 34
Due to Other Entities	6,485	144	1,233,399	—	1,240,028
Due to Individuals	—	—	11,820	14,409	26,229
Total Liabilities	<u>\$ 6,485</u>	<u>\$ 144</u>	<u>\$ 1,245,253</u>	<u>\$ 14,409</u>	<u>\$ 1,266,291</u>

STATE OF MISSOURI
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>SOCIAL SECURITY CONTRIBUTIONS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 36	\$ 154,841	\$ 154,840	\$ 37
Investments at Fair Value	63	60	63	60
Accounts Receivable	6,164	6,388	6,164	6,388
Total Assets	<u>\$ 6,263</u>	<u>\$ 161,289</u>	<u>\$ 161,067</u>	<u>\$ 6,485</u>
LIABILITIES				
Due to Other Entities	<u>\$ 6,263</u>	<u>\$ 469,755</u>	<u>\$ 469,533</u>	<u>\$ 6,485</u>
<u>MISSOURI STATE EMPLOYEES'</u>				
<u>VOLUNTARY LIFE INSURANCE</u>				
ASSETS				
Cash and Cash Equivalents	\$ 52	\$ 3,535	\$ 3,531	\$ 56
Investments at Fair Value	91	88	91	88
Total Assets	<u>\$ 143</u>	<u>\$ 3,623</u>	<u>\$ 3,622</u>	<u>\$ 144</u>
LIABILITIES				
Due to Other Entities	<u>\$ 143</u>	<u>\$ 3,588</u>	<u>\$ 3,587</u>	<u>\$ 144</u>
<u>PROGRAM</u>				
ASSETS				
Cash and Cash Equivalents	\$ 69,892	\$ 8,242,077	\$ 8,220,908	\$ 91,061
Investments at Fair Value	599,583	496,389	488,567	607,405
Receivables:				
Accounts Receivable	513,876	41,133	9,533	545,476
Interest Receivable	1,076	8,589	8,354	1,311
Total Assets	<u>\$ 1,184,427</u>	<u>\$ 8,788,188</u>	<u>\$ 8,727,362</u>	<u>\$ 1,245,253</u>
LIABILITIES				
Accounts Payable	\$ 36	\$ 390	\$ 392	\$ 34
Due to Other Entities	1,177,258	8,782,391	8,726,250	1,233,399
Due to Individuals	7,133	18,472	13,785	11,820
Total Liabilities	<u>\$ 1,184,427</u>	<u>\$ 8,801,253</u>	<u>\$ 8,740,427</u>	<u>\$ 1,245,253</u>
<u>INSTITUTION</u>				
ASSETS				
Cash and Cash Equivalents	\$ 13,729	\$ 112,182	\$ 111,518	\$ 14,393
Investments at Fair Value	15	1	—	16
Total Assets	<u>\$ 13,744</u>	<u>\$ 112,183</u>	<u>\$ 111,518</u>	<u>\$ 14,409</u>
LIABILITIES				
Due to Individuals	<u>\$ 13,744</u>	<u>\$ 112,183</u>	<u>\$ 111,518</u>	<u>\$ 14,409</u>
<u>TOTALS - ALL AGENCY FUNDS</u>				
ASSETS				
Cash and Cash Equivalents	\$ 83,709	\$ 8,512,635	\$ 8,490,797	\$ 105,547
Investments at Fair Value	599,752	496,538	488,721	607,569
Receivables:				
Accounts Receivable	520,040	47,521	15,697	551,864
Interest Receivable	1,076	8,589	8,354	1,311
Total Assets	<u>\$ 1,204,577</u>	<u>\$ 9,065,283</u>	<u>\$ 9,003,569</u>	<u>\$ 1,266,291</u>
LIABILITIES				
Accounts Payable	\$ 36	\$ 390	\$ 392	\$ 34
Due to Other Entities	1,183,664	9,255,734	9,199,370	1,240,028
Due to Individuals	20,877	130,655	125,303	26,229
Total Liabilities	<u>\$ 1,204,577</u>	<u>\$ 9,386,779</u>	<u>\$ 9,325,065</u>	<u>\$ 1,266,291</u>



*The **Component Units** account for all transactions relating to legally separate entities which, for reporting purposes, are a part of the State.*

Non-Major Component Units:

Missouri Development Finance Board - Accounts for moneys from bond proceeds, gifts, and grants to make loans for industrial development.

Missouri Agricultural and Small Business Development Authority - Accounts for moneys from bond proceeds, gifts, and grants to make loans for property acquisitions/renovations and pollution control facilities.

Missouri Transportation Finance Corporation - Accounts for moneys from federal, state or local sources, and from bond proceeds to be used for projects approved by the Missouri Highways and Transportation Commission.

Missouri Wine and Grape Board - Accounts for moneys derived from the privilege of selling wine to be used for marketing development in developing programs for growing, selling, and marketing of grape products grown in Missouri.

State Environmental Improvement Energy Resources Authority - Accounts for moneys derived from the issuance of revenue bonds and notes to finance, acquire, construct and equip projects for the purpose of reducing, preventing or controlling pollution and to provide for the development of energy resources of the State of Missouri.

STATE OF MISSOURI
COMBINING STATEMENT OF NET POSITION
NON-MAJOR COMPONENT UNITS
June 30, 2019
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	State Environmental Improvement Energy Resources Authority	Totals June 30, 2019
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 12,677	\$ 3,758	\$ 11,920	\$ 234	\$ 788	\$ 29,377
Investments	14,907	100	25,157	366	2,162	42,692
Accounts Receivable, Net	175	—	—	—	72	247
Interest Receivable	246	—	522	3	13	784
Inventories	—	—	—	1	—	1
Restricted Assets:						
Cash and Cash Equivalents	—	568	—	—	—	568
Investments	—	11,267	—	—	—	11,267
Interest Receivable	—	16	—	—	—	16
Loan Receivable	—	—	3,050	—	—	3,050
Prepaid Items	399	—	—	—	5	404
Loans Receivable	5,231	105	—	—	392	5,728
Total Current Assets	<u>33,635</u>	<u>15,814</u>	<u>40,649</u>	<u>604</u>	<u>3,432</u>	<u>94,134</u>
Non-Current Assets:						
Investments	—	—	51,202	—	—	51,202
Loans Receivable	20,258	134	—	—	—	20,392
Restricted Assets:						
Cash and Cash Equivalents	2,503	—	—	—	—	2,503
Investments	10,026	—	—	—	—	10,026
Loans Receivables	—	—	19,809	—	—	19,809
Capital Assets:						
Construction in Progress	357	—	—	—	—	357
Land	7,220	—	—	—	—	7,220
Buildings	79,702	—	—	—	4	79,706
Equipment	603	73	—	40	120	836
Software & Misc Intangible Assets	23	—	—	3	—	26
Less Accumulated Depreciation/ Amortization	(23,419)	(28)	—	(34)	(122)	(23,603)
Total Non-Current Assets	<u>97,273</u>	<u>179</u>	<u>71,011</u>	<u>9</u>	<u>2</u>	<u>168,474</u>
Total Assets	<u>130,908</u>	<u>15,993</u>	<u>111,660</u>	<u>613</u>	<u>3,434</u>	<u>262,608</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>814</u>	<u>145</u>	<u>—</u>	<u>322</u>	<u>257</u>	<u>1,538</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	174	2	3	4	4	187
Accrued Payroll	—	—	—	12	—	12
Interest Payable	30	2	—	—	—	32
Due to Primary Government	—	257	—	—	—	257
Compensated Absences	29	14	—	19	22	84
Bonds and Notes Payable	232	—	—	—	—	232
Total Current Liabilities	<u>465</u>	<u>275</u>	<u>3</u>	<u>35</u>	<u>26</u>	<u>804</u>
Non-Current Liabilities:						
Advance from Primary Government	—	118	—	—	—	118
Unearned Revenue	743	—	—	—	—	743
Deposits and Reserves	7,990	—	—	—	—	7,990
Compensated Absences	54	—	—	12	—	66
Bonds and Notes Payable	13,572	—	—	—	—	13,572
Net OPEB Liability	—	179	—	314	332	825
Net Pension Liability	1,435	482	—	791	893	3,601
Total Non-Current Liabilities	<u>23,794</u>	<u>779</u>	<u>—</u>	<u>1,117</u>	<u>1,225</u>	<u>26,915</u>
Total Liabilities	<u>24,259</u>	<u>1,054</u>	<u>3</u>	<u>1,152</u>	<u>1,251</u>	<u>27,719</u>
DEFERRED INFLOWS OF RESOURCES	<u>41</u>	<u>103</u>	<u>—</u>	<u>51</u>	<u>151</u>	<u>346</u>
NET POSITION						
Net Investment in Capital Assets	50,682	—	—	9	2	50,693
Restricted for:						
Other Purposes	6,429	13,851	80,516	—	1,020	101,816
Unrestricted	50,311	1,130	31,141	(277)	1,267	83,572
Total Net Position	<u>\$ 107,422</u>	<u>\$ 14,981</u>	<u>\$ 111,657</u>	<u>\$ (268)</u>	<u>\$ 2,289</u>	<u>\$ 236,081</u>

STATE OF MISSOURI
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	State Environmental Improvement Energy Resources Authority	Totals June 30, 2019
Operating Revenues:						
Licenses, Fees, and Permits	\$ 1,353	\$ 234	\$ 4	\$ 5	\$ 295	\$ 1,891
Interest on Receivables	1,012	—	692	—	—	1,704
Leases and Rentals	6,092	—	—	—	—	6,092
Cost Reimbursement/Miscellaneous	13	176	—	6	21	216
Total Operating Revenues	8,470	410	696	11	316	9,903
Operating Expenses:						
Personal Service	949	344	21	569	516	2,399
Operations	2,212	57	12	1,568	190	4,039
Specific Programs	—	1,094	—	—	354	1,448
Depreciation/Amortization	2,136	4	—	8	1	2,149
Bad Debt Expense	6	—	—	—	—	6
Other Charges	51	—	—	41	—	92
Total Operating Expenses	5,354	1,499	33	2,186	1,061	10,133
Operating Income (Loss)	3,116	(1,089)	663	(2,175)	(745)	(230)
Non-Operating Revenues (Expenses):						
Contributions and Intergovernmental	—	—	—	1,805	434	2,239
Investment Earnings:						
Increase (Decrease) in Fair Value of Investments	—	326	926	3	37	1,292
Interest	621	18	1,856	18	—	2,513
Interest Expense	(581)	(9)	—	—	—	(590)
Contributions to Others	(779)	—	—	—	—	(779)
Miscellaneous Revenues (Expenses)	—	—	(73)	—	—	(73)
Total Non-Operating Revenues (Expenses)	(739)	335	2,709	1,826	471	4,602
Change in Net Position	2,377	(754)	3,372	(349)	(274)	4,372
Total Net Position - Beginning	105,045	15,735	108,285	81	2,563	231,709
Total Net Position - Ending	\$ 107,422	\$ 14,981	\$ 111,657	\$ (268)	\$ 2,289	\$ 236,081

STATE OF MISSOURI
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR COMPONENT UNITS
For the Fiscal Year Ended June 30, 2019
(In Thousands of Dollars)

	Missouri Development Finance Board	Missouri Agricultural and Small Business Development Authority	Missouri Transportation Finance Corporation	Missouri Wine and Grape Board	State Environmental Improvement Energy Resources Authority	Totals June 30, 2019
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 7,844	\$ 235	\$ 586	\$ 5	\$ 455	\$ 9,125
Loans to Outside Entities	—	55	1,965	—	65	2,085
Payments to Vendors and Suppliers	(2,275)	(105)	(10)	(1,567)	(220)	(4,177)
Payments for Employees	(792)	(271)	(21)	(435)	(418)	(1,937)
Payments Made for Program Expense	—	(1,094)	—	—	(354)	(1,448)
Net Payments/Receipts for Tax Credit Projects	(3,311)	—	—	—	—	(3,311)
Other Receipts	—	176	—	6	21	203
Other Payments	—	—	—	(41)	—	(41)
Net Cash Provided (Used) by Operating Activities	1,466	(1,004)	2,520	(2,032)	(451)	499
Cash Flows from Non-Capital Financing Activities:						
Due to/from Primary Government	—	7	—	(2)	—	5
Advance to/from Primary Government	—	(149)	—	—	—	(149)
Contributions and Intergovernmental	(779)	—	—	1,805	434	1,460
Net Cash Provided (Used) by Non-Capital Financing Activities	(779)	(142)	—	1,803	434	1,316
Cash Flows from Capital and Related Financing Activities:						
Interest Expense	(580)	(20)	—	—	—	(600)
Purchases and Construction of Capital Assets	(659)	(49)	—	(1)	—	(709)
Principal Payments on Capital Debt	(3,348)	—	—	—	—	(3,348)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,587)	(69)	—	(1)	—	(4,657)
Cash Flows from Investing Activities:						
Proceeds from Investment Maturities	25,852	—	43,040	151	235	69,278
Purchase of Investments	(30,085)	4,547	(47,407)	—	—	(72,945)
Interest	579	15	1,856	18	—	2,468
Investment Fees	—	—	(73)	—	—	(73)
Net Cash Provided (Used) by Investing Activities	(3,654)	4,562	(2,584)	169	235	(1,272)
Net Increase (Decrease) in Cash	(7,554)	3,347	(64)	(61)	218	(4,114)
Cash and Cash Equivalents, Beginning of Year	22,734	979	11,984	295	570	36,562
Cash and Cash Equivalents, End of Year	\$ 15,180	\$ 4,326	\$ 11,920	\$ 234	\$ 788	\$ 32,448
Reconciliation of Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 3,116	\$ (1,089)	\$ 663	\$ (2,175)	\$ (745)	\$ (230)
Depreciation/Amortization Expense	2,136	4	—	8	1	2,149
Changes in Assets and Liabilities:						
Accounts Receivable	3	1	—	—	166	170
Interest Receivable	(36)	—	(110)	—	(6)	(152)
Inventories	—	—	—	1	—	1
Deferred Outflows of Resources	45	66	—	(42)	92	161
Prepaid Items	(96)	—	—	—	1	(95)
Loans Receivable	—	55	1,965	—	65	2,085
Accounts Payable	11	(48)	2	—	(31)	(66)
Deposit and Reserve	(3,783)	—	—	—	—	(3,783)
Compensated Absences	5	10	—	3	(8)	10
Unearned Revenue	(46)	—	—	—	—	(46)
Net Pension Liability	112	9	—	132	(54)	199
Net OPEB Liability	—	(21)	—	30	(58)	(49)
Deferred Inflows of Resources	(1)	9	—	11	126	145
Net Cash Provided (Used) by Operating Activities	\$ 1,466	\$ (1,004)	\$ 2,520	\$ (2,032)	\$ (451)	\$ 499
Non-Cash Investing Activities:						
Increase (Decrease) in Fair Value of Investments	\$ —	\$ 326	\$ 926	\$ 3	\$ 37	\$ 1,292
Net Non-Cash Investing Activities	\$ —	\$ 326	\$ 926	\$ 3	\$ 37	\$ 1,292



*The **Statistical Section** presentations include Financial Trends, Revenue Capacity, Debt Capacity, Demographic and Economic Information, and Operating Information trends. The statistical data presented is intended to provide report users with a broader understanding of the environment in which the State operates.*

**STATE OF MISSOURI
STATISTICAL SECTION
June 30, 2019**

Index and Overview

This part of the State's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the State's financial performance and fiscal health have changed over time.

Net Position by Component	217
Changes in Net Position	218
Fund Balances - Governmental Funds	220
Changes in Fund Balances - Governmental Funds	221

Revenue Capacity

These schedules contain information to help the reader understand the State's capacity to raise revenues and the sources of those revenues.

Revenue Base - Taxable Sales by Industry	223
Revenue Base - Personal Income by Industry	224
Personal Income Tax Revenue	225
Personal Income Tax Rates	226
Revenue Payers by Industry	227
Personal Income Tax Filers/Liability	228

Debt Capacity

These schedules present information to help the reader understand and assess the State's levels of outstanding debt and the State's ability to issue additional debt in the future.

Ratios of Outstanding Debt	229
Pledged Revenue Coverage	231

Demographic and Economic Information

These schedules contain demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Demographic Indicators	232
Economic Indicators	233
Principal Employers	234

Operating Information

These schedules contain operating data to help the reader understand how the information in the State's financial report relates to the services it provides and the activities it performs.

State Employees by Function	235
Operating Indicators by Function	236
Capital Asset Statistics by Function	238

Sources: *Unless otherwise noted, the information in these schedules is derived from the State of Missouri Comprehensive Annual Financial Report for the years shown.*

STATE OF MISSOURI
NET POSITION BY COMPONENT
FISCAL YEARS 2010-2019
(In Thousands of Dollars)

	2019	2018*	2017	2016	2015
Governmental Activities					
Net Investment in Capital Assets	\$ 30,849,210	\$ 30,364,850	\$ 29,793,477	\$ 29,255,865	\$ 28,791,258
Restricted	4,387,607	4,239,726	4,103,890	4,348,001	3,269,480
Unrestricted	(8,204,092)	(7,976,452)	(7,606,967)	(5,465,559)	(4,292,710)
Total Governmental Activities Net Position	\$ 27,032,725	\$ 26,628,124	\$ 26,290,400	\$ 28,138,307	\$ 27,768,028
Business-Type Activities					
Net Investment in Capital Assets	\$ 125,355	\$ 126,899	\$ 115,327	\$ 98,320	\$ 55,669
Restricted	6,798	5,616	7,239	6,104	4,588
Unrestricted	956,541	858,356	762,633	677,470	420,995
Total Business-Type Activities Net Position	\$ 1,088,694	\$ 990,871	\$ 885,199	\$ 781,894	\$ 481,252
Primary Government					
Net Investment in Capital Assets	\$ 30,974,565	\$ 30,491,749	\$ 29,908,804	\$ 29,354,185	\$ 28,846,927
Restricted	4,394,405	4,245,342	4,111,129	4,354,105	3,274,068
Unrestricted	(7,247,551)	(7,118,096)	(6,844,334)	(4,788,089)	(3,871,715)
Total Primary Government Net Position	\$ 28,121,419	\$ 27,618,995	\$ 27,175,599	\$ 28,920,201	\$ 28,249,280

Continues Below

	2014	2013	2012	2011	2010
Governmental Activities					
Net Investment in Capital Assets	\$ 28,485,327	\$ 28,166,290	\$ 27,873,493	\$ 26,595,552	\$ 25,850,787
Restricted	3,790,165	3,788,299	3,898,340	4,339,603	3,907,120
Unrestricted	(5,501,188)	(1,216,048)	(1,865,908)	(1,159,743)	(940,675)
Total Governmental Activities Net Position	\$ 26,774,304	\$ 30,738,541	\$ 29,905,925	\$ 29,775,412	\$ 28,817,232
Business-Type Activities					
Net Investment in Capital Assets	\$ 52,901	\$ 52,217	\$ 50,081	\$ 50,291	\$ 45,990
Restricted	4,889	5,630	9,675	6,303	7,949
Unrestricted	183,705	(117,891)	(344,734)	(485,576)	(437,995)
Total Business-Type Activities Net Position	\$ 241,495	\$ (60,044)	\$ (284,978)	\$ (428,982)	\$ (384,056)
Primary Government					
Net Investment in Capital Assets	\$ 28,538,228	\$ 28,218,507	\$ 27,923,574	\$ 26,645,843	\$ 25,896,777
Restricted	3,795,054	3,793,929	3,908,015	4,345,906	3,915,069
Unrestricted	(5,317,483)	(1,333,939)	(2,210,642)	(1,645,319)	(1,378,670)
Total Primary Government Net Position	\$ 27,015,799	\$ 30,678,497	\$ 29,620,947	\$ 29,346,430	\$ 28,433,176

*Fiscal year 2018 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN NET POSITION
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016
Governmental Activities:				
Expenses				
General Government	\$ 1,336,971	\$ 1,265,947	\$ 1,176,204	\$ 1,081,421
Education	7,142,264	7,053,444	7,086,927	6,902,930
Natural and Economic Resources	1,056,172	1,079,318	1,074,411	1,039,408
Transportation and Law Enforcement	1,997,540	1,974,321	2,157,349	1,913,379
Human Services	14,449,527	14,339,926	13,682,277	13,086,606
Interest on Debt (Excluding Direct Expense)	109,740	120,206	128,108	138,426
Total Expenses	26,092,214	25,833,162	25,305,276	24,162,170
Program Revenues				
Charges for Services:				
General Government	682,173	588,246	671,875	579,457
Transportation and Law Enforcement	215,099	227,643	228,039	230,685
Human Services	554,385	559,544	498,348	475,055
Other Activities	351,603	325,333	343,363	327,275
Operating Grants and Contributions	10,757,841	10,811,591	10,403,733	10,178,230
Capital Grants and Contributions	949,652	1,020,653	923,748	917,255
Total Program Revenues	13,510,753	13,533,010	13,069,106	12,707,957
Total Governmental Activities Net Program (Expense) Revenue	(12,581,461)	(12,300,152)	(12,236,170)	(11,454,213)
General Revenues and Other Changes in Net Position				
Taxes:				
Sales and Use	3,405,745	3,235,110	3,267,442	3,112,912
Individual Income	6,991,197	6,796,359	6,648,918	6,324,548
Corporate Income	479,632	403,771	392,438	411,139
County Foreign Insurance	268,100	272,497	254,685	218,083
Alcoholic Beverage	34,649	32,602	32,764	30,913
Corporate Franchise	1,475	1,968	2,490	17,197
Fuel	673,625	640,767	667,639	640,934
Miscellaneous Taxes	688,972	684,578	680,885	663,797
Grants and Contributions not Restricted to Specific Programs	58,534	59,233	62,173	58,971
Unrestricted Investment Earnings	79,604	26,308	12,626	26,468
Special Items	—	—	—	—
Extraordinary Items	—	—	—	—
Transfers	304,529	331,631	289,683	304,320
Total General Revenues and Other Changes in Net Position	12,986,062	12,484,824	12,311,743	11,809,282
Total Governmental Activities Change in Net Position	\$ 404,601	\$ 184,672	\$ 75,573	\$ 355,069
Business-Type Activities:				
Expenses				
State Lottery	\$ 1,168,030	\$ 1,086,927	\$ 1,070,595	\$ 1,025,086
Unemployment Compensation	264,370	294,271	318,782	312,295
Petroleum Storage Tank Insurance	20,346	21,298	19,392	16,205
State Fair Fees	4,531	4,880	4,726	4,369
State Parks and DNR	12,950	9,829	14,025	8,395
Historic Preservation	532	725	1,248	577
Missouri Veterans' Homes	125,213	123,095	115,078	100,771
Surplus Property	2,591	2,416	2,523	2,590
Revenue Information	9	12	12	14
Inmate Canteen Fund	28,526	46,474	—	—
Total Expenses	1,627,098	1,589,927	1,546,381	1,470,302
Program Revenues				
Charges for Services:				
State Lottery	1,484,529	1,418,409	1,361,996	1,327,852
Other Activities	86,690	104,320	61,228	56,005
Operating Grants and Contributions	431,609	466,750	553,591	677,118
Total Program Revenues	2,002,828	1,989,479	1,976,815	2,060,975
Total Business-Type Activities Net Program (Expense) Revenue	375,730	399,552	430,434	590,673
General Revenues and Other Changes in Net Position				
Unrestricted Investment Earnings	26,449	18,338	13,156	11,420
Adjustments to Claims Reserve	—	—	—	2,500
Special Items	—	—	—	—
Extraordinary Items	—	—	(153)	—
Capital Contributions	173	11,463	920	—
Transfers	(304,529)	(331,631)	(289,683)	(304,320)
Total General Revenues and Other Changes in Net Position	(277,907)	(301,830)	(275,760)	(290,400)
Total Business-Type Activities Change in Net Position	\$ 97,823	\$ 97,722	\$ 154,674	\$ 300,273
Total Primary Government Change in Net Position	\$ 502,424	\$ 282,394	\$ 230,247	\$ 655,342

*Fiscal year 2018 amounts have been restated

2015	2014	2013	2012	2011	2010
\$ 1,064,771	\$ 1,030,327	\$ 1,063,418	\$ 1,029,012	\$ 1,089,731	\$ 1,129,030
6,680,646	6,430,861	6,368,472	6,373,757	6,536,907	6,815,521
910,502	874,033	933,019	1,053,949	935,078	1,082,526
1,861,116	1,823,578	1,924,306	2,021,423	2,529,791	2,699,070
12,800,735	12,623,617	12,335,625	12,299,493	11,713,021	11,740,145
139,112	157,707	161,386	207,906	199,948	196,413
23,456,882	22,940,123	22,786,226	22,985,540	23,004,476	23,662,705
581,008	540,427	698,300	883,228	705,914	875,161
228,093	232,176	250,898	239,684	267,875	319,941
503,290	504,443	554,365	459,517	550,690	653,463
327,169	333,898	351,193	285,725	314,375	380,133
9,960,965	9,649,655	9,702,624	9,889,453	9,802,842	9,489,240
838,354	933,814	1,039,043	1,096,052	1,814,207	1,454,811
12,438,879	12,194,413	12,596,423	12,853,659	13,455,903	13,172,749
(11,018,003)	(10,745,710)	(10,189,803)	(10,131,881)	(9,548,573)	(10,489,956)
3,142,387	2,925,867	2,883,852	2,705,002	2,570,243	2,572,491
6,418,379	5,718,801	5,833,306	5,116,876	4,878,166	4,840,809
490,131	427,320	429,797	378,444	394,389	360,764
222,828	180,779	175,212	167,969	182,679	171,497
32,101	30,370	30,294	28,652	27,247	27,657
29,982	54,670	51,444	61,389	70,743	82,182
656,893	629,105	648,989	620,074	1,833	233
668,955	605,247	630,228	623,414	1,210,758	1,207,501
76,276	73,637	120,380	244,859	889,742	1,301,531
24,721	35,040	(15,858)	21,525	23,281	28,870
—	—	—	(120)	—	—
—	(132)	—	—	—	—
275,997	291,421	290,900	300,608	255,908	258,947
12,038,650	10,972,125	11,078,544	10,268,692	10,504,989	10,852,482
\$ 1,020,647	\$ 226,415	\$ 888,741	\$ 136,811	\$ 956,416	\$ 362,526
\$ 873,502	\$ 894,137	\$ 876,290	\$ 835,526	\$ 755,410	\$ 724,915
391,508	568,787	858,697	1,280,157	1,714,276	2,216,078
14,705	13,244	18,101	22,171	13,940	13,925
4,390	4,419	3,968	3,963	3,700	3,843
8,264	9,417	9,179	10,659	12,278	9,042
741	334	388	340	509	1,145
92,501	97,674	97,012	76,598	76,033	70,884
3,169	2,528	3,017	3,065	2,293	2,542
13	—	32	72	1,199	1,513
—	—	—	—	—	—
1,388,793	1,590,540	1,866,684	2,232,551	2,579,638	3,043,887
1,144,604	1,171,580	1,156,235	1,109,108	1,011,055	984,187
59,199	57,836	57,009	56,538	55,153	56,659
693,657	999,516	1,172,524	1,507,428	1,725,481	1,823,732
1,897,460	2,228,932	2,385,768	2,673,074	2,791,689	2,864,578
508,667	638,392	519,084	440,523	212,051	(179,309)
3,591	2,029	(3,138)	4,312	(1,050)	2,533
—	17,223	—	—	—	—
—	—	—	(224)	—	—
—	—	—	—	—	—
—	—	35	—	—	—
(275,997)	(291,421)	(290,900)	(300,608)	(255,908)	(258,947)
(272,406)	(272,169)	(294,003)	(296,520)	(256,958)	(256,414)
\$ 236,261	\$ 366,223	\$ 225,081	\$ 144,003	\$ (44,907)	\$ (435,723)
\$ 1,256,908	\$ 592,638	\$ 1,113,822	\$ 280,814	\$ 911,509	\$ (73,197)

STATE OF MISSOURI
FUND BALANCES - GOVERNMENTAL FUNDS
FISCAL YEARS 2010-2019
(In Thousands of Dollars)

	2019	2018*	2017	2016	2015
General Fund					
Nonspendable	\$ 47,543	\$ 48,944	\$ 52,969	\$ 58,712	\$ 53,809
Restricted	555,916	485,578	341,052	488,180	292,758
Committed	655,262	617,661	590,697	589,956	545,765
Assigned	98,635	86,662	154,634	78,096	158,390
Unassigned	769,967	457,634	294,901	238,735	349,901
Total General Fund	<u>2,127,323</u>	<u>1,696,479</u>	<u>1,434,253</u>	<u>1,453,679</u>	<u>1,400,623</u>
All Other Governmental Funds					
Nonspendable	98,229	95,438	97,723	97,027	1,243,039
Restricted	1,387,720	1,489,673	1,517,114	1,699,763	1,512,228
Committed	1,799,432	1,787,795	1,614,390	1,543,913	377,527
Assigned	377,248	410,182	422,122	430,901	425,256
Unassigned	—	—	(17,628)	—	—
Total All Other Governmental Funds	<u>3,662,629</u>	<u>3,783,088</u>	<u>3,633,721</u>	<u>3,771,604</u>	<u>3,558,050</u>
Total Fund Balances, Governmental Funds	<u>\$ 5,789,952</u>	<u>\$ 5,479,567</u>	<u>\$ 5,067,974</u>	<u>\$ 5,225,283</u>	<u>\$ 4,958,673</u>
Continues Below					
	2014	2013	2012	2011	2010
General Fund					
Nonspendable	\$ 50,504	\$ 56,048	\$ 61,207	\$ 42,906	\$ 44,158
Restricted	289,266	285,878	340,205	475,205	186,737
Committed	560,141	506,778	504,569	512,623	534,620
Assigned	73,625	67,277	63,484	59,783	51,734
Unassigned	244,821	530,431	195,193	325,123	423,227
Total General Fund	<u>1,218,357</u>	<u>1,446,412</u>	<u>1,164,658</u>	<u>1,415,640</u>	<u>1,240,476</u>
All Other Governmental Funds					
Nonspendable	1,170,054	1,126,253	1,077,138	1,016,981	986,201
Restricted	1,544,139	1,636,550	1,745,287	2,137,789	2,021,223
Committed	345,465	337,874	291,723	284,455	219,557
Assigned	400,668	370,090	367,261	339,192	355,202
Total All Other Governmental Funds	<u>3,460,326</u>	<u>3,470,767</u>	<u>3,481,409</u>	<u>3,778,417</u>	<u>3,582,183</u>
Total Fund Balances, Governmental Funds	<u>\$ 4,678,683</u>	<u>\$ 4,917,179</u>	<u>\$ 4,646,067</u>	<u>\$ 5,194,057</u>	<u>\$ 4,822,659</u>

*Fiscal year 2018 amounts have been restated.

**STATE OF MISSOURI
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

	2019	2018*	2017	2016
Revenues:				
Taxes	\$ 12,465,631	\$ 12,151,078	\$ 11,877,303	\$ 11,550,222
Licenses, Fees, and Permits	710,776	675,447	678,037	685,115
Sales	8,587	9,527	9,035	9,002
Leases and Rentals	138	157	158	71
Services	121,249	148,653	122,531	116,133
Contributions and Intergovernmental	11,765,170	11,890,439	11,395,032	11,157,654
Investment Earnings:				
Net Increase (Decrease) in the Fair Value of Investments	9,766	(15,384)	(10,530)	5,975
Interest	93,129	60,189	34,080	25,534
Penalties and Unclaimed Properties	85,832	69,907	96,568	72,435
Cost Reimbursement/Miscellaneous	488,523	513,741	564,390	492,593
Total Revenues	25,748,801	25,503,754	24,766,604	24,114,734
Expenditures:				
Current:				
General Government	964,166	909,941	884,641	886,172
Education	7,117,049	7,031,232	7,071,710	6,893,120
Natural and Economic Resources	822,854	869,568	896,485	913,667
Transportation and Law Enforcement	1,455,190	1,483,225	1,473,797	1,475,500
Human Services	14,066,072	14,012,219	13,629,856	13,037,667
Capital Outlay:				
General Government	1,242	1,320	14,057	2,474
Education	12	106	348	29
Natural and Economic Resources	629	3,549	2,027	246
Transportation and Law Enforcement	834,991	854,707	712,716	690,269
Human Services	32,605	64,467	54,915	37,384
Debt Service:				
Principal	334,138	333,480	436,938	292,521
Interest	134,110	144,976	159,977	166,000
Bond Issuance Costs	370	356	336	755
Underwriter's Discount	—	985	972	1,231
Arbitrage	—	—	—	—
Total Expenditures	25,763,428	25,710,131	25,338,775	24,397,035
Excess Revenues (Expenditures)	(14,627)	(206,377)	(572,171)	(282,301)
Other Financing Sources (Uses):				
Proceeds from Notes/Capital Leases/Financed Purchases	1,612	6,934	1,542	14,782
Debt Issuance	—	—	—	—
Proceeds from General Obligation/Other Bonds	102,705	124,905	97,225	193,800
Issuance of Refunding Bonds	—	—	—	—
Payments to Escrow Agent	(111,483)	—	—	—
Bond Premium	9,148	9,751	5,877	17,810
Proceeds from Capital Asset Sale	15,300	18,034	20,305	18,394
Transfers In	323,846	342,979	297,229	310,842
Transfers Out	(16,541)	(9,177)	(5,598)	(6,010)
Total Other Financing Sources (Uses)	324,587	493,426	416,580	549,618
Net Change in Fund Balances	309,960	287,049	(155,591)	267,317
Increase (Decrease) in Reserve for Inventory	425	(154)	(1,716)	(707)
Net Change in Fund Balances	\$ 310,385	\$ 286,895	\$ (157,307)	\$ 266,610
Debt Service as a Percentage of Non-Capital Expenditures	1.88%	1.94%	2.45%	1.96%

*Fiscal year 2018 amounts have been restated.

2015	2014	2013	2012	2011	2010
\$ 11,302,267	\$ 10,549,046	\$ 10,557,831	\$ 9,956,574	\$ 9,398,840	\$ 8,987,066
653,218	654,416	647,233	647,130	630,944	637,078
11,905	12,308	10,261	8,827	10,131	8,917
497	480	1,212	313	665	934
105,066	111,280	115,219	119,076	155,498	243,998
10,871,669	10,652,830	10,860,366	11,230,111	12,500,062	12,265,891
2,006	6,737	(25,606)	6,392	(53)	1,734
29,911	50,251	27,839	33,068	34,496	44,954
131,384	74,642	112,951	51,591	54,812	60,284
525,729	507,763	687,609	745,602	662,070	963,030
23,633,652	22,619,753	22,994,915	22,798,684	23,447,465	23,213,886
869,266	844,854	884,342	886,309	883,953	889,467
6,673,331	6,419,231	6,351,934	6,363,447	6,525,986	6,809,217
833,441	831,495	856,133	934,767	832,855	974,260
1,558,694	1,350,588	1,406,509	1,627,620	1,758,410	1,814,485
12,761,134	12,447,706	12,162,029	12,320,259	11,627,776	11,632,371
—	34	8	—	1	5
—	—	—	—	—	—
—	—	—	—	—	—
714,550	852,832	963,001	1,115,457	1,253,100	1,409,557
1,354	—	—	—	—	4
285,627	256,221	216,017	212,483	242,497	227,307
166,672	187,123	189,920	208,518	225,858	209,428
831	1,545	920	606	1,552	8,101
2,260	4,075	2,423	2,074	437	—
—	—	—	—	42	374
23,867,160	23,195,704	23,033,236	23,671,540	23,352,467	23,974,576
(233,508)	(575,951)	(38,321)	(872,856)	94,998	(760,690)
1,819	1,400	712	1,776	6,300	6,675
—	—	—	—	—	1,085,000
129,465	—	—	—	—	—
108,930	995,555	441,690	163,145	312,960	—
(121,020)	(1,177,908)	(486,904)	(168,589)	(351,599)	—
18,622	195,638	48,276	7,944	40,468	30,631
11,137	13,867	19,310	16,864	14,703	12,938
285,468	304,688	312,595	300,699	255,959	259,810
(9,547)	(12,763)	(21,846)	(144)	—	(738)
424,874	320,477	313,833	321,695	278,791	1,394,316
191,366	(255,474)	275,512	(551,161)	373,789	633,626
4,928	153	(4,402)	4,135	(2,389)	(279)
\$ 196,294	\$ (255,321)	\$ 271,110	\$ (547,026)	\$ 371,400	\$ 633,347
1.99%	2.02%	1.85%	1.89%	2.14%	1.99%

**STATE OF MISSOURI
REVENUE BASE - TAXABLE SALES BY INDUSTRY
FISCAL YEARS 2010-2019**

Taxable Sales by Industry

	2019*	2018	2017	2016	2015
Agricultural/Forestry, Fishing, and Other	\$ 160,462,181	\$ 243,431,996	\$ 259,105,220	\$ 245,772,867	\$ 240,000,494
Mining	353,489,366	453,466,663	110,484,032	106,659,795	87,523,595
Construction	998,174,516	801,058,193	1,788,629,305	1,677,123,560	950,357,972
Manufacturing	3,395,360,423	4,543,245,262	4,758,144,850	4,686,174,181	4,512,551,497
Transportation and Public Utilities	6,704,044,793	7,431,439,993	7,991,327,737	7,941,221,199	8,150,393,880
Wholesale Trade	8,580,382,365	37,375,445,863	9,478,033,276	9,258,220,896	8,772,153,165
Retail Trade	44,832,734,671	26,306,855,209	52,013,596,266	50,710,170,965	48,945,156,057
Finance, Insurance, and Real Estate	1,700,974,266	2,244,925,706	675,498,078	639,535,606	459,394,721
Services	14,558,550,695	8,557,460,947	10,958,489,216	10,508,298,419	10,167,703,650
State and Local Government	229,536,272	248,500,694	137,361,580	130,923,934	149,553,253
Non-Classifiable	—	—	13,251,530	12,784,255	12,193,479
Total Taxable Sales	\$ 81,513,709,548	\$ 88,205,830,526	\$ 88,183,921,090	\$ 85,916,885,677	\$ 82,446,981,763
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Continues Below

Taxable Sales by Industry

	2014	2013	2012	2011	2010
Agricultural/Forestry, Fishing, and Other	\$ 236,474,690	\$ 215,327,746	\$ 221,013,601	\$ 201,234,995	\$ 202,810,606
Mining	76,102,321	72,364,854	74,803,209	73,001,501	85,194,876
Construction	903,053,231	837,805,800	861,403,612	794,578,753	786,022,254
Manufacturing	4,452,723,181	4,122,180,876	3,761,027,682	2,916,005,779	2,994,039,718
Transportation and Public Utilities	8,296,512,631	7,865,266,716	7,836,415,362	8,377,819,035	8,347,862,197
Wholesale Trade	8,355,874,187	8,201,088,643	8,205,030,046	7,636,707,697	5,708,391,048
Retail Trade	46,883,720,342	45,955,834,897	45,578,697,317	43,451,150,211	42,667,031,160
Finance, Insurance, and Real Estate	428,174,408	555,096,635	577,095,000	573,590,035	562,957,084
Services	9,615,517,898	9,242,131,446	9,239,885,195	8,712,983,898	8,676,719,865
State and Local Government	196,281,904	164,729,390	167,737,492	150,984,890	135,174,330
Non-Classifiable	13,389,207	19,041,853	15,869,773	13,130,346	14,230,874
Total Taxable Sales	\$ 79,457,824,000	\$ 77,250,868,856	\$ 76,538,978,289	\$ 72,901,187,140	\$ 70,180,434,012
Direct Sales Tax Rate	4.225%	4.225%	4.225%	4.225%	4.225%

Source: Missouri Department of Revenue

* During fiscal year 2018 the State replaced the Standard Industrial Classification System with the more consistent North American Industry Classification System to classify revenues.

**STATE OF MISSOURI
REVENUE BASE - PERSONAL INCOME BY INDUSTRY
CALENDAR YEARS 2009-2018**

**Personal Income by Industry
(In Thousands of Dollars)**

	2018	2017	2016	2015	2014
Farm Earnings	\$ 266,645	\$ 1,062,184	\$ 829,415	\$ 722,021	\$ 3,786,857
Agricultural/Forestry, Fishing, and Other	482,308	424,552	457,108	451,862	394,686
Mining	336,767	241,988	320,915	345,512	450,247
Construction/Utilities	14,235,375	13,819,650	12,748,129	11,973,872	12,039,804
Manufacturing	22,730,105	21,229,515	20,542,795	20,483,723	19,405,898
Transportation and Public Utilities	7,511,308	7,189,504	6,957,284	6,937,566	6,632,242
Wholesale Trade	11,056,910	10,826,692	10,831,422	11,063,357	10,168,424
Retail Trade	11,993,104	11,749,093	11,785,062	11,618,585	11,353,713
Finance, Insurance, and Real Estate	19,493,630	17,761,199	15,456,673	15,873,119	14,637,085
Services	86,806,984	82,115,017	78,239,644	77,566,750	75,021,866
Federal, Civilian	6,078,280	5,843,242	5,677,270	5,566,826	5,370,947
Military	2,000,240	1,912,463	1,879,387	1,889,251	1,906,989
State and Local Government	22,440,186	22,264,323	22,256,414	21,860,748	21,611,208
Total Personal Income	\$ 205,431,842	\$ 196,439,422	\$ 187,981,518	\$ 186,353,192	\$ 182,779,966
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Continues Below

**Personal Income by Industry
(In Thousands of Dollars)**

	2013	2012	2011	2010	2009
Farm Earnings	\$ 1,626,591	\$ 1,257,121	\$ 2,321,629	\$ 1,523,983	\$ 1,591,091
Agricultural/Forestry, Fishing, and Other	397,546	319,736	297,657	333,875	276,120
Mining	531,506	533,997	504,777	395,522	388,211
Construction/Utilities	11,722,352	11,021,154	10,551,329	10,588,278	11,331,673
Manufacturing	18,638,481	18,223,989	17,303,819	16,746,171	17,442,057
Transportation and Public Utilities	6,641,733	6,329,830	5,957,783	5,732,126	5,809,413
Wholesale Trade	9,614,681	9,401,253	8,969,791	8,721,745	8,658,427
Retail Trade	11,045,743	10,981,844	10,654,925	10,506,522	10,416,435
Finance, Insurance, and Real Estate	13,981,286	13,577,510	12,587,314	12,244,442	11,816,812
Services	73,357,863	70,695,009	67,723,434	65,813,475	64,334,920
Federal, Civilian	5,170,204	5,326,901	5,399,812	5,440,528	5,151,679
Military	2,165,907	2,087,494	2,151,087	2,185,296	2,318,306
State and Local Government	21,013,029	20,951,836	20,783,859	21,026,890	20,830,621
Total Personal Income	\$ 175,906,922	\$ 170,707,674	\$ 165,207,216	\$ 161,258,853	\$ 160,365,765
Total Direct Personal Income Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%

Source: Bureau of Economic Analysis

**STATE OF MISSOURI
PERSONAL INCOME TAX REVENUE
FISCAL YEARS 2010-2019**

Personal Income Tax Revenue	2019	2018	2017	2016	2015
Personal Income Tax Revenue	\$ 7,654,451,494	\$ 7,737,588,498	\$ 7,331,004,490	\$ 7,182,257,124	\$ 6,904,280,506
Personal Income (Federal AGI)	\$ 314,827,907,242	\$ 304,938,141,965	\$ 308,516,717,209	\$ 295,120,344,327	\$ 272,999,790,569
Taxable Income	\$ 235,907,363,855	\$ 228,943,859,159	\$ 233,037,149,447	\$ 223,319,685,253	\$ 204,984,460,785
Average Effective Rate:					
Federal Adjusted Gross	2.43%	2.54%	2.38%	2.43%	2.53%
Taxable Income	3.24%	3.38%	3.15%	3.22%	3.37%

Continues Below

Personal Income Tax Revenue	2014	2013	2012	2011	2010
Personal Income Tax Revenue	\$ 6,421,723,597	\$ 6,374,093,816	\$ 5,851,270,707	\$ 5,641,812,271	\$ 5,495,341,696
Personal Income (Federal AGI)	\$ 286,579,465,435	\$ 238,522,413,855	\$ 232,336,289,876	\$ 206,107,657,668	\$ 214,909,582,160
Taxable Income	\$ 215,915,208,076	\$ 176,397,991,056	\$ 170,827,410,945	\$ 147,407,200,244	\$ 124,489,765,954
Average Effective Rate:					
Federal Adjusted Gross	2.24%	2.67%	2.52%	2.74%	2.56%
Taxable Income	2.97%	3.61%	3.43%	3.83%	4.41%

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated.

Source: Missouri Department of Revenue

**STATE OF MISSOURI
PERSONAL INCOME TAX RATES
FISCAL YEARS 2010-2019**

**Ranges of Tax Rates
on the Portion of
Taxable Income
(In Thousands of Dollars)**

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Tax Rate	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Income Levels	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2	1.1-2
Tax Rate	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Income Levels	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3	2.1-3
Tax Rate	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Income Levels	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4	3.1-4
Tax Rate	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Income Levels	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5	4.1-5
Tax Rate	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Income Levels	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6	5.1-6
Tax Rate	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Income Levels	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7	6.1-7
Tax Rate	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Income Levels	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8	7.1-8
Tax Rate	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Income Levels	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9	8.1-9
Tax Rate	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Income Levels	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+	9.1+

Note: Article X, Sections 16 through 24 of the Missouri Constitution establishes a revenue limit for Missouri State Government. When total revenues exceed the limit, tax refunds are generated

Source: Missouri Department of Revenue

**STATE OF MISSOURI
REVENUE PAYERS BY INDUSTRY
FISCAL YEARS 2010-2019**

Sales Tax	2019*	%	2018	%	2017	%
Agricultural	\$ 6,779,527	0.20%	\$ 10,285,002	0.28%	\$ 10,947,196	0.29%
Mining	14,934,926	0.43%	19,158,966	0.51%	4,667,950	0.13%
Construction	42,172,873	1.23%	33,955,810	0.91%	75,569,588	2.03%
Manufacturing	143,453,978	4.16%	191,952,112	5.15%	201,031,620	5.40%
Transportation & Utilities	283,245,892	8.22%	313,978,340	8.43%	337,633,597	9.06%
Wholesale Trade	362,521,155	10.53%	1,579,112,588	42.37%	400,446,906	10.75%
Retail Trade	1,894,183,040	55.00%	1,111,464,633	29.82%	2,197,574,442	58.98%
Finance, Insurance, & Real Estate	71,866,163	2.09%	94,848,111	2.55%	28,539,794	0.77%
Services	615,098,767	17.86%	361,552,725	9.70%	462,996,169	12.43%
Government	9,697,907	0.28%	10,499,154	0.28%	5,803,527	0.16%
Non-Classifiable	—	—%	—	—%	559,877	0.01%
Total	\$ 3,443,954,228	100.00%	\$ 3,726,807,441	100.00%	\$ 3,725,770,666	100.00%
	2016	%	2015	%	2014	%
Agricultural	\$ 10,383,904	0.36%	\$ 10,140,021	0.29%	\$ 9,991,056	0.30%
Mining	4,506,376	0.16%	3,697,872	0.11%	3,215,323	0.09%
Construction	37,780,540	1.31%	40,152,624	1.15%	38,153,999	1.14%
Manufacturing	192,230,237	6.67%	190,655,301	5.47%	188,127,554	5.60%
Transportation & Utilities	330,960,635	11.49%	344,354,141	9.89%	350,527,659	10.44%
Wholesale Trade	261,477,270	9.07%	370,623,471	10.64%	353,035,684	10.52%
Retail Trade	1,568,702,724	54.44%	2,067,932,843	59.37%	1,980,837,184	59.00%
Finance, Insurance, & Real Estate	25,446,129	0.88%	19,409,427	0.56%	18,090,369	0.54%
Services	443,975,608	15.41%	429,585,479	12.33%	406,255,631	12.10%
Government	5,531,536	0.19%	6,318,625	0.18%	8,292,910	0.25%
Non-Classifiable	540,135	0.02%	515,174	0.01%	565,694	0.02%
Total	\$ 2,881,535,094	100.00%	\$ 3,483,384,978	100.00%	\$ 3,357,093,063	100.00%
	2013	%	2012	%	2011	%
Agricultural	\$ 9,097,597	0.28%	\$ 9,337,825	0.29%	\$ 8,502,179	0.27%
Mining	3,057,415	0.09%	3,160,435	0.10%	3,084,313	0.10%
Construction	35,397,295	1.08%	36,394,303	1.13%	33,570,952	1.09%
Manufacturing	174,162,142	5.34%	158,903,420	4.91%	123,201,244	4.00%
Transportation & Utilities	332,307,519	10.18%	331,088,549	10.24%	353,962,854	11.49%
Wholesale Trade	346,495,995	10.62%	346,662,519	10.72%	322,650,900	10.48%
Retail Trade	1,941,634,024	59.49%	1,925,699,962	59.55%	1,835,811,096	59.60%
Finance, Insurance, & Real Estate	23,452,833	0.72%	24,382,264	0.75%	24,234,179	0.79%
Services	390,480,054	11.96%	390,385,149	12.07%	368,123,570	11.95%
Government	6,959,817	0.21%	7,086,909	0.22%	6,379,112	0.21%
Non-Classifiable	804,518	0.03%	670,498	0.02%	554,757	0.02%
Total	\$ 3,263,849,209	100.00%	\$ 3,233,771,833	100.00%	\$ 3,080,075,156	100.00%
	2010	%				
Agricultural	\$ 8,568,748	0.29%				
Mining	3,599,484	0.12%				
Construction	33,209,440	1.12%				
Manufacturing	126,498,178	4.27%				
Transportation & Utilities	352,697,178	11.90%				
Wholesale Trade	241,179,522	8.13%				
Retail Trade	1,802,682,066	60.80%				
Finance, Insurance, & Real Estate	23,784,937	0.80%				
Services	366,591,414	12.36%				
Government	5,711,115	0.19%				
Non-Classifiable	601,254	0.02%				
Total	\$ 2,965,123,336	100.00%				

Source: Missouri Department of Revenue

* During fiscal year 2018 the State replaced the Standard Industrial Classification System with the more consistent North American Industry Classification System to classify revenues.

**STATE OF MISSOURI
PERSONAL INCOME TAX FILERS/LIABILITY
FISCAL YEARS 2010 AND 2019**

Personal Income*

2019				
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	2,110,831	48.29%	\$ 549,459,459	8.36%
\$50,000 - \$100,000	1,158,323	26.50%	1,322,457,553	20.11%
\$100,000 - \$250,000	887,681	20.31%	2,277,798,892	34.64%
\$250,000 - \$1,000,000	180,588	4.13%	1,366,775,627	20.79%
\$1,000,000 and over	33,773	0.77%	1,058,262,902	16.10%
Total	4,371,196	100.00%	\$ 6,574,754,433	100.00%

2010				
	Number of Filers	% of Total	Personal Income Tax Liability	% of Total
\$50,000 and under	3,317,753	77.59%	\$ 1,316,171,481	26.34%
\$50,000 - \$100,000	710,262	16.61%	1,426,186,805	28.54%
\$100,000 - \$250,000	190,933	4.47%	919,084,565	18.39%
\$250,000 - \$1,000,000	45,785	1.07%	647,958,606	12.96%
\$1,000,000 and over	11,057	0.26%	688,049,159	13.77%
Total	4,275,790	100.00%	\$ 4,997,450,616	100.00%

*Federal Adjusted Gross Income

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available.
The categories presented are intended to provide alternative information regarding the sources of the State's revenue.

Source: Missouri Department of Revenue

STATE OF MISSOURI
RATIOS OF OUTSTANDING DEBT
FISCAL YEARS 2010-2019
(In Thousands of Dollars Except Per Capita)

	2019	2018*	2017	2016
Governmental Activities				
General Obligation Bonds	\$ 66,120	\$ 104,695	\$ 154,830	\$ 208,880
Other Bonds	2,523,955	2,807,240	2,943,825	3,207,400
Leasehold Revenue Bonds	24,170	25,775	27,310	28,770
Certificates of Participation	—	13,525	26,770	39,770
Financed Purchases	31,525	24,848	—	—
Capital Leases	13,549	15,812	45,736	61,846
Total Governmental Activities	\$ 2,659,319	\$ 2,991,895	\$ 3,198,471	\$ 3,546,666
Business-Type Activities				
Capital Leases	\$ —	\$ —	\$ 128	\$ 304
Total Business-Type Activities	\$ —	\$ —	\$ 128	\$ 304
Total Primary Government	\$ 2,659,319	\$ 2,991,895	\$ 3,198,599	\$ 3,546,970
Personal Income	\$ 285,704,000	\$ 266,920,797	\$ 261,547,770	\$ 257,338,334
Debt as a Percentage of Personal Income ¹	0.9%	1.1%	1.2%	1.4%
Debt Per Capita ¹	\$ 425	\$ 489	\$ 526	\$ 583
Legal Debt Margin Calculation for Fiscal Year 2019:				
General Obligation Bonds Authorized (Legislative Debt Limit)	\$ 1,726,395			
Unforeseen Emergency or Casual Deficiency	1,000			
Less: General Obligation Issued	(1,489,494)			
Legal Debt Margin	<u>\$ 237,901</u>			
Legal Debt Margin Summary by Fiscal Year:				
Legislative Debt Limit	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395
Total Net Debt Applicable to Limit	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
Legal Debt Margin	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>
Legal Debt Margin to Debt Limit Ratio	13.78%	13.78%	13.78%	13.78%

¹ These ratios are calculated using personal income and population for the calendar year.
See *Demographic Indicators* for personal income and population data.

*Fiscal year 2018 amounts have been restated.

2015	2014	2013	2012	2011	2010
\$ 266,275	\$ 323,395	\$ 378,150	\$ 432,765	\$ 487,090	\$ 528,910
3,226,430	3,303,700	3,562,775	3,735,920	3,880,975	4,060,855
30,170	31,515	32,995	32,780	33,880	34,935
52,560	65,160	76,910	76,910	76,910	87,550
—	—	—	—	—	—
51,729	66,270	75,535	78,455	103,543	97,423
<u>\$ 3,627,164</u>	<u>\$ 3,790,040</u>	<u>\$ 4,126,365</u>	<u>\$ 4,356,830</u>	<u>\$ 4,582,398</u>	<u>\$ 4,809,673</u>
<u>\$ 477</u>	<u>\$ 215</u>	<u>\$ 284</u>	<u>\$ 356</u>	<u>\$ 66</u>	<u>\$ 116</u>
<u>\$ 477</u>	<u>\$ 215</u>	<u>\$ 284</u>	<u>\$ 356</u>	<u>\$ 66</u>	<u>\$ 116</u>
<u>\$ 3,627,641</u>	<u>\$ 3,790,255</u>	<u>\$ 4,126,649</u>	<u>\$ 4,357,186</u>	<u>\$ 4,582,464</u>	<u>\$ 4,809,789</u>
\$ 252,482,438	\$ 245,771,389	\$ 235,153,679	\$ 228,218,407	\$ 218,778,293	\$ 216,049,019
1.4%	1.5%	1.8%	1.9%	2.1%	2.2%
\$ 598	\$ 627	\$ 685	\$ 725	\$ 764	\$ 807
\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395	\$ 1,726,395
(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)	(1,488,494)
<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>	<u>\$ 237,901</u>
13.78%	13.78%	13.78%	13.78%	13.78%	13.78%

**STATE OF MISSOURI
PLEDGED REVENUE COVERAGE
FISCAL YEARS 2010-2019
(In Thousands of Dollars)**

Fiscal Year	Gross Revenues ¹	Less: Operating Expenses ²	Net Available Revenues	Debt Service		Coverage ³
				Principal	Interest	
Missouri Road Fund						
2019	\$ 1,955,445	\$ 389,546	\$ 1,565,899	\$ 209,355	\$ 80,032	5.4
2018	2,000,651	383,969	1,616,682	200,185	89,422	5.6
2017	1,852,570	388,116	1,464,454	190,770	103,917	5.0
2016	1,831,126	372,800	1,458,326	168,470	111,751	5.2
2015	1,721,615	373,739	1,347,876	169,550	114,878	4.7
2014	1,773,033	348,537	1,424,496	162,050	130,641	4.9
2013	1,822,318	333,327	1,488,991	153,525	135,511	5.2
2012	1,761,382	342,240	1,419,142	133,190	140,202	5.2
2011	2,237,700	305,649	1,932,051	137,015	146,326	6.8
2010	1,760,497	281,320	1,479,177	88,285	128,851	6.8

N/A = not available

¹ Revenues for Missouri Road Fund consist of a portion of the taxes and fees received by the State from the motor fuel tax, sales tax on motor vehicles, use tax on motor vehicles, revenue derived from motorists for their usage of the highways of the State, federal grants, and bond proceeds.

² Operating Expenses do not include depreciation/amortization.

³ Coverage equals net available revenue divided by debt service.

Source: Missouri Department of Transportation

**STATE OF MISSOURI
DEMOGRAPHIC INDICATORS
CALENDAR YEARS 2009-2018**

	2018	2017	2016	2015	2014
Population					
Missouri (In Thousands)	6,043	6,114	6,093	6,084	6,064
Change	0.3%	0.4%	0.1%	0.3%	0.3%
National (In Thousands)	327,167	325,719	323,128	321,419	318,857
Change	0.6%	0.7%	0.5%	0.8%	0.9%
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 285,704,000	\$ 266,920,797	\$ 261,547,770	\$ 257,338,334	\$ 252,482,438
Change	6.6%	2.1%	1.6%	1.9%	2.7%
National					
(In Thousands of Dollars)	\$ 17,572,929,000	\$ 16,413,550,863	\$ 15,912,777,000	\$ 15,463,981,000	\$ 14,683,147,000
Change	6.6%	3.1%	2.9%	5.3%	3.8%
Per Capita Personal Income					
Missouri	\$ 46,635	\$ 43,661	\$ 42,926	\$ 42,300	\$ 41,639
Change	6.4%	1.7%	1.5%	1.6%	2.4%
National	\$ 53,712	\$ 50,392	\$ 49,246	\$ 48,112	\$ 46,049
Change	6.2%	2.3%	2.4%	4.5%	2.9%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	3,052	3,051	3,112	3,114	3,058
Employed (In Thousands)	2,955	2,936	2,971	2,958	2,871
Unemployed (In Thousands)	98	115	141	156	187
Unemployment Rate	3.2%	3.8%	4.5%	5.0%	6.1%
National Unemployment Rate	3.9%	4.4%	4.9%	5.3%	6.2%

Continues Below

	2013	2012	2011	2010	2009
Population					
Missouri (In Thousands)	6,044	6,022	6,011	5,996	5,961
Change	0.4%	0.2%	0.3%	0.6%	0.6 %
National (In Thousands)	316,129	313,914	311,592	309,330	306,772
Change	0.7%	0.7%	0.7%	0.8%	0.9 %
Total Personal Income					
Missouri					
(In Thousands of Dollars)	\$ 245,771,389	\$ 235,153,679	\$ 228,218,407	\$ 218,778,293	\$ 216,049,019
Change	4.5%	3.0%	4.3%	1.3%	(3.4)%
National					
(In Thousands of Dollars)	\$ 14,151,427,000	\$ 13,401,868,693	\$ 12,949,905,000	\$ 12,308,496,000	\$ 11,916,808,000
Change	5.6%	3.5%	5.2%	3.3%	(4.3)%
Per Capita Personal Income					
Missouri	\$ 40,663	\$ 39,049	\$ 37,969	\$ 36,406	\$ 36,243
Change	4.1%	2.8%	4.3%	0.4%	(4.0)%
National	\$ 44,765	\$ 42,693	\$ 41,560	\$ 39,791	\$ 38,846
Change	4.9%	2.7%	4.4%	2.4%	(5.1)%
Resident Civilian Labor Force and Employment					
Civilian Labor Force					
(In Thousands)	3,018	2,993	3,022	3,053	3,051
Employed (In Thousands)	2,821	2,785	2,767	2,767	2,768
Unemployed (In Thousands)	197	207	255	286	283
Unemployment Rate	6.5%	6.9%	8.4%	9.4%	9.3 %
National Unemployment Rate	7.4%	8.1%	8.9%	9.6%	9.3 %

Sources: Bureau of Economic Analysis, Missouri Economic Research and Information Center, Bureau of Labor Statistics

**STATE OF MISSOURI
ECONOMIC INDICATORS
CALENDAR YEARS 2009-2018**

	2018-19	2017-18	2016-17	2015-16	2014-15
School Enrollment (In Thousands)					
Elementary and Secondary Education	881	884	884	885	886
Higher Education - Private Institutions	87	87	92	93	95
Total Enrollment (In thousands)	968	971	976	978	981
% Change from Prior Year	(0.3)%	(0.5)%	(0.2)%	(0.3)%	0.3%

Higher Education

Public Community Colleges

Number of Campuses	22	19	19	19	19
Number of Students (FTE*)	52,927	55,418	57,568	57,247	61,671

State Technical College

Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,467	1,242	1,226	1,273	1,276

State Colleges/Universities

Number of Campuses	14	14	14	14	14
Number of Students (FTE)	112,020	115,374	119,127	121,827	121,358

Continues Below

	2013-14	2012-13	2011-12	2010-11	2009-10
School Enrollment (In Thousands)					
Elementary and Secondary Education	888	888	886	890	892
Higher Education - Private Institutions	90	91	98	95	93
Total Enrollment	978	979	984	985	985
% Change from Prior Year	(0.1)%	(0.5)%	(0.1)%	0.0%	0.3%

Higher Education

Public Community Colleges

Number of Campuses	19	19	19	19	20
Number of Students (FTE*)	65,773	67,721	70,964	70,320	65,034

State Technical College

Number of Campuses	1	1	1	1	1
Number of Students (FTE)	1,325	1,236	1,161	1,133	1,116

State Colleges/Universities

Number of Campuses	14	14	14	14	14
Number of Students (FTE)	118,669	118,055	117,609	114,655	112,539

*FTE is Full-Time Equivalent.

Sources: Missouri Department of Elementary and Secondary Education and Missouri Department of Higher Education

**STATE OF MISSOURI
PRINCIPAL EMPLOYERS
CALENDAR YEARS 2009 AND 2018**

2018

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	54,000+	1.83%
Wal-Mart Associates, Inc.	20,000+	0.68%
Mercy Health Systems	20,000+	0.68%
Washington University	20,000+	0.68%
US Post Office	15,000-20,000	0.51%-0.68%
Boeing Corporation	12,500-15,000	0.42%-0.51%
Cerner Corporation	10,000-12,500	0.34%-0.42%
Barnes-Jewish Hospitals	10,000-12,500	0.34%-0.42%
U.S. Department of Veterans Affairs	10,000-12,500	0.34%-0.42%
Schnuck Markets, Inc.	7,500-10,000	0.25%-0.34%
SSM Health Care	7,500-10,000	0.25%-0.34%
Total	186,500-206,500	6.31%-6.99%
Total Missouri Employment		2,954,808

2009

Employer	Number of Employees	Percent of Total State Employment
State of Missouri ¹	63,000	2.29%
Wal-Mart Associates, Inc.	40,000-45,000	1.45% - 1.63%
University of Missouri	20,000 - 25,000	0.73% - 0.91%
US Post Office	15,000 - 20,000	0.54% - 0.73%
Washington University	10,000 - 15,000	0.36% - 0.54%
Boeing Corporation	10,000 - 15,000	0.36% - 0.54%
U.S. Department of Defense	7,500 - 10,000	0.27% - 0.36%
Barnes-Jewish Hospitals	7,500 - 10,000	0.27% - 0.36%
Schnuck Markets, Inc.	7,500 - 10,000	0.27% - 0.36%
City of St. Louis	7,500 - 10,000	0.27% - 0.36%
Total	188,000-223,000	6.81% - 8.08%
Total Missouri Employment		2,753,762

All figures are based on a calendar-year average.

¹Number of state employees includes only full-time personnel and does not include college or university employees.

Sources: Missouri Economic Research and Information Center, State of Missouri CAFR-Fiscal Year 2009, State Employee Headcount report

**STATE OF MISSOURI
STATE EMPLOYEES BY FUNCTION
FISCAL YEARS 2010-2019
FULL-TIME EQUIVALENTS***

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government										
Legislature	652	665	663	670	667	671	670	683	703	725
Judiciary	3,430	3,551	3,558	3,543	3,519	3,530	3,470	3,369	3,393	3,626
Public Defender	605	578	579	577	573	575	565	595	578	570
Governor	33	30	18	21	22	23	26	28	32	33
Lt. Governor	8	7	6	7	6	5	5	6	6	6
Secretary of State	223	220	217	235	233	228	244	244	253	261
State Auditor	116	111	109	108	113	113	111	116	116	119
State Treasurer	46	46	46	45	46	49	48	49	50	49
Attorney General	347	351	351	359	373	376	363	350	371	408
Office of Administration	1,846	1,859	1,907	1,881	1,871	1,933	2,132	2,161	2,139	2,040
Revenue	1,297	1,283	1,289	1,283	1,288	1,347	1,344	1,364	1,383	1,421
Total General Government	8,603	8,701	8,743	8,729	8,711	8,850	8,978	8,965	9,024	9,258
Education										
Elementary and Secondary Education	2,512	2,620	2,555	2,663	2,639	2,678	2,631	2,714	2,635	2,662
Higher Education	58	56	55	57	57	57	64	61	65	75
Total Education	2,570	2,676	2,610	2,720	2,696	2,735	2,695	2,775	2,700	2,737
Natural and Economic Resources										
Agriculture	431	483	476	495	495	464	456	467	535	617
Insurance, Financial Institutions and Professional Registration	744	733	762	770	765	762	759	755	744	734
Conservation	1,835	1,871	1,898	1,871	1,895	1,896	1,901	1,872	1,894	1,982
Economic Development	793	800	812	800	810	786	822	891	947	1,019
Labor and Industrial Relations	657	701	742	796	827	881	967	998	987	924
Natural Resources	1,830	1,842	1,981	2,023	1,974	2,075	2,047	2,042	1,934	1,903
Total Natural and Economic Resources	6,290	6,430	6,671	6,755	6,766	6,864	6,952	7,025	7,041	7,179
Transportation and Law Enforcement										
Transportation	5,497	5,471	5,545	5,444	5,591	5,502	5,410	5,804	6,399	6,970
Public Safety	5,490	5,449	5,316	5,240	5,193	5,220	5,320	5,309	5,281	5,336
Total Transportation and Law Enforcement	10,987	10,920	10,861	10,684	10,784	10,722	10,730	11,113	11,680	12,306
Human Services										
Health and Senior Services	1,794	1,825	1,831	1,825	1,830	1,793	1,798	1,753	1,706	1,826
Mental Health	7,704	7,836	7,728	7,605	7,742	8,076	8,101	8,089	8,256	8,961
Social Services	6,537	6,670	6,735	6,952	7,147	7,145	7,244	7,371	7,562	8,138
Corrections	10,179	10,568	10,866	10,929	11,051	11,069	10,880	10,864	10,990	11,175
Total Human Services	26,214	26,899	27,160	27,311	27,770	28,083	28,023	28,077	28,514	30,100
State Total	54,664	55,626	56,045	56,199	56,727	57,254	57,378	57,955	58,959	61,580

*Based on a four quarter average.

Source: Office of Administration, Division of Accounting, Statewide Indirect Cost Allocation Plan

**STATE OF MISSOURI
OPERATING INDICATORS BY FUNCTION
FISCAL YEARS 2010-2019**

	2019	2018	2017	2016
General Government				
Individual Income Tax Returns Processed (In Thousands)	3,102	3,103	3,060	3,098
Sales and Use Tax Returns Processed (In Thousands)	765	694	707	707
Driver Licenses Processed (In Thousands)	1,324	1,183	1,487	1,123
Motor Vehicle Registrations Processed (In Thousands)	5,930	4,221	3,770	3,993
Audit Reports Issued	155	155	147	135
Statewide Court Filings (In Thousands)	1,902	1,923	2,098	2,370
Archives Website Hit				
Secretary of State Web Page (In Thousands)	24,998	29,498	28,714	18,232
Checks Issued (In Thousands)	1,332	1,537	1,592	1,697
Unclaimed Property Returned (In Thousands)	\$ 45,083	\$ 44,697	\$ 44,369	\$ 42,038
Education				
High School Drop Out Rate	2.2%	2.4%	2.4%	2.5%
Accredited Elementary and Secondary School Districts*	508	512	512	518
Clients Achieving Employment after Receiving Vocational Rehabilitation Services	53.1%	56.2%	60.1%	60.9%
Student Loan Recovery Rate	31.0%	25.5%	26.0%	23.3%
Scholarships/Grants Awarded to Eligible Missouri Residents (In Thousands)	\$ 128,967	\$ 121,753	\$ 129,623	\$ 119,948
Natural and Economic Resources				
Job Placement Rate of Unemployed Individuals that Registered on Great Hires Web Page**	70.7%	71.6%	64.9%	65.7%
Insurance Policies Filed Electronically	100.0%	100.0%	100.0%	99.7%
Initial Unemployment Claims (In Thousands)	184	217	239	259
International Export Certificates Issued	6,802	7,619	8,110	6,773
Hunting License Holders (In Thousands)	561	596	603	607
Visitors to Missouri State Parks and Historic Sites (In Thousands)	21,107	21,559	21,273	19,205
Transportation and Law Enforcement				
Methamphetamine Labs Seized	2	8	11	7
State - Licensed Fire Safety Inspections	13,543	17,903	18,459	19,459
Buildings Served by Missouri Capitol Police	72	71	71	74
Alcohol Licenses Issued	34,028	32,972	32,319	31,404
Missouri Major Roads Rated in Good Condition	91.5%	91.6%	90.0%	90.4%
Difference Between Awarded and Actual Transportation Construction Costs	1.50%	0.02%	0.1%	1.1%
Human Services				
Medicaid Enrollees	858,077	971,143	983,835	982,776
Food Stamp Recipients	682,299	727,131	754,062	782,374
Doses of Vaccine Issued by Vaccines for Children Providers (In Thousands)	1,162	1,208	1,243	1,226
Incarcerated Offenders	28,172	31,726	32,537	32,837
Individuals Served in State Comprehensive Psychiatric Service Facilities	1,607	1,611	1,652	1,683

*Department of Elementary and Secondary Education presented no accreditation classifications to the Board of Education during fiscal year 2013. Charter schools are not included in the statistics.

** In Fiscal Year 2019 the web page changed from MissouriCareerSource to Great Hires.

Sources: State agencies

2015	2014	2013	2012	2011	2010
3,058	2,848	2,945	2,969	2,917	2,877
705	703	730	760	773	785
1,600	1,415	1,308	1,208	1,160	1,090
4,479	4,215	4,050	3,905	3,828	3,844
143	150	146	123	168	151
2,624	2,652	2,685	2,565	2,525	2,359
72,045	87,436	98,233	91,257	70,384	53,835
1,550	1,363	1,722	1,971	2,216	2,465
\$ 41,720	\$ 40,042	\$ 39,509	\$ 38,239	\$ 36,373	\$ 35,014
2.5%	2.8%	3.0%	3.5%	4.0 %	4.1 %
507	507		506	510	510
61.7%	60.0%	62.7%	61.0%	56.0 %	61.0 %
26.4%	31.2%	34.2%	36.5%	30.0 %	28.2 %
\$ 111,342	\$ 107,413	\$ 104,265	\$ 97,077	\$ 91,146	\$ 98,593
60.7%	56.0%	55.4%	55.2%	58.2 %	57.9 %
99.5%	99.4%	99.4%	99.5%	96.0 %	96.0 %
295	355	364	427	502	582
7,926	6,453	7,819	7,821	6,301	4,924
610	612	606	593	588	592
18,568	17,468	18,093	17,846	16,363	15,891
70	129	244	274	340	245
13,434	15,348	15,680	15,177	11,487	10,603
72	72	72	72	73	75
31,400	30,743	30,723	30,498	29,960	29,051
89.2%	89.7%	88.5%	88.1%	85.8 %	86.5 %
0.6%	0.8%	0.5%	0.2%	(0.4)%	(1.9)%
944,257	825,974	868,226	889,159	897,306	892,691
844,851	839,734	927,927	943,835	949,136	909,139
1,174	1,192	1,385	1,354	1,420	1,384
32,284	31,905	31,408	31,057	30,771	30,418
1,628	1,649	1,694	1,716	2,170	4,120

**STATE OF MISSOURI
CAPITAL ASSET STATISTICS
BY FUNCTION
FISCAL YEARS 2010-2019**

	2019	2018	2017	2016	2015
General Government					
Parcels of Land	23	23	21	21	20
Land Improvements	70	70	61	61	59
Square Footage of Buildings	1,130,336	1,062,507	1,066,968	1,068,854	1,032,098
Equipment	41,941	41,961	39,396	36,159	34,548
Software	2,940	2,940	2,717	2,260	1,961
Education					
Parcels of Land	31	31	31	31	31
Land Improvements	55	55	55	56	54
Square Footage of Buildings	165,291	158,235	157,190	156,710	136,074
Equipment	4,211	4,212	4,249	4,357	5,039
Trademarks	1	1	1	1	1
Natural and Economic					
Parcels of Land	885	888	880	847	835
Land Improvements	476	478	456	427	426
Temporary Easements	1	1	1	1	1
Square Footage of Buildings	561,296	583,682	582,846	582,847	574,076
Equipment	14,664	14,671	14,535	15,168	26,859
Software	318	96	91	80	68
State Parks and Historic	91	91	91	88	87
State Conservation Areas	1,217	1,197	1,198	1,190	1,186
Transportation and Law					
Parcels of Land	617	617	620	623	628
Land Improvements	495	495	486	476	474
Permanent Easements	751	719	674	638	593
Temporary Easements	602	593	542	654	797
Square Footage of Buildings	189,651	185,777	183,676	181,743	179,183
Equipment	72,773	72,869	72,030	67,114	67,103
Software	870	870	798	710	616
Miles of State Highway	33,838	33,859	33,856	33,873	33,892
State-Owned Bridges and	10,384	10,385	10,394	10,394	10,376
Highway Patrol Stations	9	9	9	9	9
Human Services					
Parcels of Land	80	80	81	81	81
Land Improvements	171	171	178	174	175
Square Footage of Buildings	862,583	920,530	916,936	917,901	926,098
Equipment	35,441	35,446	36,481	41,777	43,545
Software	89	89	86	82	70
Correctional Facilities	28	29	29	29	30

Source: State of Missouri capital asset records by agency.

2014	2013	2012	2011	2010
20	20	20	20	20
58	50	40	38	38
1,035,704	1,014,621	1,006,449	1,013,314	1,011,732
35,055	36,050	35,651	35,316	35,333
1,625	826	293	213	168
31	31	31	31	31
54	54	46	43	43
136,203	140,159	136,465	136,465	133,494
6,286	6,175	6,102	5,984	5,911
1	1	1	1	—
826	826	826	825	824
408	386	328	324	323
1	1	1	1	1
575,485	602,174	611,550	616,729	622,181
34,028	35,159	35,064	36,097	36,881
57	51	36	20	12
87	87	85	85	85
1,189	1,197	1,193	1,196	1,179
650	682	790	805	819
439	420	349	307	264
548	467	382	254	221
867	875	833	961	1,086
181,880	180,140	175,664	175,138	164,119
66,095	65,813	66,994	67,649	67,959
529	429	358	202	146
33,890	33,885	33,845	33,702	33,639
10,371	10,364	10,405	10,405	10,335
9	9	9	9	9
81	81	83	83	83
173	168	161	157	154
924,164	919,900	900,749	924,380	932,827
44,712	46,221	50,229	63,442	70,684
59	32	28	13	10
30	30	30	30	30

Report Prepared by:

Financial Reporting Section

Libbie D. Farrell, *Assistant Director*

Jessica K. Prater, *CGFM, Manager*

Krista G. Porter, *Supervisor*

Megan Bruemmer, *Specialist*

Christina R. Evans, *Specialist*

Blake Holtmeyer, *Specialist*

Becky Howard, *Specialist*

Jervis Mornan, *Specialist*

Andrea Polendo, *Specialist*

Zheng Zeng, *Specialist*

Britni Buechter, *Supervisor*

Amanda Locke, *Manager*

Shawn P. McCauley, *CGFM, Supervisor*